

Independent Board Chair

Resolved:

Shareholders request the Board of Directors adopt as policy, and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the Board. This independence policy shall apply prospectively so as not to violate any contractual obligations. If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement:

Facebook CEO Mark Zuckerberg has been Board Chair since 2012. His dual-class shareholdings give him approximately 58% of Facebook's voting shares while holding only 14% of the economic interest, leaving the Board, even with a lead independent director, with only a limited ability to check Mr. Zuckerberg's power. We believe this weakens Facebook's governance, accountability, and oversight of management. Selecting an independent Chair would free the CEO to focus on managing the Company and enable the Chairperson to focus on oversight and strategic guidance.

Facebook has resisted recent shareholder requests to separate these roles. The last three years, the same proposal received a majority vote of independent shareholders at the Company's annual stockholder meeting. Despite clearly demonstrated shareholder concern regarding the Board's leadership structure, the Company has not acted on this important signal from its non-insider shareholders.

Alphabet, Microsoft, Apple, and Twitter all have separate CEO and chairperson roles. Fifty-five percent of S&P500 firms maintain split roles between the CEO and Chair, according to a 2020 Spencer Stuart report.

We believe the lack of an independent board Chair and oversight has contributed to a pattern of governance failings, including Facebook missing or mishandling a myriad of severe controversies, increasing risk exposure and costs to shareholders. Most recently, Facebook reportedly shelved what was to be a public report revealing the most widely viewed post in the first quarter of 2021 suggested the COVID-19 vaccine was involved in a doctor's death. Researchers recently found misinformation is six times more likely to be read on the social media platform than factual news.¹

Concentrating power in the hands of one person – any person – is unwise. Looking forward to future growth opportunities, we believe Facebook will benefit from enhanced risk oversight and corporate governance, helping to rebuild trust with investors, employees,

¹ Dvoskin, Elizabeth. "Misinformation on Facebook got six times more clicks than factual news during the 2020 election, study says." *The Washington Post*, September 4, 2021, available at: <https://www.washingtonpost.com/technology/2021/09/03/facebook-misinformation-nyu-study/>

users, and regulators. Transitioning to an independent board Chair is necessary to rebuild the company's reputation and to create a governance structure with the benefits of genuine accountability and meaningful oversight.