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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re GOOGLE INC. SHAREHOLDER
DERIVATIVE LITIGATION

Master File No. CV-11-04248-PJH

This Document Relates To:
ALL ACTIONS.

CITY OF ORLANDO POLICE PENSION
FUND by Its Trustees, derivatively on behalf
of GOOGLE INC.,

Case No. CV-13-02038-PJH

STIPULATION OF SETTLEMENT

Plaintiffs,

vs.

LAWRENCE E. PAGE, et al.,

Defendants.

and

GOOGLE INC., a Delaware corporation,

Nominal Defendant.

1 This Stipulation of Settlement, dated August 7, 2014 (“Stipulation” or “Settlement”), is made
2 and entered into by and among the following parties, and by and through their respective counsel:
3 (i) Plaintiffs Patricia H. McKenna, Avrohom Gallis, and James Clem, in the action captioned *In re*
4 *Google Inc. Shareholder Derivative Litigation*, No. CV-11-04248-PJH (the “Demand Futility
5 Action”) and the City of Orlando Police Pension Fund, in the action captioned *City of Orlando*
6 *Police Pension Fund v. Page, et al.*, Case No. CV-13-02038-PJH (the “Demand Refused Action”)
7 (together, the “Actions”) (on behalf of themselves and derivatively on behalf of Google Inc.)
8 (“Google” or the “Company”); (ii) Defendants Larry Page, Sergey Brin, Eric E. Schmidt, L. John
9 Doerr, John L. Hennessy, Ann Mather, Paul S. Otellini, K. Ram Shriram, and Shirley M. Tilghman
10 (together, “Settling Defendants”); and (iii) Nominal Party Google (together, the “Settling Parties”).
11 The Stipulation is intended by the Settling Parties to fully, finally and forever resolve, discharge and
12 settle the Released Claims (as defined below in ¶1.15) upon Court approval and subject to the terms
13 and conditions hereof.

14 I. INTRODUCTION

15 A. Overview of the Actions and Procedural History

16 The Actions allege that Google allowed foreign online pharmacies to place advertisements
17 that violated federal laws on Google’s advertising platform. The Actions further assert that Google’s
18 alleged violation of federal law regarding the foreign online pharmacy ads caused the Company to
19 enter into a Non-Prosecution Agreement (NPA) with the U.S. Department of Justice whereby
20 Google allegedly admitted to wrongful conduct related to the placement by foreign online
21 pharmacies of advertisements on Google’s advertising platform. As a result of these alleged
22 advertising practices at Google, Plaintiffs in the Demand Futility Action and the Demand Refused
23 Action allege that the Settling Defendants breached their fiduciary duty of loyalty and/or duty of care
24 owed to Google and its stockholders. The Settling Defendants have denied and continue to deny
25 each and every one of the claims and contentions alleged by the Plaintiffs in the Actions.
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1 **1. Commencement and Consolidation of the Demand Futility**
2 **Action**

3 The first derivative action addressing the foreign pharmacy ads generated on Google's
4 advertising platform was filed on August 29, 2011, in the United States District Court for the
5 Northern District of California (the "Court"). Thereafter, two additional actions were filed in the
6 Court containing similar allegations. All three actions alleged, among other things, that a pre-suit
7 demand upon the Google Board of Directors (the "Google Board") was futile and excused as a
8 matter of law. On September 19, 2011, the Court issued an order consolidating these derivative
9 actions.

10 **2. The Motion to Dismiss the Consolidated Complaint**

11 On October 24, 2011, plaintiffs Patricia H. McKenna, Avrohom Gallis and James Clem
12 (together, "Demand Futility Plaintiffs") filed a Consolidated Shareholder Derivative Complaint
13 ("Consolidated Complaint"). In the Consolidated Complaint, the Demand Futility Plaintiffs asserted
14 claims on behalf of Google against defendants Larry Page, Sergey Brin, Eric E. Schmidt, L. John
15 Doerr, John L. Hennessy, Paul S. Otellini, K. Ram Shriram, Shirley M. Tilghman, Nikesh Arora, and
16 Patrick Pichette (together, the "Individual Defendants") for breach of fiduciary duty, abuse of
17 control, corporate waste, and unjust enrichment.

18 On December 14, 2011, the Individual Defendants and Nominal Party Google filed a Motion
19 to Dismiss the Consolidated Complaint. In the Motion to Dismiss, the Individual Defendants and
20 Google argued, among other things, that the Consolidated Complaint failed to adequately plead that
21 a pre-suit demand upon the Google Board was futile. They further argued that the Consolidated
22 Complaint failed to state any actionable claim for relief under the applicable laws.

23 On February 14, 2012, the Demand Futility Plaintiffs filed an Opposition to the Motion to
24 Dismiss the Consolidated Complaint. In their opposition, the Demand Futility Plaintiffs argued,
25 among other things, that the Consolidated Complaint pleaded, with particularity, facts sufficient to
26 excuse a pre-suit demand upon the Google Board. The Demand Futility Plaintiffs further argued that
27 the facts alleged in the Consolidated Complaint stated actionable claims for relief against the
28 Individual Defendants.

1 On May 8, 2012, after hearing oral argument, the Court issued an order granting the Motion
2 to Dismiss the Consolidated Complaint. The Court also granted the Demand Futility Plaintiffs leave
3 to file an amended complaint.

4 3. The Motion to Dismiss the Amended Consolidated Complaint

5 On June 8, 2012, the Demand Futility Plaintiffs filed an Amended Consolidated Shareholder
6 Derivative Complaint (the "Amended Consolidated Complaint"). The Amended Consolidated
7 Complaint included, among other things, additional facts alleging why a pre-suit demand upon the
8 Google Board was futile and, therefore, excused. The Amended Consolidated Complaint did not
9 name Nikesh Arora or Patrick Pichette as defendants, but asserted claims on behalf of Google
10 against defendants Larry Page, Sergey Brin, Eric E. Schmidt, L. John Doerr, John L. Hennessy, Paul
11 S. Otellini, K. Ram Shriram, and Shirley M. Tilghman (together, the "Demand Futility Defendants")
12 for breach of fiduciary duty and other claims.

13 On July 6, 2012, the Demand Futility Defendants and Google filed a Motion to Dismiss the
14 Amended Consolidated Complaint. In their dismissal motion, the Demand Futility Defendants and
15 Google argued that, despite the additional facts, the Amended Consolidated Complaint failed to
16 adequately allege that a pre-suit demand upon the Google Board was excused. The Demand Futility
17 Defendants and Google further argued that, even if a pre-suit demand was futile, the Amended
18 Consolidated Complaint still must be dismissed for failure to state any actionable claim for relief.

19 On August 10, 2012, the Demand Futility Plaintiffs filed an Opposition to the Motion to
20 Dismiss the Amended Consolidated Complaint. In their opposition, the Demand Futility Plaintiffs
21 argued, among other things, that the Motion to Dismiss the Amended Consolidated Complaint
22 should be denied because the Amended Consolidated Complaint set forth facts sufficient to excuse a
23 pre-suit demand upon the Google Board. The Demand Futility Plaintiffs also articulated why the
24 Amended Consolidated Complaint stated actionable claims for breach of fiduciary duty and other
25 relief.

26 On July 3, 2013, the Court heard oral argument on the Motion to Dismiss the Amended
27 Consolidated Complaint. On September 26, 2013, the Court issued an order granting the Motion to
28 Dismiss the Amended Consolidated Complaint with leave to amend.

1 **4. The Motion to Dismiss the Second Amended Complaint**

2 On November 1, 2013, the Demand Futility Plaintiffs filed a Second Amended Consolidated
3 Shareholder Derivative Complaint (“Second Amended Complaint”). The Second Amended
4 Complaint included additional facts concerning the reasons why a pre-suit demand upon the Google
5 Board was futile. The Second Amended Complaint also asserted claims for relief against the
6 Demand Futility Defendants for, among other things, breach of fiduciary duty.

7 On December 6, 2013, the Demand Futility Defendants and Google filed a Motion to
8 Dismiss the Second Amended Complaint. In their Motion to Dismiss the Second Amended
9 Complaint, the Demand Futility Defendants and Google once again argued that the Demand Futility
10 Action must be dismissed because the Demand Futility Plaintiffs had not made a pre-suit demand
11 upon the Google Board. The Demand Futility Defendants and Google further argued that the
12 Second Amended Complaint was defective because it failed to allege facts that stated any actionable
13 claim for relief.

14 On January 16, 2014, the Demand Futility Plaintiffs filed an Opposition to the Motion to
15 Dismiss the Second Amended Complaint. In their opposition, the Demand Futility Plaintiffs argued
16 that the particularized facts contained in the Second Amended Complaint excused a pre-suit demand
17 upon the Google Board, and stated actionable claims for relief for breach of fiduciary duty, unjust
18 enrichment, and corporate waste.

19 On March 5, 2014, the Court heard oral argument on the Motion to Dismiss the Second
20 Amended Complaint. At the conclusion of the hearing, the Court took the Motion to Dismiss the
21 Second Amended Complaint under submission.

22 Following the March 5, 2014 hearing, the parties agreed to stay the proceedings to permit the
23 parties to participate in private mediation. The parties submitted stipulations staying the proceedings
24 on March 11, 2014, April 25, 2014, July 21, 2014, and July 30, 2014. Pursuant to the Court’s Orders
25 of March 12, 2014, April 29, 2014, July 23, 2014, and July 31, 2014, the proceedings are currently
26 stayed until August 8, 2014.

1 **5. The City of Orlando Police Pension Fund Makes a Demand on**
2 **Google's Board**

3 On January 13, 2012, the City of Orlando Police Pension Fund (“Demand Refused Plaintiff”
4 or “Orlando Pension Fund”) by its attorneys Abraham, Fruchter & Twersky, LLP (“AF&T” or
5 “Demand Refused Counsel”), served a written demand for action (“Demand”) upon the Google
6 Board. In the Demand, the Demand Refused Plaintiff demanded, among other things, that the
7 Google Board investigate and bring legal action against defendants Larry Page, Sergey Brin, Eric E.
8 Schmidt and the other executives, accountable for permitting foreign online pharmacies to place
9 advertisements that violated federal laws on Google’s advertising platform, which allegedly resulted
10 in, *inter alia*, the Company entering into the NPA.

11 **6. Formation of the Independent Special Committee and**
12 **Rejection of the Demand**

13 On April 11, 2012, in response to the Demand, the Google Board established an independent
14 Special Committee to conduct an investigation and consider the facts and circumstances of the
15 allegations contained in the Demand. The Google Board determined that Directors Diane B. Greene
16 and Ann Mather were capable of competently and impartially considering the Demand and
17 designated them as the members of the Special Committee.

18 Between approximately May 2012 and December 2012, the Special Committee and its
19 retained counsel conducted an investigation into the matters set forth in the Demand. On January 28,
20 2013, after considering the findings and conclusions of the investigation, counsel for the Special
21 Committee notified Orlando Pension Fund of the Google Board’s decision to refuse the Demand,
22 and not to pursue any of the claims alleged in the Demand.

23 **7. The Motion to Dismiss the Demand Refused Complaint**

24 On May 2, 2013, the Orlando Pension Fund commenced an action in the United States
25 District Court for the Northern District of California with the filing of a shareholder derivative
26 complaint alleging, among other things, that Google’s Board has improperly and unreasonably
27 refused the Demand (the “Demand Refused Complaint”). In the Demand Refused Complaint, the
28 Orlando Pension Fund asserted claims on behalf of Google against Larry Page, Sergey Brin, Eric E.

1 Schmidt, L. John Doerr, John L. Hennessy, Ann Mather, Paul S. Otellini, K. Ram Shriram and
2 Shirley M. Tilghman (together, the "Demand Refused Defendants") for breach of fiduciary duty in
3 connection with Google's acceptance of advertisements by foreign online pharmacies that did not
4 comply with certain federal laws.

5 On May 22, 2013, Google and the Demand Refused Defendants filed a Motion to Dismiss
6 the Demand Refused Complaint. On June 21, 2013, the Demand Refused Plaintiff filed an
7 Opposition to the Motion to Dismiss the Demand Refused Complaint. A hearing on the motion was
8 conducted on July 24, 2013.

9 On September 26, 2013, the Court issued an Order denying the Demand Refused Defendants'
10 Motion to Dismiss the Demand Refused Complaint.

11 **8. The Motion for Summary Judgment**

12 On November 1, 2013, Google and the Demand Refused Defendants filed a Motion for
13 Summary Judgment.

14 On December 18, 2013, the Demand Refused Plaintiff filed an Opposition to the Motion for
15 Summary Judgment and, in the alternative, sought a continuance of the Court's ruling on the Motion
16 for Summary Judgment until the Demand Refused Plaintiff had the opportunity to take sufficient
17 discovery needed for opposing the summary judgment motion by filing of an affidavit pursuant to
18 Federal Rule of Civil Procedure 56(d).

19 The Court heard oral argument on the Motion for Summary Judgment and on the Demand
20 Refused Plaintiff's request for a continuance under Federal Rule of Civil Procedure 56(d) on January
21 29, 2014. Following the hearing, the parties agreed to stay the proceedings to permit the parties to
22 participate in private mediation. The parties submitted stipulations staying the proceedings on
23 March 11, 2014, April 25, 2014, July 21, 2014, and July 30, 2014. Pursuant to the Court's Orders of
24 March 12, 2014, April 29, 2014, July 23, 2014, and July 31, 2014, the proceedings are currently
25 stayed until August 8, 2014.

26 **B. Settlement Negotiations**

27 After the Motion to Dismiss the Second Amended Complaint and the Motion for Summary
28 Judgment in the Demand Refused Action were taken under submission by the Court, beginning in

1 March 2014, representatives of the Settling Parties commenced negotiations regarding possible
2 resolution of the Actions. Ultimately, the Settling Parties engaged in a formal mediation process
3 before the Honorable Layn R. Phillips, United States District Court Judge (Ret.), which culminated
4 in an all-day, in-person mediation session on May 21, 2014 in New York, New York. As a result of
5 these arm's-length settlement negotiations, the Settling Parties reached an agreement-in-principle for
6 the resolution of the Actions.

7 **C. Approval of the Settlement by the Committee of Independent Google**
8 **Directors**

9 On August 4, 2014, a Committee of independent Google directors, in exercising their
10 business judgment, unanimously approved the Settlement and each of its terms, as set forth in the
11 Stipulation, as in the best interest of Google and its stockholders.

12 **II. CLAIMS OF PLAINTIFFS AND BENEFITS OF SETTLEMENT**

13 Plaintiffs and Plaintiffs' Counsel believe that the claims asserted in the Actions have merit.
14 However, Plaintiffs and Plaintiffs' Counsel recognize and acknowledge the expense and length of
15 continued proceedings necessary to prosecute the Actions against the Settling Defendants through
16 trial and potential appeals. Plaintiffs and Plaintiffs' Counsel also have taken into account the
17 uncertain outcome and the risk of any litigation, especially in complex actions such as the Actions,
18 as well as the difficulties and delays inherent in such litigation. Plaintiffs and Plaintiffs' Counsel
19 also are mindful of the inherent problems of proof of, and possible defenses to, the claims asserted in
20 the Actions. Based on their evaluation, Plaintiffs and Plaintiffs' Counsel have determined that the
21 Settlement set forth in this Stipulation is in the best interests of Google and its stockholders.

22 **III. THE SETTLING DEFENDANTS' DENIALS OF WRONGDOING AND**
23 **LIABILITY**

24 The Settling Defendants have denied and continue to deny each and every one of the claims
25 and contentions alleged by the Plaintiffs in the Actions. The Settling Defendants expressly have
26 denied and continue to deny all allegations of wrongdoing or liability against them or any of them
27 arising out of, based upon or related to any of the conduct, statements, acts or omissions alleged, or
28 that could have been alleged, in the Actions. Without limiting the foregoing, the Settling Defendants
have denied and continue to deny, among other things, that they breached their fiduciary duties or

1 any other duty owed to Google or its stockholders, or that Plaintiffs, Google, or its stockholders
2 suffered any damage or were harmed as a result of any conduct alleged in the Actions or otherwise.
3 The Settling Defendants have further asserted and continue to assert that at all relevant times, they
4 acted in good faith and in a manner they reasonably believed to be in the best interests of Google and
5 its stockholders.

6 Nonetheless, the Settling Defendants also have taken into account the expense, uncertainty
7 and risks inherent in any litigation, especially in complex cases like the Actions. Therefore, the
8 Settling Defendants have determined that it is desirable and beneficial that the Actions, and all of the
9 Settling Parties' disputes related thereto, be fully and finally settled in the manner and upon the
10 terms and conditions set forth in this Stipulation. Pursuant to the terms set forth below, this
11 Stipulation (including all of the Exhibits hereto) shall in no event be construed as or deemed to be
12 evidence of an admission or concession by the Settling Defendants with respect to any claim of fault,
13 liability, wrongdoing, or damage whatsoever.

14 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

15 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the
16 Plaintiffs (for themselves and derivatively on behalf of Google), by and through their respective
17 attorneys of record, the Settling Defendants and Google, by and through their respective attorneys of
18 record, that in exchange for the consideration set forth below, the Actions and Released Claims shall
19 be fully, finally and forever compromised, settled, discharged, relinquished and released, and the
20 Actions shall be dismissed with prejudice as to the Settling Defendants, upon and subject to the
21 terms and conditions of this Stipulation, as follows:

22 **1. Definitions**

23 As used in this Stipulation the following terms have the meanings specified below:

24 1.1 "Actions" means, collectively, the Demand Futility Action and the Demand Refused
25 Action.

26 1.2 "Court" means the United States District Court for the Northern District of California.
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1 1.3 “Demand Futility Action” means the consolidated proceeding entitled *In re Google*
2 *Inc. Shareholder Derivative Litigation*, No. CV-11-04248-PJH, pending in the United States District
3 Court for the Northern District of California.

4 1.4 “Demand Refused Action” means the action entitled *City of Orlando Police Pension*
5 *Fund v. Page, et al.*, Case No. CV-13-02038-PJH, pending in the United States District Court for the
6 Northern District of California.

7 1.5 “Demand Refused Counsel” means the law firm of Abraham, Fruchter & Twersky,
8 LLP.

9 1.6 “District Court Approval Order” means the Order Approving Derivative Settlement
10 and Order of Dismissal with Prejudice, substantially in the form attached as Exhibit B hereto.

11 1.7 “Effective Date” means the first date by which all of the events and conditions
12 specified in ¶6.1 of this Stipulation have been met and have occurred.

13 1.8 “Final” means the time when the Judgment has not been reversed, vacated, or
14 modified in any way and is no longer subject to appellate review, either because of disposition on
15 appeal and conclusion of the appellate process or because of passage, without action, of time for
16 seeking appellate review. More specifically, it is that situation when: (1) either no appeal has been
17 filed and the time has passed for any notice of appeal to be timely filed in the Actions; or (2) an
18 appeal has been filed and the court(s) of appeal has/have either affirmed the Judgment or dismissed
19 that appeal and the time for any reconsideration or further appellate review has passed and the
20 appellate court mandate(s) has/have issued; or (3) a higher court has granted further appellate review
21 and that court has either affirmed the underlying Judgment or affirmed the court of appeal’s decision
22 affirming the Judgment or dismissing the appeal.

23 1.9 “Google” means Google Inc., including, but not limited to, its predecessors,
24 successors, partners, joint ventures, subsidiaries, affiliates, divisions, and assigns.

25 1.10 “Judgment” means the judgment to be rendered by the Court in the Actions upon its
26 final approval of the Settlement, substantially in the form attached as Exhibit C hereto.

27 1.11 “Person” means an individual, corporation, limited liability company, professional
28 corporation, limited liability partnership, partnership, limited partnership, association, joint venture,

1 joint stock company, estate, legal representative, trust, unincorporated association, government or
2 any political subdivision or agency thereof, and any business or legal entity, and each of their
3 spouses, heirs, predecessors, successors, representatives, or assignees.

4 1.12 "Plaintiffs" means collectively Patricia H. McKenna, Avrohom Gallis, James Clem,
5 and the City of Orlando Police Pension Fund.

6 1.13 "Plaintiffs' Counsel" means any counsel that has appeared of record or rendered legal
7 services to any of the Plaintiffs in connection with any of the Actions.

8 1.14 "Related Parties" means (i) as to Google, Google's past or present directors, officers,
9 managers, employees, partners, agents, attorneys, accountants, auditors, banks, insurers, co-insurers,
10 re-insurers, consultants, experts, successors, subsidiaries, divisions, joint ventures, assigns, general
11 or limited partners or partnerships, limited liability companies, any entity in which Google has a
12 controlling interest, and all officers, directors and employees of Google's current and former
13 subsidiaries, and (ii) as to the Settling Defendants, (1) each spouse, immediate family member, heir,
14 executor, estate, administrator, agent, attorney, accountant, auditor, bank, insurer, co-insurer, re-
15 insurer, advisor, consultant, expert, or affiliate of any of them, (2) any trust in respect of which any
16 Settling Defendant, or any spouse or family member thereof serves as a settlor, beneficiary or
17 trustee, and (3) any entity in which a Settling Defendant, or any spouse or immediate family member
18 thereof, holds a controlling interest or for which a Settling Defendant has served as an employee,
19 director, officer, managing director, advisor, general partner, limited partner, or member and any
20 collective investment vehicle which is advised or managed by any of them.

21 1.15 "Released Claims" means all claims, demands, rights, liabilities and claims for relief
22 of every nature and description whatsoever, known or unknown (as set forth in ¶1.23), that have
23 been, or could have been, asserted in the Actions by Plaintiffs, Google, or any Google stockholder
24 derivatively on behalf of Google against the Settling Defendants, based on the Settling Defendants'
25 acts and/or omissions in connection with, arising out of, or relating to, the facts, transactions, events,
26 matters, occurrences, acts, disclosures, statements, omissions or failures to act related to Google's
27 hosting of ads placed by foreign online pharmacies that violated certain federal laws through and
28 including the date of execution of this Stipulation.

1 1.16 “Released Persons” means the Settling Defendants, Google and their respective
2 Related Parties.

3 1.17 “Settlement” means the terms and conditions contained in this Agreement.

4 1.18 “Settling Defendants” means Larry Page, Sergey Brin, Eric E. Schmidt, L. John
5 Doerr, John L. Hennessy, Ann Mather, Paul S. Otellini, K. Ram Shriram and Shirley M. Tilghman.

6 1.19 “Settling Parties” means, collectively, each of the Plaintiffs, the Settling Defendants
7 and Google.

8 1.20 “Special Committee” means the independent Special Committee established by
9 Google consisting of Google Directors Diane B. Greene (who was not named as a defendant in the
10 Actions) and Ann Mather (who was only named as a defendant in the Demand Refused Action after
11 Google refused the Demand).

12 1.21 “State Actions” refers to the following purported derivative matters filed in the
13 California and Delaware state courts alleging claims similar or identical to those made in the
14 Actions: *DeKalb County Pension Fund v. Google Inc.*, 7694-VCP (Del. Ch. July 12, 2012);
15 *Szmerkes v. Page, et al.*, 6981-VCP (Del. Ch. Oct. 26, 2011); *Louisiana Municipal Police Employees*
16 *Ret. Sys. v. Page, et al.*, 7041-VCP (Del. Ch. Nov. 14, 2011); *Pompano Beach Police & Firefighters’*
17 *Ret. Sys. v. Page, et al.*, 7064-VCP (Del. Ch. Nov. 23, 2011); *Miron v. Brin et al.*, 11-CV-208338
18 (Santa Clara Super. Ct. Aug. 31, 2011); *Clark v. Page, et al.*, 11-CV-209070 (Santa Clara Super. Ct.
19 Sept. 13, 2011); and *Liss v. Page, et al.*, 11-CV-211139 (Santa Clara Super. Ct. Oct. 14, 2011).

20 1.22 “Stipulation” means this Agreement.

21 1.23 “Unknown Claims” means any Released Claims which Plaintiffs, Google or a Google
22 stockholder does not know or suspect to exist in his, her or its favor at the time of the release of the
23 Released Persons, including claims which, if known by him, her or it, might have affected his, her or
24 its settlement with, and release of the Released Persons, or might have affected his, her or its
25 decision not to object to this Settlement. With respect to any and all Released Claims, the Settling
26 Parties stipulate and agree that, upon the Effective Date, Plaintiffs, Google, and its stockholders shall
27 be deemed to have, and by operation of the Judgment shall have, expressly waived, the provisions,
28 rights and benefits of California Civil Code §1542, which provides:

1 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH**
2 **THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR**
3 **HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF**
 KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS
 OR HER SETTLEMENT WITH THE DEBTOR.

4 Further, with respect to any and all claims released pursuant to ¶¶4.1-4.3 below, the Settling Parties
5 stipulate and agree that, upon the Effective Date, each of the Released Persons also shall expressly
6 waive, and by operation of the Judgment shall have expressly waived any and all provisions, rights
7 and benefits conferred by any law of any jurisdiction or any state or territory of the United States, or
8 principle of common law, which is similar, comparable or equivalent to California Civil Code
9 §1542. Plaintiffs, Google and each Google stockholder may hereafter discover facts in addition or
10 different from those which he, she or it now knows or believes to be true with respect to the subject
11 matter of the Released Claims, known or unknown, suspected or unsuspected, contingent or non-
12 contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon
13 any theory of law or equity now existing or coming into existence in the future, including, but not
14 limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty,
15 law or rule, without regard to the subsequent discovery or existence of such different or additional
16 facts. The Settling Parties acknowledge, and the Google stockholders shall be deemed by operation
17 of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and
18 is a key element of the Settlement of which this release is a part.

19 **2. Consideration**

20 2.1 In connection with the Settlement of the Actions, the Google Board, following review
21 and recommendation by its Special Committee, shall adopt and maintain the corporate governance
22 measures and funding requirements specified herein within one hundred twenty (120) days after
23 judicial approval of the proposed Settlement by the Court. The corporate governance reforms and
24 funding commitments shall remain in effect for not fewer than five (5) years from that date and shall
25 not be altered without a Court order. Google acknowledges and agrees that the corporate
26 governance reforms and funding commitments set forth in ¶¶2.2-2.6 below confer substantial
27 benefits upon Google and its shareholders. Google also acknowledges that the commencement,
28

1 prosecution, and settlement of the Actions was a material and substantial factor in the Company's
2 decision to adopt, implement, and maintain the corporate governance reforms and funding
3 commitments set forth in ¶¶2.2-2.5 below.

4 2.2 User Safety Initiative

5 (a) As a material part of the Settlement, Google shall create the User Safety
6 Initiative. This program will focus on frustrating and disrupting the operations of rogue pharmacies
7 online.

8 (b) The mission statement and charter for the User Safety Initiative shall be as
9 follows:

10 The User Safety Initiative (“USI”) aims to disrupt the operations of rogue pharmacies
11 online. By proactively leveraging Google’s expertise in policy enforcement, and
12 working closely with industry, non-profits, NGOs, regulators, and law enforcement,
13 USI’s objective is to increasingly and more holistically make it difficult for rogue
14 online pharmacies who abuse Google’s systems to operate.

15 Initial Steps:

16 To promote USI’s mission, Google will focus on the following areas over the next
17 year:

- 18
- 19 • Building relationships with entities globally who can take meaningful steps to
20 frustrate business operations of rogue online pharmacy networks and expand
21 the reach of drug abuse prevention messaging organizations.
 - 22 • Continuing to make proactive referrals to trusted partners and law
23 enforcement entities best positioned to take meaningful action aimed at
24 frustrating the operations of largest rogue online pharmacy networks.
 - 25 • Improving visibility of relevant and reliable educational content regarding
26 prescription drug abuse prevention and intervention, and assist trusted
27
- 28

1 organizations operating in these areas (e.g., Drugfree.org) with marketing
2 efforts.

- 3 • Educating partners on best practices for collaborating with industry and law
4 enforcement so as to more holistically frustrate the business operations of
5 rogue online pharmacy networks.
- 6 • Regularly testing policy enforcement systems to identify and remedy
7 potential ways rogue online pharmacies might seek to evade those systems.
8

9 Reporting:

10 Per the “Corporate Governance Provisions” Agreement, the USI’s progress in these
11 areas will be reported on to the Audit Committee in July 2015.

12 USI Team:

13 Individuals from the Legal Department, the Product Quality Operations Team, and
14 the Risk Team.

15 Preliminary Action Items:

- 16 • Fund and help disseminate drug abuse prevention messaging campaigns
17 online.
- 18 • Develop better working relationship with payment processors in order to
19 collectively take action against the most egregious rogue pharmacy networks.
20
- 21 • Work closely with law enforcement and/or regulatory agencies on legal
22 action against most egregious rogue pharmacy networks.
- 23 • Work with legitimate pharmacies on optimization practices to counter against
24 the marketing efforts of rogue pharmacy networks online.
- 25 • Hire expert in enforcement actions against unlicensed pharmacies as
26 consultant.
27
28

1 (c) At least once annually after adoption of the User Safety Initiative, Google's
2 General Counsel shall report to the Audit Committee of the Google Board on the USI's activities,
3 successes, and challenges, and further recommend to the Google Board (or an appropriate
4 Committee of the Google Board) any changes in the USI. To the extent such changes are
5 substantial, Google shall seek Court approval pursuant to ¶2.1 above after meeting and conferring
6 with Plaintiffs' Counsel.

7 (d) Should the Board (or an appropriate Committee of the Board) modify the User
8 Safety Initiative, it will ensure that the amount of funding dedicated to the User Safety Initiative will
9 continue to be dedicated to frustrating the operations of actors engaging in illegal and dangerous
10 activities online – including, but not limited to, actors who place ads in violation of U.S. law and/or
11 Google's content policies and prohibitions regarding dangerous and illegal activity.

12 2.3 On-Line Advertising and Compliance

13 (a) The Audit Committee shall cause Google to continue to implement and
14 maintain, and enforce, to the extent feasible, written policies and procedures designed to ensure
15 compliance with federal and state laws and regulations. These policies and procedures shall include,
16 but need not be limited to, those set forth below.

17 (b) Google shall retain LegitScript to complement Google's sweeps and searches
18 of advertisements running through AdWords as required under Google's "Unapproved
19 Pharmaceuticals and Supplements" policy. Google may replace LegitScript with another provider or
20 mechanism of at least equal quality with the prior approval of the Audit Committee.

21 (c) Google shall use the Verified Internet Pharmacy Practices Sites ("VIPPS")
22 program to screen out internet pharmacy ads that do not comply with federal and/or state law or with
23 Google's relevant advertising policies. Google may replace VIPPS with another provider or
24 mechanism of at least equal quality with the prior approval of the Audit Committee.

25 (d) Google shall use, and as appropriate improve upon, automated systems,
26 including those that review the web pages that consumers visit when clicking on a link in an
27 advertisement, and shall timely disable those ads that violate Google's advertising policies.
28

1 (e) Google shall disable URLs (including URLs not active on AdWords) from
2 being linked to ads in AdWords or similar Google advertising programs when notified that they are
3 subject to action by governmental agencies, including without limitation, the FDA and Drug
4 Enforcement Agency and/or violate Google's advertising policies.

5 (f) Google shall refer to appropriate regulators or law enforcement agencies those
6 persons or entities that engage in significant and systematic attempts to evade Google's advertising
7 policies or electronic screening mechanisms against rogue online pharmacies.

8 (g) Google shall maintain its position as a board member of the Center for Safe
9 Internet Pharmacies ("CSIP"), so long as CSIP's primary focus continues to be effective ways in
10 which industry can combat abuses of their systems with respect to online pharmacies.

11 (h) The Audit Committee shall (i) require management to conduct internal audits
12 on Google's on-line advertising compliance with regulatory and/or legal requirements; or (ii)
13 commission external review by counsel or other professionals of Google's policies for on-line
14 advertising-related compliance with relevant regulations and/or laws at least once every 24 months.
15 Either shall be provided to the Audit Committee in writing.

16 (i) Google's General Counsel or senior compliance official shall report to
17 the Audit Committee semi-annually on the Company's compliance with, and enforcement of, its
18 advertising policies and initiatives.

19 (ii) Google's General Counsel or senior compliance official shall report to
20 the Audit Committee semi-annually discussing any material updates to the advertising compliance
21 program that were or will be adopted to prevent evasion of Google's advertising policy by online
22 pharmacy advertisers.

23 2.4 Criminal Activity Reporting

24 Google's General Counsel shall be responsible for reviewing every situation in which a
25 Google employee is convicted of a felony under U.S. federal or state criminal statutes in connection
26 with his employment by Google and for reporting to the Board (or an appropriate committee of the
27 Board) with respect to that violation. Presumptively, any employee convicted of a felony under a
28 U.S. federal or state criminal statute in connection with his employment by Google shall be

1 terminated for cause and receive no severance payments in connection with the termination. If the
2 General Counsel determines that such termination is not warranted, he shall so recommend to the
3 Board (or an appropriate committee of the Board), which will act upon his recommendation in its
4 discretion.

5 2.5 Funding Commitment

6 In order to provide appropriate funding for Google's On-Line Advertising Product, Quality
7 Operations and Ethics Compliance, Google hereby commits to budget and spend at least \$50 million
8 per year on its Product Quality Operations, Policy Enforcement, and User Safety Initiative
9 collectively, during each of the five years in which this Agreement shall be in effect, for a total of at
10 least \$250 million. This funding will be deployed through the direction of existing resources, as well
11 as through the allocation or acquisition of additional resources or assets, towards fulfilling the
12 objectives and obligations set forth herein and will be specifically targeted at frustrating the efforts
13 of parties engaging in illegal and dangerous activities online that pose a threat to users of Google
14 services, including ads that violate U.S. law or Google's content policies and prohibitions regarding
15 dangerous and illegal activities.

16 2.6 Application of Google's Policies to Acquired Companies

17 Within twelve months following the acquisition of digital advertising companies, Google will
18 review their advertising-related compliance and regulatory policies to ensure consistency with
19 Google's existing policies and the corporate governance measures set out in ¶¶2.2-2.5 above.

20 3. **Settlement Procedures**

21 3.1 After execution of this Stipulation, Plaintiffs shall submit the Stipulation together
22 with its Exhibits to the Court and shall move for entry of an order substantially in the form of
23 Exhibit A hereto (the "Preliminary Approval Order"), requesting, among other things, the
24 preliminary approval of the Settlement set forth in the Stipulation, and approval for the filing and
25 publication of the Settlement Notice, substantially in the forms attached hereto as Exhibits A-1
26 ("Long-Form Notice") and A-2 ("Short-Form Notice"; the Long-Form Notice and Short-Form
27 Notice collectively, the "Settlement Notice"), which shall include the general terms of the Settlement
28 set forth in the Stipulation and the date of the Settlement Hearing as described below.

1 3.2 Within ten (10) business days following the Court's entry of the Preliminary
2 Approval Order, Google shall cause the Stipulation and Long-Form Notice to be filed with the SEC
3 along with an SEC Form 8-K or other appropriate filing, and publish the Short-Form Notice one
4 time in *Investor's Business Daily*. The SEC filing will be accessible via a link on the "Investor
5 Relations" page of <http://www.google.com>, the address of which shall be contained in the Settlement
6 Notice.

7 3.3 Plaintiffs will also request that sixty (60) days after the Settlement Notice is given, the
8 Court hold a joint hearing in the Actions (the "Settlement Hearing") to consider and determine
9 whether the District Court Approval Order and the Judgment, substantially in the forms of Exhibits
10 B and C hereto, should be entered: (a) approving the terms of the Settlement as fair, reasonable and
11 adequate; and (b) dismissing with prejudice the Actions against the Settling Defendants.

12 3.4 Pending the Effective Date, all proceedings and discovery in the Actions shall be
13 stayed except as otherwise provided herein, and the Settling Parties shall not file or prosecute any
14 other actions or proceedings relating to the Settlement. To the extent necessary, the Settling Parties
15 will take all reasonable steps to maintain the stay of proceedings in the State Actions as well.

16 **4. Releases**

17 4.1 Upon the Effective Date, as defined in ¶1.7, Google, current Google stockholders and
18 the Plaintiffs (acting on their own behalf and derivatively on behalf of Google) shall be deemed to
19 have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished
20 and discharged and dismissed with prejudice the Released Claims against the Released Persons and
21 any and all causes of action or claims (including Unknown Claims) that have or could have been
22 asserted in the Actions by Plaintiffs, Google or any Google stockholder derivatively on behalf of
23 Google, or Google against the Settling Defendants or the Released Persons, based on the Settling
24 Defendants' acts and/or omissions in connection with, arising out of, or relating to, the facts,
25 transactions, events, matters, occurrences, acts, disclosures, statements, omissions or failures to act
26 related to Google's acceptance of advertisements by foreign online pharmacies that violated certain
27 federal laws through and including the date of execution of this Stipulation. Nothing herein shall in
28 any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

1 4.2 Upon the Effective Date, as defined in ¶1.7, Plaintiffs (acting on their own behalf and
2 derivatively on behalf of Google and its stockholders), Google and any Person acting on behalf of
3 Google, shall be forever barred and enjoined from commencing, instituting or prosecuting any of the
4 Released Claims against any of the Released Persons or any action or other proceeding against any
5 of the Released Persons arising out of, relating to, or in connection with the Released Claims, the
6 Actions, or the filing, prosecution, defense, settlement, or resolution of the Actions. Nothing herein
7 shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the
8 Stipulation.

9 4.3 Upon the Effective Date, as defined in ¶1.7, each of the Released Persons and the
10 Related Parties shall be deemed to have, and by operation of the Judgment shall have, fully, finally,
11 and forever released, relinquished and discharged each and all of the Plaintiffs and Plaintiffs'
12 Counsel and all current Google stockholders (solely in their capacity as Google stockholders) from
13 all claims (including Unknown Claims) arising out of, relating to, or in connection with the
14 institution, prosecution, assertion, settlement or resolution of the Actions or the Released Claims.
15 Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms
16 of the Stipulation.

17 **5. Plaintiffs' Counsel's Separately Negotiated Attorneys' Fees and**
18 **Expenses**

19 5.1 After negotiating the principal terms of the Settlement, Plaintiffs' Counsel and
20 Google, acting by and through its counsel, with the assistance of the Honorable Layn R. Phillips,
21 United States District Judge (Ret.), separately negotiated the attorneys' fees and expenses the
22 Company would pay to Plaintiffs' Counsel. In light of the substantial benefits conferred by
23 Plaintiffs' Counsel's efforts, Google, acting by and through its Committee of independent directors,
24 has agreed to pay \$9,900,000, subject to Court approval (the "Fee and Expense Amount").

25 5.2 Within twenty (20) calendar days following the Court's issuance of the District Court
26 Approval Order, notwithstanding the existence of any timely filed objections to the Settlement, or
27 potential for appeal therefrom, Google shall make one payment of the Fee and Expense Amount to
28 an account jointly controlled by Robbins Geller Rudman & Dowd LLP and Abraham, Fruchter &

1 Twersky, LLP, as receiving agents for Plaintiffs' Counsel. If, as a result of any further order of the
2 Court or as a result of any appeal, remand, or successful collateral attack, the Effective Date does not
3 occur or if the Fee and Expense Amount is not approved or is modified or overturned, in whole or in
4 part, then Plaintiffs' Counsel shall be responsible for repayment to Google of the amount received by
5 them. Neither Google nor any other Released Persons shall have any obligations with respect to
6 Plaintiffs' Counsel's fees and/or expenses beyond the Fee and Expense Amount.

7 **6. Conditions of Settlement; Effect of Disapproval, Cancellation or**
8 **Termination**

9 6.1 The Effective Date shall be conditioned on the occurrence of all of the following
10 events:

11 (a) the Committee of independent Google directors has approved the Settlement
12 and each of its terms, including the separately negotiated Fee and Expense Amount;

13 (b) the Court has entered the District Court Approval Order and Judgment,
14 substantially in the forms of Exhibits B and C attached hereto; and

15 (c) the Judgment has become Final.

16 6.2 If any of the conditions specified in ¶6.1 are not met, then the Stipulation of
17 Settlement shall be canceled and terminated subject to the provisions of this ¶6.2, unless counsel for
18 the Settling Parties mutually agree in writing to proceed with an alternative or modified Stipulation
19 and submit it for Court approval. If for any reason the Effective Date does not occur, or if this
20 Stipulation is terminated, or is cancelled, or otherwise fails to become effective for any reason:

21 (a) The Settling Parties, Released Persons and Related Parties shall be restored to
22 their respective positions that existed immediately prior to the date of execution of this Stipulation;

23 (b) All negotiations, proceedings, documents prepared and statements made in
24 connection with this Stipulation shall be without prejudice to the Settling Parties, shall not be
25 deemed or construed to be an admission by a Settling Party of any act, matter, or proposition and
26 shall not be used in any manner for any purpose (other than to enforce the terms remaining in effect)
27 in any subsequent proceeding in the Actions or in any other action or proceeding; and
28

1 (c) The terms and provisions of the Stipulation, with the exception of the
2 provisions of ¶5.2 and ¶6.2 shall have no further force and effect with respect to the Settling Parties
3 and shall not be used in the Actions or in any other proceeding for any purpose, and any judgment or
4 orders entered by the Court in accordance with the terms of the Stipulation shall be treated as
5 vacated, *nunc pro tunc*.

6 6.3 No order of the Court or modification or reversal on appeal of any order of the Court
7 concerning the amount of attorneys' fees, costs, expenses and interest awarded by the Court to
8 Plaintiffs' Counsel shall constitute grounds for cancellation or termination of the Stipulation, affect
9 the enforceability of the Stipulation, or delay or preclude the Judgment from becoming Final.

10 7. Miscellaneous Provisions

11 7.1 The Settling Parties (a) acknowledge that it is their intent to consummate the terms
12 and conditions of this Stipulation; and (b) agree to cooperate to the extent reasonably necessary to
13 effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts
14 to accomplish the foregoing terms and conditions of the Stipulation.

15 7.2 The Settling Parties intend this Settlement to be a final and complete resolution of all
16 disputes between Plaintiffs and Google and its stockholders, on the one hand, and the Released
17 Persons, on the other hand, arising out of, based upon or related to the Released Claims. The
18 Settlement compromises claims that are contested and shall not be deemed an admission by any
19 Settling Party or Released Person as to the merits of any claim, allegation or defense. The District
20 Court Approval Order shall contain a finding that during the course of the litigation, the parties and
21 their respective counsel at all times complied with the requirements of Rule 11 of the Federal Rules
22 of Civil Procedure and all other similar laws, including California Code of Civil Procedure §128.7.
23 The Settling Parties further agree that the Released Claims are being settled voluntarily after
24 consultation with competent legal counsel and an experienced mediator.

25 7.3 Pending the Effective Date, the Settling Parties agree not to initiate any proceedings
26 concerning the Released Claims other than those incident to the settlement itself; provided, however,
27 that Google and the Settling Defendants may seek to prevent or stay any other action or claims
28 brought seeking to assert any Released Claims.

1 7.4 Neither the Stipulation nor the Settlement, including any Exhibits attached hereto, nor
2 any act performed or document executed pursuant to or in furtherance of the Stipulation or the
3 Settlement: (a) is or may be deemed to be or may be offered, attempted to be offered or used in any
4 way as a concession, admission or evidence of the validity of any Released Claims, or of any fault,
5 wrongdoing or liability of the Released Persons or Google; or (b) is or may be deemed to be or may
6 be used as a presumption, admission or evidence of, any liability, fault or omission of any of the
7 Released Persons or Google in any civil, criminal, administrative, or other proceeding in any court,
8 administrative agency, tribunal or other forum. Neither this Stipulation nor the Settlement shall be
9 admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and
10 except that the Released Persons may file or use the Stipulation, the District Court Approval Order
11 and/or the Judgment in any action that may be brought against them in order to support a defense or
12 counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release,
13 good faith settlement, standing, judgment bar or reduction or any other theory of claim preclusion or
14 issue preclusion or similar defense or counterclaim.

15 7.5 All agreements made and orders entered during the course of the Actions relating to
16 the confidentiality of information or sealing of documents shall survive this Stipulation and the
17 Judgment.

18 7.6 All Exhibits to this Stipulation are material and integral parts hereof and are fully
19 incorporated herein by this reference.

20 7.7 This Stipulation may be amended or modified only by a written instrument signed by
21 or on behalf of all Settling Parties or their respective successors-in-interest.

22 7.8 This Stipulation and the Exhibits attached hereto constitute the entire agreement
23 among the Settling Parties and no representations, warranties or inducements have been made to any
24 Settling Party concerning the Stipulation and/or any of its Exhibits, other than the representations,
25 warranties and covenants contained and memorialized in such documents. The Stipulation
26 supersedes and replaces any prior or contemporaneous writing, statement or understanding
27 pertaining to the Actions and no parole or other evidence may be offered to explain, construe,
28 contradict or clarify its terms, the intent of the Settling Parties or their counsel, or the circumstances

1 under which the Stipulation was made or executed. It is understood by the Settling Parties that,
2 except for matters expressly represented herein, the facts or law with respect to which this
3 Stipulation is entered into may turn out to be other than or different from the facts now known to
4 each party or believed by such party to be true; each party therefore expressly assumes the risk of
5 facts or law turning out to be different, and agrees that this Stipulation shall be in all respects
6 effective and not subject to termination by reason of any such different facts or law.

7 7.9 Except as otherwise expressly provided herein, all parties, including all Settling
8 Defendants, their counsel, Google and its counsel, and Plaintiffs and Plaintiffs' Counsel, shall bear
9 their own fees, costs, and expenses.

10 7.10 Counsel for the Settling Parties are expressly authorized by their respective clients to
11 take all appropriate actions required or permitted to be taken pursuant to the Stipulation to effectuate
12 its terms and conditions.

13 7.11 Plaintiffs represent and warrant they have not assigned or transferred, or attempted to
14 assign or transfer, to any Person any Released Claim or any portion thereof or interest therein.

15 7.12 Each counsel or other Person executing this Stipulation or any of its Exhibits on
16 behalf of any party hereto hereby warrants that such Person has the full authority to do so.

17 7.13 Any failure by any party to this Stipulation to insist upon the strict performance by
18 any other party of any of the provisions of the Stipulation shall not be deemed a waiver of any of the
19 provisions, and such party, notwithstanding such failure, shall have the right thereafter to insist upon
20 the strict performance of any and all of the provisions of the Stipulation to be performed by such
21 other party.

22 7.14 The Stipulation and Exhibits may be executed in one or more counterparts. A faxed
23 or pdf signature shall be deemed an original signature for purposes of this Stipulation. All executed
24 counterparts including facsimile and/or pdf counterparts shall be deemed to be one and the same
25 instrument. A complete set of counterparts, either originally executed or copies thereof, shall be
26 filed with the Federal Court.

27
28

1 7.15 This Stipulation shall be binding upon, and inure to the benefit of, the Settling Parties
2 and the Released Persons and their respective successors, assigns, heirs, spouses, marital
3 communities, executors, administrators, trustees in bankruptcy and legal representatives.

4 7.16 Without affecting the finality of the Judgment entered in accordance with this
5 Stipulation, the Court shall retain jurisdiction with respect to implementation and enforcement of the
6 terms of the Stipulation, the District Court Approval Order, and the Judgment, and the Settling
7 Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the
8 Settlement embodied in the Stipulation, the District Court Approval Order, and the Judgment and for
9 matters arising out of, concerning or relating thereto.

10 7.17 This Stipulation and the Exhibits hereto shall be considered to have been negotiated,
11 executed and delivered, and to be wholly performed, in the State of California, and the rights and
12 obligations of the Settling Parties to the Stipulation shall be construed and enforced in accordance
13 with, and governed by, the internal substantive laws of the State of California without giving effect
14 to California's choice-of-law principles.

15 IN WITNESS WHEREOF, the Settling Parties have caused the Stipulation to be executed, by
16 themselves and/or by their duly authorized attorneys, dated August 7, 2014.

17 ROBBINS GELLER RUDMAN
18 & DOWD LLP
19 BENNY C. GOODMAN III
20 ERIK W. LUEDEKE



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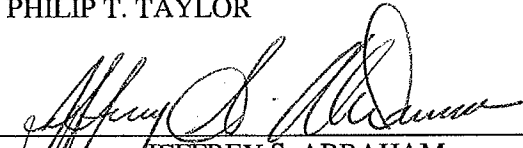
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Defendant Google Inc.

CERTIFICATE OF SERVICE

1
2 I hereby certify that on August 7, 2014, I authorized the electronic filing of the foregoing
3 with the Clerk of the Court using the CM/ECF system which will send notification of such filing to
4 the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I
5 caused to be mailed the foregoing document or paper via the United States Postal Service to the non-
6 CM/ECF participants indicated on the attached Manual Notice List.

7 I certify under penalty of perjury under the laws of the United States of America that the
8 foregoing is true and correct. Executed on August 7, 2014.

9 s/ Benny C. Goodman III
10 BENNY C. GOODMAN III

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Mailing Information for a Case 4:11-cv-04248-PJH In re Google Inc. Shareholder Derivative Litigation

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The following are those who are currently on the list to receive e-mail notices for this case.

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Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

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EXHIBIT A

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re GOOGLE INC. SHAREHOLDER DERIVATIVE LITIGATION)	Master File No. CV-11-04248-PJH
This Document Relates To: ALL ACTIONS.))
CITY OF ORLANDO POLICE PENSION FUND by Its Trustees, derivatively on behalf of GOOGLE INC.,)	Case No. CV-13-02038-PJH
Plaintiffs,)	[PROPOSED] ORDER PRELIMINARILY APPROVING DERIVATIVE SETTLEMENT AND PROVIDING FOR NOTICE
vs.))
LAWRENCE E. PAGE, et al.,)	EXHIBIT A
Defendants.))
and))
GOOGLE INC., a Delaware corporation,))
Nominal Defendant.))

1 WHEREAS, the Plaintiffs having moved, pursuant to Federal Rule of Civil Procedure 23.1,
2 for an order (i) preliminarily approving the proposed derivative settlement of the Actions (the
3 “Settlement”), in accordance with a Stipulation of Settlement, dated August 7, 2014 (the
4 “Stipulation”), which, together with the Exhibits annexed thereto, set forth the terms and conditions
5 for a proposed Settlement and dismissal of the Actions with prejudice, upon the terms and conditions
6 set forth therein; and (ii) approving the dissemination of the Notice of Proposed Derivative
7 Settlement; and

8 WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth
9 in the Stipulation (in addition to those capitalized terms defined herein); and

10 WHEREAS, this Court, having considered the Stipulation and the Exhibits annexed thereto
11 and having heard the arguments of the Settling Parties at the preliminary approval hearing:

12 NOW THEREFORE, IT IS HEREBY ORDERED:

13 1. This Court does hereby preliminarily approve, subject to further consideration at the
14 Settlement Hearing described below, the Stipulation and the Settlement set forth therein, including
15 the terms and conditions for settlement and dismissal with prejudice of the Actions.

16 2. A hearing (the “Settlement Hearing”) shall be held before this Court on _____,
17 2014, at _____m., 1301 Clay Street, Oakland, California 94612, to determine whether the
18 Settlement of the Actions on the terms and conditions provided for in the Stipulation is fair,
19 reasonable and adequate to Google Inc. (“Google”) and its stockholders and should be approved by
20 the Court; whether a Judgment as provided in ¶1.10 of the Stipulation should be entered herein; and
21 whether to award attorneys’ fees and expenses to Plaintiffs’ Counsel.

22 3. The Court approves, as to form and content, the Notice of Proposed Derivative
23 Settlement annexed as Exhibit A-1 hereto (the “Long-Form Notice”) and the Short-Form Notice of
24 Proposed Derivative Settlement annexed as Exhibit A-2 hereto (the “Summary Notice”), and finds
25 that the publication of the Long-Form Notice, Summary Notice and Stipulation, substantially in the
26 manner and form set forth in this Order, meets the requirements of Federal Rule of Civil Procedure
27 23.1 and due process, and is the best notice practicable under the circumstances and shall constitute
28 due and sufficient notice to all Persons entitled thereto.

1 4. Not later than ten (10) business days following entry of this Order, Google shall: (a)
2 cause a copy of the Summary Notice, substantially in the form annexed as Exhibit A-2 hereto, to be
3 published one time in *Investor's Business Daily*, (b) cause a copy of the Long-Form Notice,
4 substantially in the form annexed as Exhibit A-1 hereto, and the Stipulation to be filed with the U.S.
5 Securities and Exchange Commission ("SEC") along with an SEC Form 8-K or other appropriate
6 filing. The SEC filing will be accessible via a link on the "Investor Relations" page of
7 <http://www.google.com>, the address of which shall be contained in the Long-Form Notice and
8 Summary Notice.

9 5. Not later than twenty-one (21) days after Google has complied with ¶4 above,
10 Google's counsel shall serve on Plaintiffs' Counsel and file with the Court proof, by affidavit or
11 declaration, of such publication.

12 6. All Google stockholders shall be bound by all orders, determinations and judgments
13 of the Court in the Actions concerning the Settlement, whether favorable or unfavorable to Google's
14 stockholders.

15 7. Pending the Effective Date, all proceedings and discovery in the Actions shall be
16 stayed except as otherwise provided for in the Stipulation, and no party to the Actions or any Google
17 stockholders shall file or prosecute any action or proceeding in any court or tribunal relating to the
18 Settlement or asserting any of the Released Claims against the Released Persons.

19 8. All papers in support of the Settlement and the separately negotiated attorneys' fees
20 and expenses shall be filed with the Court and served at least thirty-five (35) calendar days before
21 the Settlement Hearing and any reply briefs shall be filed with the Court at least seven (7) calendar
22 days before the Settlement Hearing.

23 9. Any current Google stockholder may appear and show cause, if he, she or it has any
24 reason why the terms of the Settlement of the Actions should not be approved as fair, reasonable and
25 adequate, or why the District Court Approval Order and Judgment should not be entered thereon,
26 provided, however, that, unless otherwise ordered by the Court, no current Google stockholder shall
27 be heard or entitled to contest the approval of all or any of the terms and conditions of the
28 Settlement, or, if approved, the District Court Approval Order and the Judgment to be entered

1 thereon approving the same, unless that Person has, at least twenty-one (21) calendar days before the
2 Settlement Hearing, filed with the Clerk of the Court and delivered to the following counsel
3 (delivered by hand or sent by first class mail) appropriate proof of Google stock ownership, along
4 with written objections, including the basis therefore, and copies of any papers and briefs in support
5 thereof:

6 ***Counsel for Plaintiffs Patricia H. McKenna, Avrohom Gallis and James
7 Clem:***

8 Ellen Gusikoff Stewart
9 Benny C. Goodman III
10 ROBBINS GELLER RUDMAN
& DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

11 ***Counsel for Plaintiff City of Orlando Police Pension Fund:***

12 Jeffrey S. Abraham
13 Mitchell M.Z. Twersky
Atara Hirsch
14 Philip T. Taylor
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15 One Penn Plaza, Suite 2805
New York, NY 10119

16 ***Counsel for Defendants Larry Page, Sergey Brin, Eric E. Schmidt, L.
17 John Doerr, John L. Hennessy, Paul S. Otellini, K. Ram Shriram,
18 Shirley M. Tilghman, Ann Mather, and Nominal Defendant Google
Inc.:***

19 Boris Feldman
20 Elizabeth C. Peterson
WILSON SONSINI GOODRICH &
ROSATI, P.C.
21 650 Page Mill Road
22 Palo Alto, CA 94304

23 The written objections and copies of any papers and briefs in support thereof to be filed in Court
24 shall be delivered by hand or sent by first class mail to:

25 Clerk of the Court
26 UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
1301 Clay Street
27 Oakland, CA 94612
28

1 Any current Google stockholder who does not make an objection in the manner provided herein shall
2 be deemed to have waived such objection and shall forever be foreclosed from making any objection
3 to the fairness, reasonableness or adequacy of the Settlement as incorporated in the Stipulation and
4 to the award of attorneys' fees and expenses to Plaintiffs' Counsel, unless otherwise ordered by the
5 Court, but shall otherwise be bound by the District Court Approval Order and the Judgment to be
6 entered and the releases to be given.

7 10. Neither the Stipulation nor the Settlement, including the Exhibits attached thereto, nor
8 any act performed or document executed pursuant to or in furtherance of the Stipulation or the
9 Settlement: (a) is or may be deemed to be or may be offered, attempted to be offered or used in any
10 way as a concession, admission, or evidence of the validity of any Released Claims or any fault,
11 wrongdoing or liability of the Released Persons or Google; or (b) is or may be deemed to be or may
12 be used as a presumption, admission, or evidence of any liability, fault or omission of any of the
13 Released Persons or Google in any civil, criminal or administrative or other proceeding in any court,
14 administrative agency, tribunal or other forum. Neither the Stipulation nor the Settlement, nor any
15 act performed or document executed pursuant to or in furtherance of the Stipulation or the
16 Settlement, shall be admissible in any proceeding for any purpose, except to enforce the terms of the
17 Settlement, and except that the Released Persons may file or use the Stipulation, the District Court
18 Approval Order and/or the Judgment in any action that may be brought against them in order to
19 support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith
20 and credit, release, standing, judgment bar or reduction or any other theory of claim preclusion or
21 issue preclusion or similar defense or counterclaim.

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1 11. The Court reserves the right to adjourn the date of the Settlement Hearing or modify
2 any other dates set forth herein without further notice to Google stockholders, and retains jurisdiction
3 to consider all further applications arising out of or connected with the Settlement. The Court may
4 approve the Settlement, with such modifications as may be agreed to by the Settling Parties, if
5 appropriate, without further notice to Google stockholders.

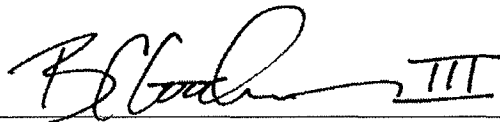
6 IT IS SO ORDERED.

7 DATED: _____

THE HONORABLE PHYLLIS J. HAMILTON
UNITED STATES DISTRICT JUDGE

9
10 Submitted by,

11 ROBBINS GELLER RUDMAN
12 & DOWD LLP
13 BENNY C. GOODMAN III
14 ERIK W. LUEDEKE

13
14 

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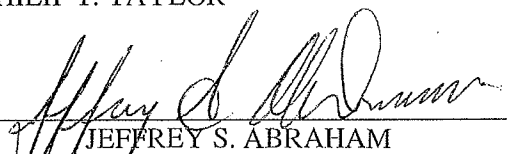
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4 
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9 Attorneys for Defendants Larry Page,
10 Sergey Brin, Eric E. Schmidt, L. John
11 Doerr, John L. Hennessy, Paul S. Otellini,
12 K. Ram Shriram, Shirley M. Tilghman, Ann
13 Mather, and Nominal Defendant Google
14 Inc.

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EXHIBIT A-1

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Counsel for Plaintiff City of Orlando Police
Pension Fund

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re GOOGLE INC. SHAREHOLDER
DERIVATIVE LITIGATION

This Document Relates To:

ALL ACTIONS.

CITY OF ORLANDO POLICE PENSION
FUND by Its Trustees, derivatively on behalf
of GOOGLE INC.,

Plaintiffs,

vs.

LAWRENCE E. PAGE, et al.,

Defendants.

and

GOOGLE INC., a Delaware corporation,

Nominal Defendant.

Master File No. CV-11-04248-PJH

Case No. CV-13-02038-PJH

NOTICE OF PROPOSED DERIVATIVE
SETTLEMENT

EXHIBIT A-1

1 **TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF THE COMMON**
 2 **STOCK OF GOOGLE INC. ("GOOGLE" OR THE "COMPANY") AS OF AUGUST**
 3 **7, 2014 (THE "RECORD DATE")**

4 **PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS**
 5 **NOTICE RELATES TO A PROPOSED SETTLEMENT AND DISMISSAL OF THE**
 6 **ABOVE-CAPTIONED DERIVATIVE ACTIONS (THE "ACTIONS") AND**
 7 **CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. YOUR**
 8 **RIGHTS MAY BE AFFECTED BY THESE LEGAL PROCEEDINGS. IF THE**
 9 **COURT APPROVES THE SETTLEMENT, YOU WILL BE FOREVER BARRED**
 10 **FROM CONTESTING THE APPROVAL OF THE PROPOSED SETTLEMENT AND**
 11 **FROM PURSUING THE RELEASED CLAIMS.**

12 **IF YOU HOLD GOOGLE COMMON STOCK FOR THE BENEFIT OF ANOTHER,**
 13 **PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL**
 14 **OWNER.**

15 **THE COURT HAS MADE NO FINDINGS OR DETERMINATIONS CONCERNING**
 16 **THE MERITS OF THE ACTIONS. THE RECITATION OF THE BACKGROUND**
 17 **AND CIRCUMSTANCES OF THE SETTLEMENT CONTAINED HEREIN DOES**
 18 **NOT CONSTITUTE THE FINDINGS OF THE COURT. IT IS BASED ON**
 19 **REPRESENTATIONS MADE TO THE COURT BY COUNSEL FOR THE PARTIES.**

20 Notice is hereby provided to you of the proposed settlement (the "Settlement") of this
 21 stockholder derivative litigation. This Notice is provided by Order of the United States District
 22 Court for the Northern District of California (the "Court"). It is not an expression of any opinion by
 23 the Court with respect to the truth of the allegations in the litigation or merits of the claims or
 24 defenses asserted by or against any party. It is solely to notify you of the terms of the proposed
 25 Settlement, and your rights related thereto. Capitalized terms not otherwise defined shall have the
 26 definitions set forth in a written Stipulation of Settlement, dated August 7, 2014 ("Stipulation"). The
 27 text of the Stipulation and all of the exhibits is included with an 8K that can be viewed and/or
 28 downloaded at the "SEC Website" link at <http://google.client.shareholder.com/investorkit.cfm>.

I. WHY THE COMPANY HAS ISSUED THIS NOTICE

Your rights may be affected by the Settlement of the actions styled *In re Google Inc. Shareholder Derivative Litigation*, No. CV-11-04248-PJH (N.D. Cal.), and *City of Orlando Police Pension Fund v. Page, et al.*, No. CV-13-02038-PJH (N.D. Cal.) (together, the "Actions"). Plaintiffs Patricia H. McKenna, Avrohom Gallis, James Clem and City of Orlando Police Pension Fund (on behalf of themselves and derivatively on behalf of Google); Settling Defendants Larry Page, Sergey Brin, Eric E. Schmidt, L. John Doerr, John L. Hennessy, Ann Mather, Paul S. Otellini, K. Ram

1 Shriram, and Shirley M. Tilghman; and Nominal Defendant Google have agreed upon terms to settle
2 the above-referenced litigation and have signed the Stipulation setting forth those settlement terms.

3 On _____, 2014, at _____.m., the Court will hold a hearing (the “Settlement
4 Hearing”) in the Actions. The purpose of the Settlement Hearing is to determine: (i) whether the
5 terms of the Settlement are fair, reasonable and adequate, including the separately negotiated amount
6 for Plaintiffs’ Counsel’s attorneys’ fees and expenses, and should be finally approved; (ii) whether a
7 final judgment should be entered and the Actions dismissed with prejudice pursuant to the
8 Stipulation; and (iii) such other matters as may be necessary or proper under the circumstances.

9 **II. THE GOOGLE DERIVATIVE LITIGATION**

10 **A. Overview of the Actions and Procedural History**

11 The Actions allege that Google allowed foreign online pharmacies to place advertisements
12 that violated federal laws on Google’s advertising platform. The Actions further assert that Google’s
13 alleged violation of federal law regarding the foreign online pharmacy ads caused the Company to
14 enter into a Non-Prosecution Agreement (NPA) with the U.S. Department of Justice whereby
15 Google allegedly admitted to wrongful conduct related to the placement by foreign online
16 pharmacies of advertisements on Google’s advertising platform. As a result of these alleged
17 advertising practices at Google, Plaintiffs in the Demand Futility Action and the Demand Refused
18 Action allege that the Settling Defendants breached their fiduciary duty of loyalty and/or duty of care
19 owed to Google and its stockholders. The Settling Defendants have denied and continue to deny
20 each and every one of the claims and contentions alleged by the Plaintiffs in the Actions.

21 **1. Commencement and Consolidation of the Demand Futility** 22 **Action**

23 The first derivative action addressing the foreign pharmacy ads generated on Google’s
24 advertising platform was filed on August 29, 2011, in the United States District Court for the
25 Northern District of California (the “Court”). Thereafter, two additional actions were filed in the
26 Court containing similar allegations. All three actions alleged, among other things, that a pre-suit
27 demand upon the Google Board of Directors (the “Google Board”) was futile and excused as a
28

1 matter of law. On September 19, 2011, the Court issued an order consolidating these derivative
2 actions.

3 **2. The Motion to Dismiss the Consolidated Complaint**

4 On October 24, 2011, plaintiffs Patricia H. McKenna, Avrohom Gallis and James Clem
5 (together, “Demand Futility Plaintiffs”) filed a Consolidated Shareholder Derivative Complaint
6 (“Consolidated Complaint”). In the Consolidated Complaint, the Demand Futility Plaintiffs asserted
7 claims on behalf of Google against defendants Larry Page, Sergey Brin, Eric E. Schmidt, L. John
8 Doerr, John L. Hennessy, Paul S. Otellini, K. Ram Shriram, Shirley M. Tilghman, Nikesh Arora, and
9 Patrick Pichette (together, the “Individual Defendants”) for breach of fiduciary duty, abuse of
10 control, corporate waste, and unjust enrichment.

11 On December 14, 2011, the Individual Defendants and Nominal Party Google filed a Motion
12 to Dismiss the Consolidated Complaint. In the Motion to Dismiss, the Individual Defendants and
13 Google argued, among other things, that the Consolidated Complaint failed to adequately plead that
14 a pre-suit demand upon the Google Board was futile. They further argued that the Consolidated
15 Complaint failed to state any actionable claim for relief under the applicable laws.

16 On February 14, 2012, the Demand Futility Plaintiffs filed an Opposition to the Motion to
17 Dismiss the Consolidated Complaint. In their opposition, the Demand Futility Plaintiffs argued,
18 among other things, that the Consolidated Complaint pleaded, with particularity, facts sufficient to
19 excuse a pre-suit demand upon the Google Board. The Demand Futility Plaintiffs further argued that
20 the facts alleged in the Consolidated Complaint stated actionable claims for relief against the
21 Individual Defendants.

22 On May 8, 2012, after hearing oral argument, the Court issued an order granting the Motion
23 to Dismiss the Consolidated Complaint. The Court also granted the Demand Futility Plaintiffs leave
24 to file an amended complaint.

25 **3. The Motion to Dismiss the Amended Consolidated Complaint**

26 On June 8, 2012, the Demand Futility Plaintiffs filed an Amended Consolidated Shareholder
27 Derivative Complaint (the “Amended Consolidated Complaint”). The Amended Consolidated
28 Complaint included, among other things, additional facts alleging why a pre-suit demand upon the

1 Google Board was futile and, therefore, excused. The Amended Consolidated Complaint did not
2 name Nikesh Arora or Patrick Pichette as defendants, but asserted claims on behalf of Google
3 against defendants Larry Page, Sergey Brin, Eric E. Schmidt, L. John Doerr, John L. Hennessy, Paul
4 S. Otellini, K. Ram Shriram, and Shirley M. Tilghman (together, the “Demand Futility Defendants”)
5 for breach of fiduciary duty and other claims.

6 On July 6, 2012, the Demand Futility Defendants and Google filed a Motion to Dismiss the
7 Amended Consolidated Complaint. In their dismissal motion, the Demand Futility Defendants and
8 Google argued that, despite the additional facts, the Amended Consolidated Complaint failed to
9 adequately allege that a pre-suit demand upon the Google Board was excused. The Demand Futility
10 Defendants and Google further argued that, even if a pre-suit demand was futile, the Amended
11 Consolidated Complaint still must be dismissed for failure to state any actionable claim for relief.

12 On August 10, 2012, the Demand Futility Plaintiffs filed an Opposition to the Motion to
13 Dismiss the Amended Consolidated Complaint. In their opposition, the Demand Futility Plaintiffs
14 argued, among other things, that the Motion to Dismiss the Amended Consolidated Complaint
15 should be denied because the Amended Consolidated Complaint set forth facts sufficient to excuse a
16 pre-suit demand upon the Google Board. The Demand Futility Plaintiffs also articulated why the
17 Amended Consolidated Complaint stated actionable claims for breach of fiduciary duty and other
18 relief.

19 On July 3, 2013, the Court heard oral argument on the Motion to Dismiss the Amended
20 Consolidated Complaint. On September 26, 2013, the Court issued an order granting the Motion to
21 Dismiss the Amended Consolidated Complaint with leave to amend.

22 **4. The Motion to Dismiss the Second Amended Complaint**

23 On November 1, 2013, the Demand Futility Plaintiffs filed a Second Amended Consolidated
24 Shareholder Derivative Complaint (“Second Amended Complaint”). The Second Amended
25 Complaint included additional facts concerning the reasons why a pre-suit demand upon the Google
26 Board was futile. The Second Amended Complaint also asserted claims for relief against the
27 Demand Futility Defendants for, among other things, breach of fiduciary duty.
28

1 On December 6, 2013, the Demand Futility Defendants and Google filed a Motion to
2 Dismiss the Second Amended Complaint. In their Motion to Dismiss the Second Amended
3 Complaint, the Demand Futility Defendants and Google once again argued that the Demand Futility
4 Action must be dismissed because the Demand Futility Plaintiffs had not made a pre-suit demand
5 upon the Google Board. The Demand Futility Defendants and Google further argued that the
6 Second Amended Complaint was defective because it failed to allege facts that stated any actionable
7 claim for relief.

8 On January 16, 2014, the Demand Futility Plaintiffs filed an Opposition to the Motion to
9 Dismiss the Second Amended Complaint. In their opposition, the Demand Futility Plaintiffs argued
10 that the particularized facts contained in the Second Amended Complaint excused a pre-suit demand
11 upon the Google Board, and stated actionable claims for relief for breach of fiduciary duty, unjust
12 enrichment, and corporate waste.

13 On March 5, 2014, the Court heard oral argument on the Motion to Dismiss the Second
14 Amended Complaint. At the conclusion of the hearing, the Court took the Motion to Dismiss the
15 Second Amended Complaint under submission.

16 Following the March 5, 2014 hearing, the parties agreed to stay the proceedings to permit the
17 parties to participate in private mediation. The parties submitted stipulations staying the proceedings
18 on March 11, 2014, April 25, 2014, July 21, 2014, and July 30, 2014. Pursuant to the Court's Orders
19 of March 12, 2014, April 29, 2014, July 23, 2014, and July 31, 2014, the proceedings are currently
20 stayed until August 8, 2014.

21 **5. The City of Orlando Police Pension Fund Makes a Demand on**
22 **Google's Board**

23 On January 13, 2012, the City of Orlando Police Pension Fund ("Demand Refused Plaintiff"
24 or "Orlando Pension Fund") by its attorneys Abraham, Fruchter & Twersky, LLP ("AF&T" or
25 "Demand Refused Counsel"), served a written demand for action ("Demand") upon the Google
26 Board. In the Demand, the Demand Refused Plaintiff demanded, among other things, that the
27 Google Board investigate and bring legal action against defendants Larry Page, Sergey Brin, Eric E.
28 Schmidt and the other executives, accountable for permitting foreign online pharmacies to place

1 advertisements that violated federal laws on Google's advertising platform, which allegedly resulted
2 in, *inter alia*, the Company entering into the NPA.

3 **6. Formation of the Independent Special Committee and**
4 **Rejection of the Demand**

5 On April 11, 2012, in response to the Demand, the Google Board established an independent
6 Special Committee to conduct an investigation and consider the facts and circumstances of the
7 allegations contained in the Demand. The Google Board determined that Directors Diane B. Greene
8 and Ann Mather were capable of competently and impartially considering the Demand and
9 designated them as the members of the Special Committee.

10 Between approximately May 2012 and December 2012, the Special Committee and its
11 retained counsel conducted an investigation into the matters set forth in the Demand. On January 28,
12 2013, after considering the findings and conclusions of the investigation, counsel for the Special
13 Committee notified Orlando Pension Fund of the Google Board's decision to refuse the Demand,
14 and not to pursue any of the claims alleged in the Demand.

15 **7. The Motion to Dismiss the Demand Refused Complaint**

16 On May 2, 2013, the Orlando Pension Fund commenced an action in the United States
17 District Court for the Northern District of California with the filing of a shareholder derivative
18 complaint alleging, among other things, that Google's Board has improperly and unreasonably
19 refused the Demand (the "Demand Refused Complaint"). In the Demand Refused Complaint, the
20 Orlando Pension Fund asserted claims on behalf of Google against Larry Page, Sergey Brin, Eric E.
21 Schmidt, L. John Doerr, John L. Hennessy, Ann Mather, Paul S. Otellini, K. Ram Shriram and
22 Shirley M. Tilghman (together, the "Demand Refused Defendants") for breach of fiduciary duty in
23 connection with Google's acceptance of advertisements by foreign online pharmacies that did not
24 comply with certain federal laws.

25 On May 22, 2013, Google and the Demand Refused Defendants filed a Motion to Dismiss
26 the Demand Refused Complaint. On June 21, 2013, the Demand Refused Plaintiff filed an
27 Opposition to the Motion to Dismiss the Demand Refused Complaint. A hearing on the motion was
28 conducted on July 24, 2013.

1 On September 26, 2013, the Court issued an Order denying the Demand Refused Defendants'
2 Motion to Dismiss the Demand Refused Complaint.

3 **8. The Motion for Summary Judgment**

4 On November 1, 2013, Google and the Demand Refused Defendants filed a Motion for
5 Summary Judgment.

6 On December 18, 2013, the Demand Refused Plaintiff filed an Opposition to the Motion for
7 Summary Judgment and, in the alternative, sought a continuance of the Court's ruling on the Motion
8 for Summary Judgment until the Demand Refused Plaintiff had the opportunity to take sufficient
9 discovery needed for opposing the summary judgment motion by filing of an affidavit pursuant to
10 Federal Rule of Civil Procedure 56(d).

11 The Court heard oral argument on the Motion for Summary Judgment and on the Demand
12 Refused Plaintiff's request for a continuance under Federal Rule of Civil Procedure 56(d) on January
13 29, 2014. Following the hearing, the parties agreed to stay the proceedings to permit the parties to
14 participate in private mediation. The parties submitted stipulations staying the proceedings on
15 March 11, 2014, April 25, 2014, July 21, 2014, and July 30, 2014. Pursuant to the Court's Orders of
16 March 12, 2014, April 29, 2014, July 23, 2014, and July 31, 2014, the proceedings are currently
17 stayed until August 8, 2014.

18 **B. Settlement Negotiations**

19 After the Motion to Dismiss the Second Amended Complaint and the Motion for Summary
20 Judgment in the Demand Refused Action were taken under submission by the Court, beginning in
21 March 2014, representatives of the Settling Parties commenced negotiations regarding possible
22 resolution of the Actions. Ultimately, the Settling Parties engaged in a formal mediation process
23 before the Honorable Layn R. Phillips, United States District Court Judge (Ret.), which culminated
24 in an all-day, in-person mediation session on May 21, 2014 in New York, New York. As a result of
25 these arm's-length settlement negotiations, the Settling Parties reached an agreement-in-principle for
26 the resolution of the Actions.

1 **C. Approval of the Settlement by the Committee of Independent**
2 **Directors**

3 On August 4, 2014, a Committee of independent Google directors, in exercising their
4 business judgment, unanimously approved the Settlement and each of its terms, as set forth in the
5 Stipulation, as in the best interest of Google and its stockholders.

6 **III. TERMS OF THE PROPOSED DERIVATIVE SETTLEMENT**

7 The principal terms, conditions and other matters that are part of the Settlement, which is
8 subject to approval by the Court, are summarized below. This summary should be read in
9 conjunction with, and is qualified in its entirety by reference to, the text of the Stipulation, which
10 has been filed with the Court and is available at the “SEC Website” link at
11 <http://google.client.shareholder.com/investorkit.cfm>.

12 In connection with the Settlement of the Actions, the Google Board, following review and
13 recommendation by its Committee of independent Google directors, shall adopt and maintain the
14 corporate governance measures and funding requirements specified herein within one-hundred and
15 twenty days (120) after judicial approval of the proposed Settlement by the Court. The corporate
16 governance reforms and funding commitments shall remain in effect for not fewer than five (5) years
17 from that date and shall not be altered without a Court order. Google acknowledges that the
18 commencement, prosecution, and settlement of the Actions were a material and substantial factor in
19 the decision by Google to adopt, implement, and maintain the corporate governance reforms and
20 funding commitments set forth below:

21 **(1) User Safety Initiative**

22 (a) As a material part of the Settlement, Google shall create the User Safety
23 Initiative. This program will focus on frustrating and disrupting the operations of rogue pharmacies
24 online.

25 (b) The mission statement and charter for the User Safety Initiative shall be as
26 follows:

27 The User Safety Initiative (“USI”) aims to disrupt the operations of rogue pharmacies
28 online. By proactively leveraging Google’s expertise in policy enforcement, and

1 working closely with industry, non-profits, NGOs, regulators, and law enforcement,
2 USI's objective is to increasingly and more holistically make it difficult for rogue
3 online pharmacies who abuse Google's systems to operate.

4 Initial Steps:

5 To promote USI's mission, Google will focus on the following areas over the next
6 year:

- 7 • Building relationships with entities globally who can take meaningful steps to
8 frustrate business operations of rogue online pharmacy networks and expand
9 the reach of drug abuse prevention messaging organizations.
- 10 • Continuing to make proactive referrals to trusted partners and law
11 enforcement entities best positioned to take meaningful action aimed at
12 frustrating the operations of largest rogue online pharmacy networks.
- 13 • Improving visibility of relevant and reliable educational content regarding
14 prescription drug abuse prevention and intervention, and assist trusted
15 organizations operating in these areas (e.g., Drugfree.org) with marketing
16 efforts.
- 17 • Educating partners on best practices for collaborating with industry and law
18 enforcement so as to more holistically frustrate the business operations of
19 rogue online pharmacy networks.
- 20 • Regularly testing policy enforcement systems to identify and remedy
21 potential ways rogue online pharmacies might seek to evade those systems.
- 22
- 23

24 Reporting:

25 Per the "Corporate Governance Provisions" Agreement, the USI's progress in these
26 areas will be reported on to the Audit Committee in July 2015.

27 USI Team:

28

1 Individuals from the Legal Department, the Product Quality Operations Team, and
2 the Risk Team.

3 Preliminary Action Items:

- 4 • Fund and help disseminate drug abuse prevention messaging campaigns
5 online.
- 6 • Develop better working relationship with payment processors in order to
7 collectively take action against the most egregious rogue pharmacy networks.
8
- 9 • Work closely with law enforcement and/or regulatory agencies on legal
10 action against most egregious rogue pharmacy networks.
- 11 • Work with legitimate pharmacies on optimization practices to counter against
12 the marketing efforts of rogue pharmacy networks online.
- 13 • Hire expert in enforcement actions against unlicensed pharmacies as
14 consultant.
15

16 (c) At least once annually after adoption of the User Safety Initiative, Google's
17 General Counsel shall report to the Audit Committee of the Google Board on the USI's activities,
18 successes, and challenges, and further recommend to the Google Board (or an appropriate
19 Committee of the Google Board) any changes in the USI. To the extent such changes are
20 substantial, Google shall seek Court approval after meeting and conferring with Plaintiffs' Counsel.

21 (d) Should the Google Board (or an appropriate Committee of the Google Board)
22 modify the User Safety Initiative, it will ensure that the amount of funding dedicated to the User
23 Safety Initiative will continue to be dedicated to frustrating the operations of actors engaging in
24 illegal and dangerous activities online – including, but not limited to, actors who place ads in
25 violation of U.S. law and/or Google's content policies and prohibitions regarding dangerous and
26 illegal activity.

1 **(2) On-Line Advertising and Compliance**

2 (a) The Audit Committee shall cause Google to continue to implement and
3 maintain, and enforce, to the extent feasible, written policies and procedures designed to ensure
4 compliance with federal and state laws and regulations. These policies and procedures shall include,
5 but need not be limited to, those set forth below.

6 (b) Google shall retain LegitScript to complement Google's sweeps and searches
7 of advertisements running through AdWords as required under Google's "Unapproved
8 Pharmaceuticals and Supplements" policy. Google may replace LegitScript with another provider or
9 mechanism of at least equal quality with the prior approval of the Audit Committee.

10 (c) Google shall use the Verified Internet Pharmacy Practices Sites ("VIPPS")
11 program to screen out internet pharmacy ads that do not comply with federal and/or state law or with
12 Google's relevant advertising policies. Google may replace VIPPS with another provider or
13 mechanism of at least equal quality with the prior approval of the Audit Committee.

14 (d) Google shall use, and as appropriate improve upon, automated systems,
15 including those that review the web pages that consumers visit when clicking on a link in an
16 advertisement, and shall timely disable those ads that violate Google's advertising policies.

17 (e) Google shall disable URLs (including URLs not active on AdWords) from
18 being linked to ads in AdWords or similar Google advertising programs when notified that they are
19 subject to action by governmental agencies, including without limitation, the FDA and Drug
20 Enforcement Agency and/or violate Google's advertising policies.

21 (f) Google shall refer to appropriate regulators or law enforcement agencies those
22 persons or entities that engage in significant and systematic attempts to evade Google's advertising
23 policies or electronic screening mechanisms against rogue online pharmacies.

24 (g) Google shall maintain its position as a board member of the Center for Safe
25 Internet Pharmacies ("CSIP"), so long as CSIP's primary focus continues to be effective ways in
26 which industry can combat abuses of their systems with respect to online pharmacies.

27 (h) The Audit Committee shall (i) require management to conduct internal audits
28 on Google's on-line advertising compliance with regulatory and/or legal requirements; or (ii)

1 commission external review by counsel or other professionals of Google's policies for on-line
2 advertising-related compliance with relevant regulations and/or laws at least once every 24 months.
3 Either shall be provided to the Audit Committee in writing.

4 (i) Google's General Counsel or senior compliance official shall report to
5 the Audit Committee semi-annually on the Company's compliance with, and enforcement of, its
6 advertising policies and initiatives.

7 (ii) Google's General Counsel or senior compliance official shall report to
8 the Audit Committee semi-annually discussing any material updates to the advertising compliance
9 program that were or will be adopted to prevent evasion of Google's advertising policy by online
10 pharmacy advertisers.

11 (3) **Criminal Activity Reporting**

12 Google's General Counsel shall be responsible for reviewing every situation in which a
13 Google employee is convicted of a felony under U.S. federal or state criminal statutes in connection
14 with his employment by Google and for reporting to the Google Board (or an appropriate committee
15 of the Google Board) with respect to that violation. Presumptively, any employee convicted of a
16 felony under a U.S. federal or state criminal statute in connection with his employment by Google
17 shall be terminated for cause and receive no severance payments in connection with the termination.
18 If the General Counsel determines that such termination is not warranted, he shall so recommend to
19 the Google Board (or an appropriate committee of the Google Board), which will act upon his
20 recommendation in its discretion.

21 (4) **Funding Commitment**

22 In order to provide appropriate funding for Google's On-Line Advertising Product, Quality
23 Operations and Ethics Compliance, Google hereby commits to budget and spend at least \$50 million
24 per year on its Product Quality Operations, Policy Enforcement, and User Safety Initiative
25 collectively, during each of the five years in which this Agreement shall be in effect, for a total of at
26 least \$250 million. This funding will be deployed through the direction of existing resources, as well
27 as through the allocation or acquisition of additional resources or assets, towards fulfilling the
28 objectives and obligations set forth herein and will be specifically targeted at frustrating the efforts

1 of parties engaging in illegal and dangerous activities online that pose a threat to users of Google
2 services, including ads that violate U.S. law or Google's content policies and prohibitions regarding
3 dangerous and illegal activities.

4 **(5) Application of Google's Policies to Acquired Companies**

5 Within twelve months following the acquisition of digital advertising companies, Google will
6 review their advertising-related compliance and regulatory policies to ensure consistency with
7 Google's existing policies and the corporate governance measures set out in the Stipulation.

8 **IV. PLAINTIFFS' COUNSEL'S SEPARATELY NEGOTIATED**
9 **ATTORNEYS' FEES AND EXPENSES**

10 After negotiating the principal terms of the Settlement, Plaintiffs' Counsel and Google, by
11 and through its counsel, with the assistance of the mediator, the Honorable Layn R. Phillips (Ret.),
12 negotiated the attorneys' fees and expenses that Google would pay to Plaintiffs' Counsel, subject to
13 Court approval. As a result of these negotiations, and in light of the substantial benefit conferred,
14 Google agreed to pay \$9,900,000 to Plaintiffs' Counsel for their fees and expenses ("Fee and
15 Expense Award"). The Fee and Expense Award includes fees and expenses incurred by Plaintiffs'
16 Counsel in connection with the prosecution and settlement of the Actions. To date, Plaintiffs'
17 Counsel have not received any payments for their efforts on behalf of Google stockholders. The Fee
18 and Expense Award will compensate Plaintiffs' Counsel for the results achieved in the litigation.

19 **V. REASONS FOR THE SETTLEMENT**

20 The Settling Parties have determined that it is desirable and beneficial that the Actions, and
21 all of their disputes related thereto, be fully and finally settled in the manner and upon the terms and
22 conditions set forth in the Stipulation and Plaintiffs' Counsel believe that the Settlement is in the best
23 interests of the Settling Parties, Google and its stockholders.

24 **A. Why Did the Settling Defendants Agree to Settle?**

25 The Settling Defendants have denied and continue to deny each and every one of the claims
26 and contentions alleged by the Plaintiffs in the Actions. The Settling Defendants expressly have
27 denied and continue to deny all allegations of wrongdoing or liability against them arising out of any
28 of the conduct, statements, acts or omissions alleged, or that could have been alleged in the Actions,

1 and contend that many of the factual allegations in the Actions are untrue and materially inaccurate.
2 The Settling Defendants have denied and continue to deny that they breached their fiduciary duties
3 or any other duty owed to Google or its stockholders, or that Plaintiffs, Google or its stockholders
4 have suffered any damages or were harmed by the conduct alleged in the Actions or otherwise. The
5 Settling Defendants have further asserted and continue to assert that at all relevant times, they acted
6 in good faith and in a manner they reasonably believed to be in the best interests of Google and its
7 stockholders. Pursuant to the terms set forth therein, the Stipulation shall in no event be construed as
8 or deemed to be evidence of an admission or concession by any of the Settling Defendants with
9 respect to any claim of fault, liability, wrongdoing or damage whatsoever.

10 Nonetheless, the Settling Defendants and Google also have taken into account the expense,
11 uncertainty and risks inherent in any litigation, especially in complex cases like the Actions.
12 Therefore, the Settling Defendants and Google have determined that it is desirable and beneficial
13 that the Actions, and all of the Settling Parties' disputes relating thereto, be fully and finally settled
14 in the manner and upon the terms and conditions set forth in the Stipulation.

15 **B. Why Did Plaintiffs Agree to Settle?**

16 Plaintiffs and their counsel believe that the claims asserted in the Actions have merit.
17 However, Plaintiffs and their counsel recognize and acknowledge the expense and length of
18 continued proceedings necessary to prosecute the Actions against the Settling Defendants through
19 trial and appeal. Plaintiffs and their counsel also have taken into account the uncertain outcome and
20 the risk of any litigation, especially in complex actions such as the Actions, as well as the difficulties
21 and delays inherent in such litigation. Plaintiffs and their counsel also are mindful of the inherent
22 problems of proof of, and possible defenses to, the violations asserted in the Actions. Based on
23 Plaintiffs' and their counsel's understanding of the facts, Plaintiffs and their counsel believe the
24 Settlement provides an outstanding recovery based on the alleged conduct of the Settling
25 Defendants. Based on their evaluation, Plaintiffs and their counsel have determined that the
26 Settlement set forth in the Stipulation is in the best interests of Google and its stockholders.
27
28

1 **VI. SETTLEMENT HEARING**

2 On _____, 2014, at _____ .m., the Court will hold the Settlement
3 Hearing at 1301 Clay Street, Oakland, California 94612. At the Settlement Hearing, the Court will
4 consider whether the terms of the Settlement are fair, reasonable and adequate and thus should be
5 finally approved, whether the separately negotiated Fee and Expense Award should be approved and
6 whether the Actions should be dismissed with prejudice pursuant to the Stipulation.

7 Pending determination of whether the Settlement should be approved, no Google
8 stockholder, either directly, representatively, derivatively or in any other capacity, shall commence
9 or prosecute against any of the Released Persons, any action or proceeding in any court,
10 administrative agency or other tribunal asserting any of the Released Claims.

11 **VII. RIGHT TO ATTEND SETTLEMENT HEARING**

12 Any current Google stockholder may, but is not required to, appear in person at the
13 Settlement Hearing. If you want to be heard at the Settlement Hearing, then you must first comply
14 with the procedures for objecting, which are set forth below. The Court has the right to change the
15 hearing date or time without further notice. Thus, if you are planning to attend the Settlement
16 Hearing, you should confirm the date and time before going to the Court. Current Google
17 stockholders who have no objection to the Settlement do not need to appear at the Settlement
18 Hearing or take any other action.

19 **VIII. RIGHT TO OBJECT TO THE PROPOSED DERIVATIVE SETTLEMENT
20 AND PROCEDURES FOR DOING SO**

21 Any current Google stockholder may appear and show cause, if he, she or it has any reason
22 why the Settlement of the Actions should not be approved as fair, reasonable and adequate, or why a
23 judgment should not be entered thereon, or why separately negotiated attorneys' fees and expenses
24 should not be approved. You must object in writing, and you may request to be heard at the
25 Settlement Hearing. If you choose to object, then you must follow these procedures.

26 **A. You Must Make Detailed Objections in Writing**

27 Any objections must be presented in writing and must contain the following information:

- 28 1. Your name, legal address, and telephone number;

- 1 2. Proof of being a Google stockholder as of the Record Date;
- 2 3. The date(s) you acquired your Google shares;
- 3 4. A statement of your position with respect to the matters to be heard at the Settlement
- 4 Hearing, including a statement of each objection being made;
- 5 5. Notice of whether you intend to appear at the Settlement Hearing (this is not required
- 6 if you have lodged your objection with the Court); and
- 7 6. Copies of any papers you intend to submit to the Court, along with the names of any
- 8 witness(es) you intend to call to testify at the Settlement Hearing and the subject(s) of their
- 9 testimony.

10 The Court may not consider any objection that does not substantially comply with these
11 requirements.

12 **B. You Must Timely Deliver Written Objections to the Court and**
13 **Counsel for Plaintiffs, Defendants and Google**

14 YOUR WRITTEN OBJECTIONS MUST BE ON FILE WITH THE CLERK OF THE
15 COURT NO LATER THAN _____, 2014. The Court Clerk’s address is:

16 Clerk of the Court
17 United States District Court
18 Northern District of California
19 1301 Clay Street
20 Oakland, CA 94612

21 YOU ALSO MUST DELIVER COPIES OF THE MATERIALS TO COUNSEL FOR
22 PLAINTIFFS, DEFENDANTS AND GOOGLE SO THEY ARE RECEIVED NO LATER THAN
23 _____, 2014. Counsel’s addresses are:

24 ***Counsel for Plaintiffs Patricia H. McKenna, Avrohom Gallis and James***
25 ***Clem:***

26 Ellen Gusikoff Stewart
27 Benny C. Goodman III
28 ROBBINS GELLER RUDMAN
 & DOWD LLP
 655 West Broadway, Suite 1900
 San Diego, CA 92101

Counsel for Plaintiff City of Orlando Police Pension Fund:

 Jeffrey S. Abraham
 Mitchell M.Z. Twersky

1 Atara Hirsch
2 Philip T. Taylor
3 ABRAHAM, FRUCHTER
& TWERSKY, LLP
4 One Penn Plaza, Suite 2805
New York, NY 10119

Counsel for Defendants Larry Page, Sergey Brin, Eric E. Schmidt, L. John Doerr, John L. Hennessy, Paul S. Otellini, K. Ram Shriram, Shirley M. Tilghman, Ann Mather, and Nominal Defendant Google Inc.:

6 Boris Feldman
7 Elizabeth C. Peterson
8 WILSON SONSINI GOODRICH &
ROSATI, P.C.
9 650 Page Mill Road
Palo Alto, CA 94304

10 Unless the Court orders otherwise, your objection will not be considered unless it is timely filed with
11 the Court and delivered to counsel for Plaintiffs, the Defendants and Google.

12 Any Person or entity who fails to object or otherwise request to be heard in the manner
13 prescribed above will be deemed to have waived the right to object to any aspect of the Settlement
14 as incorporated in the Stipulation or otherwise request to be heard (including the right to appeal) and
15 will be forever barred from raising such objection or request to be heard in this or any other action or
16 proceeding, and, unless otherwise ordered by the Court, shall be bound by the Judgment to be
17 entered and the releases to be given.

18 **IX. HOW TO OBTAIN ADDITIONAL INFORMATION**

19 This Notice summarizes the Stipulation. It is not a complete statement of the events of the
20 Actions or the Settlement contained in the Stipulation.

21 You may inspect the Stipulation and other papers in the Actions at the United States District
22 Clerk's office at any time during regular business hours of each business day. The Clerk's office is
23 located at the United States District Court for the Northern District of California, 1301 Clay Street,
24 Oakland, CA 94612. However, you must appear in person to inspect these documents. The Clerk's
25 office will not mail copies to you. You may also view and download the Stipulation at
26 <http://google.client.shareholder.com/investorkit.cfm>.

1 If you have any questions about matters in this Notice you may contact by telephone at
2 1-800-449-4900 or in writing Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman &
3 Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101.

4 PLEASE DO NOT CALL, WRITE, OR OTHERWISE DIRECT QUESTIONS TO EITHER
5 THE COURT OR THE CLERK'S OFFICE.

6 DATED _____, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

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EXHIBIT A-2

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ROBBINS GELLER RUDMAN
& DOWD LLP
SHAWN A. WILLIAMS (213113)
Post Montgomery Center
One Montgomery Street, Suite 1800
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shawnw@rgrdlaw.com

– and –
BENNY C. GOODMAN III (211302)
ERIK W. LUEDEKE (249211)
655 West Broadway, Suite 1900
San Diego, CA 92101-3301
Telephone: 619/231-1058
619/231-7423 (fax)
bennyg@rgrdlaw.com
eluedeke@rgrdlaw.com

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Avrohom Gallis and James Clem

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212/279-3655 (fax)

– and –
IAN D. BERG
TAKEO A. KELLAR
12526 High Bluff Drive, Suite 300
San Diego, CA 92130
Telephone: 858/792-3448
858/792-3449 (fax)

Counsel for Plaintiff City of Orlando Police
Pension Fund

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re GOOGLE INC. SHAREHOLDER)
DERIVATIVE LITIGATION)
_____)
This Document Relates To:)
ALL ACTIONS.)
_____)
CITY OF ORLANDO POLICE PENSION)
FUND by Its Trustees, derivatively on behalf)
of GOOGLE INC.,)
Plaintiffs,)
vs.)
LAWRENCE E. PAGE, et al.,)
Defendants.)
and)
GOOGLE INC., a Delaware corporation,)
Nominal Defendant.)

Master File No. CV-11-04248-PJH

Case No. CV-13-02038-PJH

SHORT-FORM NOTICE OF PROPOSED
DERIVATIVE SETTLEMENT

EXHIBIT A-2

1 **TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF THE COMMON**
2 **STOCK OF GOOGLE INC. ("GOOGLE" OR THE "COMPANY") AS OF**
3 **AUGUST 7, 2014 (THE "RECORD DATE")**

4 PLEASE TAKE NOTICE that the above-captioned shareholder derivative actions (the
5 "Actions") are being settled on the terms set forth in a Stipulation of Settlement, dated August 7,
6 2014 (the "Stipulation" or "Settlement").¹ Under the terms of the Stipulation, as a part of the
7 proposed Settlement, Google shall adopt and provide funding for certain corporate governance
8 enhancements. These reforms are designed to address the claims asserted in the Actions and
9 enhance Google's monitoring of and response to legal compliance issues and shareholder concerns
10 relating to rogue online pharmacies engaging in illegal and dangerous activities online who
11 potentially pose a threat to users of Google services.

12 On August 4, 2014, a Committee of independent Google directors, in exercising their
13 business judgment, approved the proposed Settlement, and each of its terms, as in the best interests
14 of Google and its stockholders. The Settling Defendants agree and acknowledge that these reforms
15 confer a substantial benefit upon Google and its stockholders.

16 In light of the substantial benefit conferred upon Google by Plaintiffs' Counsel's efforts, the
17 Company, by and through its Committee of independent Google directors, has agreed to pay
18 Plaintiffs' Counsel \$9,900,000 in attorneys' fees and expenses, subject to Court approval.

19 IF YOU WERE A RECORD OR BENEFICIAL OWNER OF GOOGLE COMMON
20 STOCK AS OF AUGUST 7, 2014, PLEASE READ THIS NOTICE CAREFULLY AND IN ITS
21 ENTIRETY AS YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THE ABOVE-
22 REFERENCED LITIGATION.

23 On _____, 2014, at _____ .m., a hearing (the "Settlement Hearing") will be held
24 at the United States District Court for the Northern District of California, 1301 Clay Street, Oakland,
25 CA 94612, before the Honorable Phyllis J. Hamilton, to determine: (1) whether the terms of the

26 ¹ This notice should be read in conjunction with, and is qualified in its entirety by reference to,
27 the text of the Stipulation, which has been filed with the United States District Court for the
28 Northern District of California. A link to the Form 8-K filed with the SEC containing the text of the
Stipulation may be found at the "SEC Website" link at
<http://google.client.shareholder.com/investorkit.cfm>. All capitalized terms herein have the same
meanings as set forth in the Stipulation.

1 proposed Settlement, including the separately negotiated attorneys' fees and expenses, should be
2 approved as fair, reasonable and adequate; and (2) whether the Actions should be dismissed on the
3 merits and with prejudice on the terms set forth in the Stipulation.

4 Any Google stockholder that objects to the Settlement shall have a right to appear and to be
5 heard at the Settlement Hearing, provided that he, she or it was a stockholder of record or beneficial
6 owner as of August 7, 2014. Any Google stockholder who satisfies this requirement may enter an
7 appearance through counsel of such stockholder's own choosing and at such stockholder's own
8 expense, or may appear on their own. However, no stockholder of Google shall be heard at the
9 Settlement Hearing unless, no later than _____, 2014, such stockholder has filed with
10 the Court and delivered to counsel for the Settling Parties, a written notice of objection containing
11 the following information:

- 12 1. Your name, legal address, and telephone number;
- 13 2. Proof of being a Google stockholder as of the Record Date;
- 14 3. The date(s) you acquired your Google shares;
- 15 4. A statement of your position with respect to the matters to be heard at the Settlement
16 Hearing, including a statement of each objection being made;
- 17 5. Notice of whether you intend to appear at the Settlement Hearing (this is not required
18 if you have lodged your objection with the Court); and
- 19 6. Copies of any papers you intend to submit to the Court, along with the names of any
20 witness(es) you intend to call to testify at the Settlement Hearing and the subject(s) of their
21 testimony.

22 Only stockholders who have filed and delivered valid and timely written notices of objection
23 will be entitled to be heard at the Settlement Hearing unless the Court orders otherwise.

24 If you wish to object to the proposed Settlement, you must file the written objection
25 described above with the Court on or before _____, 2014, and deliver copies of the materials
26 to the following parties such that they are received no later than ____, 2014:

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Counsel for Plaintiffs Patricia H. McKenna, Avrohom Gallis and James Clem:

Ellen Gusikoff Stewart
Benny C. Goodman III
ROBBINS GELLER RUDMAN
& DOWD LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

Counsel for Plaintiff City of Orlando Police Pension Fund:

Jeffrey S. Abraham
Mitchell M.Z. Twersky
Atara Hirsch
Philip T. Taylor
ABRAHAM, FRUCHTER
& TWERSKY, LLP
One Penn Plaza, Suite 2805
New York, NY 10119

Counsel for Defendants Larry Page, Sergey Brin, Eric E. Schmidt, L. John Doerr, John L. Hennessy, Paul S. Otellini, K. Ram Shriram, Shirley M. Tilghman, Ann Mather, and Nominal Defendant Google Inc.:

Boris Feldman
Elizabeth C. Peterson
WILSON SONSINI GOODRICH &
ROSATI, P.C.
650 Page Mill Road
Palo Alto, CA 94304

Any Google stockholder as of August 7, 2014, who does not make his, her or its objection in the manner provided herein shall be deemed to have waived such objection and shall be forever foreclosed from making any objection to the fairness, reasonableness or adequacy of the Settlement as incorporated in the Stipulation and/or to the separately negotiated attorneys' fees and expenses to Plaintiffs' Counsel, unless otherwise ordered by the Court, but shall otherwise be bound by the Judgment to be entered and the releases to be given.

Inquiries may be made to Plaintiffs' Counsel: Rick Nelson, c/o Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101; telephone 1-800-449-4900.

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PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE

DATED _____, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

EXHIBIT B

1 This matter came before the Court for hearing pursuant to the Order of this Court, dated
2 _____, 2014 (“Order”), on Plaintiffs’ motion for approval of the settlement (“Settlement”)
3 set forth in the Stipulation of Settlement, dated August 7, 2014 (the “Stipulation”). Due and
4 adequate notice having been given of the Settlement as required in said Order, and the Court having
5 considered all papers filed and proceedings had herein, and otherwise being fully informed in the
6 premises and good cause appearing therefor, IT IS HEREBY ORDERED, ADJUDGED AND
7 DECREED that:

8 1. This District Court Approval Order incorporates by reference the definitions in the
9 Stipulation, and all capitalized terms used herein shall have the same meanings as set forth in the
10 Stipulation (in addition to those capitalized terms defined herein).

11 2. This Court has jurisdiction over the subject matter of the Actions, including all
12 matters necessary to effectuate the Settlement, and over all parties to the Actions, including, but not
13 limited to, the Plaintiffs, Google Inc. (“Google”), the current Google stockholders, and the Settling
14 Defendants.

15 3. The Court finds that the notice provided to Google stockholders was the best notice
16 practicable under the circumstances of these proceedings and of the matters set forth therein,
17 including the Settlement set forth in the Stipulation, to all Persons entitled to such notice. The notice
18 fully satisfied the requirements of Federal Rule of Civil Procedure 23.1 and the requirements of due
19 process.

20 4. The Actions and all claims contained therein, as well as all of the Released Claims,
21 are dismissed with prejudice. As among Plaintiffs, the Settling Defendants and Google, the parties
22 are to bear their own costs, except as otherwise provided in the Stipulation.

23 5. The Court finds that the terms of the Stipulation and Settlement are fair, reasonable
24 and adequate as to each of the Settling Parties, and hereby finally approves the Stipulation and
25 Settlement in all respects, and orders the Settling Parties to perform its terms to the extent the
26 Settling Parties have not already done so.

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1 6. Upon the Effective Date, Google, current Google stockholders and the Plaintiffs
2 (acting on their own behalf and derivatively on behalf of Google) shall be deemed to have, and by
3 operation of this District Court Approval Order and the Judgment shall have, fully, finally, and
4 forever released, relinquished and discharged and dismissed with prejudice the Released Claims
5 against the Released Persons and any and all causes of action or claims (including Unknown Claims)
6 that have or could have been asserted in the Actions by Plaintiffs, Google or any Google stockholder
7 derivatively on behalf of Google, or Google against the Settling Defendants or the Released Persons,
8 based on the Settling Defendants' acts and/or omissions in connection with, arising out of, or relating
9 to, the facts, transactions, events, matters, occurrences, acts, disclosures, statements, omissions or
10 failures to act related to Google's acceptance of advertisements by foreign online pharmacies that
11 violated certain federal laws through and including the date of execution of the Stipulation. Nothing
12 herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the
13 Stipulation.

14 7. Upon the Effective Date, Plaintiffs (acting on their own behalf and derivatively on
15 behalf of Google and its stockholders), Google and any Person acting on behalf of Google, shall be
16 forever barred and enjoined from commencing, instituting or prosecuting any of the Released Claims
17 against any of the Released Persons or any action or other proceeding against any of the Released
18 Persons arising out of, relating to, or in connection with the Released Claims, the Actions, or the
19 filing, prosecution, defense, settlement, or resolution of the Actions. Nothing herein shall in any
20 way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

21 8. Upon the Effective Date, each of the Released Persons and the Related Parties shall
22 be deemed to have, and by operation of this District Court Approval Order and the Judgment shall
23 have, fully, finally, and forever released, relinquished and discharged each and all of the Plaintiffs
24 and Plaintiffs' Counsel and all current Google stockholders (solely in their capacity as Google
25 stockholders) from all claims (including Unknown Claims) arising out of, relating to, or in
26 connection with the institution, prosecution, assertion, settlement or resolution of the Actions or the

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1 Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling Party
2 to enforce the terms of the Stipulation.

3 9. The Court hereby approves the Fee and Expense Amount in accordance with the
4 Stipulation and finds that such fee is fair and reasonable.

5 10. Neither the Stipulation nor the Settlement, including the Exhibits attached thereto, nor
6 any act performed or document executed pursuant to or in furtherance of the Stipulation or the
7 Settlement: (a) is or may be deemed to be or may be offered, attempt to be offered or used in any
8 way as a concession, admission, or evidence of the validity of any Released Claims or any fault,
9 wrongdoing or liability of the Released Persons or Google; or (b) is or may be deemed to be or may
10 be used as a presumption, admission, or evidence of any liability, fault or omission of any of the
11 Released Persons or Google in any civil, criminal or administrative or other proceeding in any court,
12 administrative agency, tribunal or other forum. Neither the Stipulation nor the Settlement, nor any
13 act performed or document executed pursuant to or in furtherance of the Stipulation or the
14 Settlement, shall be admissible in any proceeding for any purpose, except to enforce the terms of the
15 Settlement and Stipulation, and except that the Released Persons may file or use the Stipulation, the
16 District Court Approval Order and/or the Judgment in any action that may be brought against them
17 in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel,
18 full faith and credit, release, standing, judgment bar or reduction or any other theory of claim
19 preclusion or issue preclusion or similar defense or counterclaim.

20 11. During the course of the Actions, the parties and their respective counsel at all times
21 complied with the requirements of Federal Rule of Civil Procedure 11, any applicable California law
22 and all other similar laws.

23 12. Without affecting the finality of this District Court Approval Order and the Judgment
24 in any way, this Court hereby retains continuing jurisdiction over the Actions and the parties to the
25 Stipulation to enter any further orders as may be necessary to effectuate, implement and enforce the
26 Stipulation and the Settlement provided for therein and the provisions of this District Court Approval
27 Order.

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1 13. This District Court Approval Order and the Judgment is a final and appealable
2 resolution in the Actions as to all claims and the Court directs immediate entry of the Judgment
3 forthwith by the Clerk in accordance with Rule 58, Federal Rules of Civil Procedure, dismissing the
4 Actions with prejudice.

5 IT IS SO ORDERED.

6 DATED: _____

7 THE HONORABLE PHYLLIS J. HAMILTON
8 UNITED STATES DISTRICT JUDGE

9 Submitted by:

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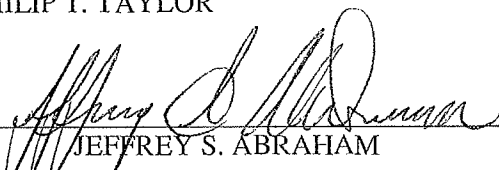
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10 Sergey Brin, Eric E. Schmidt, L. John
11 Doerr, John L. Hennessy, Paul S. Otellini,
12 K. Ram Shriram, Shirley M. Tilghman, Ann
13 Mather, and Nominal Defendant Google
14 Inc.

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[PROPOSED] ORDER APPROVING DERIVATIVE SETTLEMENT AND ORDER OF DISMISSAL
WITH PREJUDICE - CV-11-04248-PJH AND CV-13-02038-PJH

EXHIBIT C

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

In re GOOGLE INC. SHAREHOLDER)
DERIVATIVE LITIGATION)

Master File No. CV-11-04248-PJH

_____)
This Document Relates To:)
ALL ACTIONS.)

_____)
CITY OF ORLANDO POLICE PENSION)
FUND by Its Trustees, derivatively on behalf)
of GOOGLE INC.,)

Case No. CV-13-02038-PJH

Plaintiffs,)

[PROPOSED] JUDGMENT

vs.)

EXHIBIT C

LAWRENCE E. PAGE, et al.,)
Defendants.)

and)

GOOGLE INC., a Delaware corporation,)
Nominal Defendant.)

1 Plaintiffs, having moved for final approval of the settlement set forth in the Stipulation of
2 Settlement, dated August 7, 2014, and the matter having come before the Honorable Phyllis J.
3 Hamilton, United States District Judge, and the Court, on _____, 2014, having issued its
4 Order Approving Derivative Settlement and Order of Dismissal with Prejudice, and having directed
5 the Clerk of the Court to enter judgment, it is

6 **ORDERED, ADJUDGED AND DECREED:**

7 1. This Judgment incorporates by reference the Court’s Order Approving Derivative
8 Settlement and Order of Dismissal with Prejudice dated _____, 2014;

9 2. Pursuant to the Settlement, all pending motions in the action captioned *In re Google*
10 *Inc. Shareholder Derivative Litigation*, No. CV-11-04248-PJH, including Defendants’ pending
11 Motion to Dismiss the Second Amended Complaint filed on December 6, 2013 (Dkt. No. 105) and
12 in *City of Orlando Police Pension Fund v. Page, et al.*, Case No. CV-13-02038-PJH, Defendants’
13 Motion for Summary Judgment filed on November 1, 2013 (Dkt. No. 43); are hereby withdrawn ab
14 initio, and any materials filed under seal in connection with such motions, as well as the documents
15 filed by Defendants with the Court *in camera* on February 24, 2014, shall be returned to the party
16 who submitted such materials; and

17 3. That for the reasons stated in, and pursuant to the terms set forth in, the Court’s Order
18 Approving Derivative Settlement and Order of Dismissal with Prejudice dated _____,
19 2014, Plaintiffs’ Motion for Final Approval of Derivative Settlement is granted; accordingly, this
20 case, and all related cases, are closed.

21 Dated: Oakland, California

BY:

22 _____, 2014

23 _____
Clerk of Court

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