

Google Inc.  
Form PX14A6G  
May 13, 2015

Shareholder Rebuttal to Google, Inc. Opposition Statement  
Regarding Congruency between Political Contributions and Company Values

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240.14a-103 Notice of Exempt Solicitation  
U.S. Securities and Exchange Commission, Washington DC 20549

NAME OF REGISTRANT: Google, Inc.  
NAME OF PERSON RELYING ON EXEMPTION: NorthStar Asset Management, Inc. Funded Pension Plan  
ADDRESS OF PERSON RELYING ON EXEMPTION: 2 Harris Avenue, Boston MA 02130

Written materials are submitted pursuant to Rule 14a-6(g)(1) promulgated under the Securities Exchange Act of 1934.\*

\*Submission is not required of this filer under the terms of the Rule, but is made voluntarily in the interest of public disclosure and consideration of these important issues.

Google shareowners are encouraged to vote FOR resolution #4:

Resolved: Shareholders request that our Board take all practicable steps in its control toward initiating and adopting a recapitalization plan for all outstanding stock to have one vote per share. This would include efforts at the earliest practicable time toward encouragement and negotiation with Class B shareholders to request that they relinquish, for the common good of all shareholders, any preexisting rights. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts.

#### Overview

A comprehensive study, Incentives vs. Control: An Analysis of U.S. Dual-Class Companies, concluded that “the more control that the insiders have, the more they can pursue strategies that are at the expense of outside shareholders”<sup>1</sup> (emphasis added). The authors found that ceding voting control to insiders – that is, managers unchecked by shareholder input – leads to poor performance over the long-term; even while creating incentives by rewarding managers for their good efforts with greater value through stock ownership leads them to make better decisions. Based upon this research, the Proponent feels that shareholder value is best derived when insider voting control of the firm is separated from insider economic ownership, which has its own reward when stock prices rise.

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<sup>1</sup> “The Effects of Dual-class Ownership on Ordinary Shareholders.” Knowledge@Wharton. 30 June 2004.  
<<http://knowledge.wharton.upenn.edu/article/the-effects-of-dual-class-ownership-on-ordinary-shareholders/>>

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This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; the Proponent is not able to vote your proxies, nor does this communication contemplate such an event. The proponent urges shareholders to vote YES on item number 4 following the instruction provided on the management’s proxy mailing.

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Furthermore, a study sponsored by the Investor Responsibility Research Center Institute (IRRCi) has shown that on average and over time, companies with multiclass capital structures underperform those with a one-share, one-vote standard in which owners' economic risk is commensurate with voting power. This IRRC study also found that over the long term, controlled companies with a one-share, one-vote structure tend to outperform all others.<sup>2</sup>

Google claims that "Google has been managed with a focus on the long term" and that "we are creating a corporate structure that is designed for stability over long time horizons. By investing in Google, you are placing an unusual long term bet on the team, especially Sergey and me, and on our innovative approach."

The Proponent is very concerned that over the long term the use of insider control at Google will be used to insulate management from addressing shareholder issues. Additionally, the Proponent believes that changing the voting structure of the firm for current shareholders by adding a new class of non-voting capital stock well after the firm has been publically traded appears as if it's been done solely to keep the Company firmly under insider control. The Proponent feels that this kind of willful change in the capital structure exemplifies concerns that the current management may be ignoring shareholder voices to the detriment of long-term value.

Despite the Company's assertion, the Proponent believes that previous votes on this issue do not illustrate a lack of investor support.

The Proponent believes that claims by the Company that the "tri-class structure, with a new class of non-voting capital stock (Class C capital stock with no voting rights), was approved by votes representing a majority of our outstanding common stock at the 2012 Annual Meeting of Stockholders," are misleading because insiders already controlled more than half of the votes due to the dual voting share structure of the firm. Despite the fact that shareholders own the majority of the firm, any resolution that insiders vote against will fail, regardless of ownership vote. In the opinion of the Proponent, without a tally of one-vote-per-share, claiming that stockholders rejected a proposal means little more than Mr. Page, Mr. Brin, and Mr. Schmidt voted against it.

The Proponent believes that the current class structure is NOT in the best long-term interest of our stockholders and the current corporate governance structure is NOT sound and effective.

The Proponent feels that the current dual-class structure eliminates shareholder checks and balances over Management decisions. Over the long-term, insider control has been shown to sacrifice performance. As Metrick et al. concluded, "sales growth improved as insiders' financial stakes grew, and worsened as they gained voting clout." In other words, disproportional voting rights (wherein insiders have more than one vote per share) are frequently detrimental to a corporation's bottom line. As others point out, "With few constraints placed upon them, managers holding super-class stock can spin out of control. Families and senior managers can entrench themselves into the operations of the company, regardless of their abilities and performance. Finally, dual-class structures may allow management to make bad decisions with few consequences."<sup>3</sup>

Google claims that "our success is owed in large part to the leadership and vision provided by Larry, Sergey, and Eric E. Schmidt" and that "through their leadership and focus on innovation and long-term growth, we have established a track record of building a strong company and creating shareholder value." As fiduciaries, the Proponent certainly hopes they will continue to be a crucial part of Google's long-term success. However, research at companies shows that the economic value that insiders like Mr. Page, Mr. Brin, and Mr. Schmidt receive from ownership may incentivize long-term shareholder value, but insider control has potential to derail the positive leadership over the long-term.

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<sup>2</sup> <http://irrcinstitute.org/pdf/FINAL-Controlled-Company-ISS-Report.pdf>

<sup>3</sup> <http://www.investopedia.com/articles/fundamental/04/092204.asp#ixzz3XIMQvxdg>



Conclusion:

The Proponent believes that this proposal is in the best interest of the company—that it is protective of shareholder value without being overly proscriptive or burdensome. The Proponent also believes that, contrary to Company claims, Google’s existing tri-class share structure are not in the best interest of the company or shareholders.

We urge you to vote “FOR” proxy item #4. Should you have any proposal-specific questions please feel free to contact us at [mschwartz@northstarasset.com](mailto:mschwartz@northstarasset.com).

NorthStar Asset Management, Inc.

Date: May 12, 2015

By: /s/ Julie N.W. Goodridge  
Julie N.W. Goodridge  
President & CEO\*

\*Julie Goodridge is also the trustee of the NorthStar Asset Management, Inc Funded Pension Plan, one of the proponents.

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