

Slide 3: Recommended action

1. Appeal to Chinese government/officials: Frame this to have been a misunderstanding / find a loophole to turn this into an accident or a violation on the hospitals end

- The government is also reputationally at risk domestically and foreignly and Xi Jinping doesn't want to accept / let public think that a mistake like this happened under his power → by colluding with Baidu, can put blame elsewhere, ex. say Stanford had promoted this ad illegally
- Maybe behind the scenes pay official large fees to cooperate → goal should be survival of the company

2. From there, comply with government regulations / oversight that will likely result (ex. Party Committee within corporation)

- Might not make as strong profits initially, but create strong relationships with these officials to eventually pay them for less oversight

- however, do comply in future to China's advertisement laws. can still make large profits and continue Baidu promotion within those frameworks.

3. Do, however, crack down on advertisements related to medical products and try to ensure legitimacy of advertisements

- create special team for this to demonstrate to the gov. that Baidu is taking this initiative seriously
- change management to show more change being made

4. Frame Wei's post on Zhihu as misleading and get government to take it down

- Try to get all information about this case that is public taken down

5. To address foreign concerns / Google's statement, have government / Xi Jinping release press statement refuting these accusations

Conclusion: Government intervention is inevitable, so work with officials, with Jinping, to refute/debunk accusations, place blame elsewhere, then make some changes to management/create teams to ensure integrity of ads and comply with regulations/laws while keeping Baidu promotion to keep making profits but within legal