

[Facebook, Inc.: Rule 14a-8 Proposal, December 10, 2020]

[This line and any line above it – *Not* for publication.]

ITEM 4* – Public Benefit Corporation Request

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 our controlling shareholder converting sufficient Class B shares to Class A to ensure that at least 60% of the Company’s voting power is not beneficially owned or controlled by Mark Zuckerberg.

SUPPORTING STATEMENT: The Company reached 3,210,000,000 users in the third quarter of 2020.¹ This 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,² allowing the corporation to protect communities, even when it reduces financial return to shareholders in the long run.

This distinction is critical. The Company has unparalleled capacity to link people around the globe, with the potential to contribute to genocide,³ put democracy at risk,⁴ and undermine vaccination.⁵ Threats to international order, democratic principles, and public health could be prioritized at a PBC, even if it sacrifices return.

These threats matter to shareholders, the vast majority of whom are diversified: 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 rise and fall with GDP.⁶ 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 should be given an opportunity to vote on an amendment to the certificate of incorporation that will align our governance with the interests of our shareholders and the global community in order to create needed and meaningful accountability.

However, our dual class voting structure, which vests control in one individual whose wealth is concentrated in our stock, could limit the efficacy of PBC status, because his concentrated ownership of our stock means he benefits when the company sacrifices social good for its own profit. Thus, as permitted by Section 242(c) of the Delaware General Corporation Law, the board resolution approving the amendment should provide that the amendment will only be effected if the individual converts a number of high vote shares to low vote shares sufficient to provide meaningful accountability to diversified shareholders.

Please vote for: Public Benefit Corporation Request – Proposal [4*]

[This line and any below are *not* for publication]

Number 4* to be assigned by the Company

¹ <https://www.statista.com/statistics/947869/facebook-product-mau/>

² 8 Del C, §365.

³ <https://www.nytimes.com/2018/10/15/technology/myanmar-facebook-genocide.html>

⁴ <https://maplight.org/story/facebook-must-stop-dodging-responsibility-for-its-role-in-destabilizing-democracy/>

⁵ <https://abcnews.go.com/Health/wireStory/facebook-bans-anti-vaccination-ads-antivax-posts-73594039>

⁶ 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; 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).