ITEM 4* – Report on Pay Calibration to Externalized Costs

On October 5, 2021, Frances Haugen, a former Company data scientist, testified before the U.S. Senate, highlighting the Company's unmitigated prioritization of profits:

> *I'm here today because I believe Facebook's products harm children, stoke division and weaken our democracy.*

The Company reached 2.96 billion users in the third quarter of 2022. Its platforms affect users' perceptions, and these perceptions affect social institutions and the ability of the global community to address catastrophic threats. As one expert stated:

> *Facebook is becoming the last bastion of climate denial.*

Company personnel know its content is harmful:

- *We know that COVID vaccine hesitancy has the potential to cause severe societal harm.*
- *We make body image issues worse for one in three teen girls.*

But a former employee says the Company accepts those harms to increase its profits:

> *The company's leadership knows how to make Facebook and Instagram safer, but won't make the necessary changes because they put their astronomical profits before people…*

According to the 2022 proxy statement, the 2021 bonus plan was intended "to motivate executive officers to focus on company priorities and to reward them for individual results and achievements." The calculations of Company priorities included: "Continue making progress on the major social issues facing the internet and our company, including privacy, safety, and security." The proxy statement noted: "None of these priorities were assigned any specific weighting or dollar amount of the target bonus."

This level of accountability for these social issues seems inadequate to the task of ensuring that the executive officers are not motivated to boost traffic and advertising revenues to increase their own compensation when doing so would lead to environmental and social damage that harms the economy and the portfolios of diversified shareholders. Essentially, the current plan allows executives to be rewarded for profits based on decisions that harm the economy.

Resolved: Shareholders request that the Board Compensation, Nominating and Governance Committee prepare a report assessing the feasibility of integrating specific weights or dollar amounts to base and bonus pay calibrated consistent with the costs externalized by Company operations, including costs imposed on the global economy and the environment.

Supporting Statement:

In preparing this report, the Committee should identify quantifiable negative externalities, such as environmental costs, affected social determinants of health, societal disruption, and other damage attributable to Company activities that will be absorbed by the economy, as well as those negative externalities for which quantification is not feasible, but for which a reasonable approximation or relevant measure may be developed. The weights or dollar amounts may be calculated proportional to the level of externalities imposed by the Company with such amounts calculated to offset any incentive to create such externalities when doing so would improve the Company's financial performance.

Please vote for: Report on Pay Calibration to Externalized Costs – Item 4*

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Number 4* to be assigned by the Company