

[Alphabet, Inc.: Rule 14a-8 Proposal, December 23, 2020]  
[This line and any line above it – *Not* for publication.]  
ITEM 4\* – Transition to Public Benefit Corporation

**RESOLVED: Shareholders request our Board of Directors take steps necessary to amend our certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to become a public benefit corporation (a “PBC”), contingent on Class B stockholders converting sufficient Class B shares to Class A or Class C to ensure that at least 60% of the Company’s voting power is not beneficially owned or controlled by the holders of Class B Shares.**

SUPPORTING STATEMENT: Estimates state that the Company has more than 4 billion users.<sup>1</sup> It has eight applications with more than one billion users.<sup>2</sup> This reach creates unique power, and power demands accountability. But our governance is structured to produce profits without accountability.

As a conventional corporation, the duties of Company directors emphasize shareholders, not stakeholders (except to the extent they create value for shareholders). In contrast, PBC directors must “balance” interests of shareholders, stakeholders, and specified benefits,<sup>3</sup> allowing the corporation to protect communities, even when it reduces financial return to shareholders in the long run.

This distinction is critical. The Company’s capacity to link people around the globe provides potential to contribute to religious persecution,<sup>4</sup> put democracy at risk,<sup>5</sup> and undermine vaccination.<sup>6</sup> Threats to freedom, democratic principles, and public health could be prioritized at a PBC, even if it sacrifices return.

These threats matter to the vast majority of our diversified shareholders: as of September 2020, the top five holders of the Company’s shares were mutual fund companies with indexed or otherwise broadly diversified portfolios. Diversified shareholders lose when companies harm the economy, because the value of diversified portfolios rises and falls with GDP.<sup>7</sup> While the Company may profit by ignoring costs it inflicts on society, its diversified shareholders ultimately internalize those costs. (They may also be personally at risk from them.)

The shareholders deserve an opportunity to vote on an amendment that will align our governance with shareholder interests and the global community in order to create meaningful accountability.

However, our multiclass structure, which vests control in individuals with wealth concentrated in our stock, could limit the efficacy of PBC status, because their concentrated ownership means they benefit when the company sacrifices social good for its own profit. Thus, the board resolution should provide that the amendment will only be effected if these individuals convert a number of high vote shares to low or no vote shares sufficient to provide meaningful accountability to diversified shareholders.

Please vote for: Transition to Public Benefit Corporation – Proposal [4\*]  
[This line and any below are *not* for publication]  
Number 4\* to be assigned by the Company

<sup>1</sup> <https://review42.com/google-statistics-and-facts/#:~:text=Google's%20search%20engine%20market%20share,over%20one%20billion%20active%20users>

<sup>2</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/1652044/000165204420000008/goog10-k2019.htm#s8845EA78D2E95963AF7E636F3B28E0>

<sup>3</sup> 8 Del C, §365.

<sup>4</sup> <https://www.businessinsider.com/china-likely-laid-out-how-google-can-help-persecute-uyghur-minority-2018-10>

<sup>5</sup> <https://www.thedailybeast.com/cheats/2016/11/16/google-ceo-fake-news-could-ve-swung-election>

<sup>6</sup> <https://www.thedailybeast.com/you-wont-believe-how-easy-it-is-to-buy-anti-vaxx-ads-on-google-and-twitter>

<sup>7</sup> See *Universal Ownership: Why Environmental Externalities Matter to Institutional Investors*, Appendix IV (demonstrating linear relationship between GDP and a diversified portfolio) available at [https://www.unepfi.org/fileadmin/documents/universal\\_ownership\\_full.pdf](https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf); cf. <https://www.advisorperspectives.com/dshort/updates/2020/11/05/market-cap-to-gdp-an-updated-look-at-the-buffett-valuation-indicator> (total market capitalization to GDP “is probably the best single measure of where valuations stand at any given moment”) (quoting Warren Buffet).