

RESOLVED: Shareholders request that our Board take all practicable steps in its control to initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share. We recommend that this be done through a phase-out process in which the board would, within seven years or other timeframe justified by the board, establish fair and appropriate mechanisms through which disproportionate rights of Class B shareholders could be eliminated. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts.

SUPPORTING STATEMENT:

Since its creation, Meta Platforms ("Meta"), formerly Facebook, has faced numerous headline-grabbing scandals, including controversies that have resulted in the loss of users, decline in user confidence, and stock price drops that wiped off "more than \$119bn ... [from] Facebook's market value"¹ in one day. Shareholders believe that proper governance reforms are needed to help the company avoid future scandals.

These controversies and allegations include criticism for its "lax position on political lies," its role in Russia's misinformation campaign during the 2016 U.S. election, data breaches, failing to prevent its platforms from being used to incite violence, and more.

In 2021, whistleblower Frances Haugen testified before the Senate to allege that Meta has consistently chosen to "maximize its growth rather than implement safeguards on its platforms..."² Haugen also noted that CEO Mark Zuckerberg, who currently controls the majority of the shareholder vote while owning only 13% of economic value of the firm, dictates the course of the company. Haugen noted that "there is no one currently holding Zuckerberg accountable but himself."³ Last year, Mr. Zuckerberg faced a lawsuit alleging that he was "closely involved in envisioning and carrying out the framework on Facebook that ultimately allowed Cambridge Analytica to collect user data without consent..."⁴ Most recently, a coalition of 41 states and the District of Columbia filed lawsuits alleging that Meta "has intentionally built its products with addictive features that harm young users of its Facebook and Instagram services."⁵

Meta's ventures into the metaverse generate myriad new risks for the company regarding data privacy, user harassment and abuse, cybersecurity threats, exploited user data, and more. Given the company's history of issues with protecting user privacy, strong company governance is critical as Meta moves forward into the new virtual world.

Without equal voting rights, shareholders cannot hold management accountable.

Governance experts support the recapitalization sought by this proposal: the Council for Institutional Investors (CII) recommends a seven-year phase-out of dual class share offerings and the International Corporate Governance Network supports CII's recommendation. Outsider shareholders have repeatedly widely supported this proposal, and ongoing scandals demonstrate the critical need for this governance reform.

We urge shareholders to vote FOR a recapitalization plan for all outstanding stock to have one vote per share.

1 <https://www.theguardian.com/technology/2018/jul/26/facebook-market-cap-falls-109bn-dollars-after-growth-shock>

2 <https://www.npr.org/2021/10/05/1043377310/facebook-whistleblower-frances-haugen-congress>

3 <https://www.nytimes.com/2021/10/05/technology/facebook-frances-haugen-testimony.html>

4 <https://www.cnn.com/2022/05/23/meta-ceo-zuckerberg-sued-over-cambridge-analytica-privacy-scandal.html>

5 <https://www.wsj.com/tech/states-sue-meta-alleging-harm-to-young-people-on-instagram-facebook-f9ff> 4641