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March 25, 2022

Board of Directors
Meta Platforms, Inc.
1601 Willow Road,
Menlo Park, California 94025

Dear Meta Platforms, Inc. Board Members:

We, the undersigned, write to you as Meta Platforms, Inc. ("Meta" or "the Company") shareholders representing US $2.7 trillion in assets under management or advisory. We are writing to draw your attention to shareholder concerns with what we view as inadequate corporate governance practices at Meta and the Board's failure to address them.

Meta is at a crossroad. Leadership changes at the Board and governance reforms are urgently needed to protect shareholders' investments and long-term value. In the coming months and years, Meta will need to address many allegations and challenges including but not limited to accusations of anti-competitive practices,[i] Directors' breach of fiduciary duty,[ii] interference with democracies,[iii] human rights and users' data privacy risks,[iv] among other issues.

Meta needs an independent Board and an effective system of accountability to ensure shareholders that their investments are in good hands. These difficult circumstances warrant the Board to separate the functions of CEO and Board Chair and to establish equal voting rights so that shareholders can hold management accountable for its actions or lack thereof. In addition to these governance reforms, we urge the Board to take the opportunity, at the Company's upcoming Annual Meeting, to renew its cadre of directors, by declining to re-nominate Mr. Mark Andreesen and Ms. Peggy A. Alford as directors, and instead nominating three new, highly-qualified independent directors to replace Mr. Andreesen, Ms. Alford, and Mr. Peter Thiel (who has recently announced that he will leave the Board).

Meta is under scrutiny

Meta has major influence on society by determining what content people see on their social media platforms. This influence, if left unchecked, can have significant impacts on welfare of users and the stability of society. So far, Meta has showed little willingness to address these issues proactively. As a result, Meta has been under increasing scrutiny from regulators, investors and civil society actors for accusations that it has failed to protect its users' human rights and that it has allowed misinformation and propaganda to spread on its platforms. The Company has been investigated in multiple jurisdictions for election interference. Numerous recent controversies have also directly questioned the Company's governance and management, including:

- In October 2021, former employee and whistleblower Frances Haugen filed complaints with the Securities and Exchange Commission (SEC) against Meta[v] including allegations that the Company violated U.S. securities laws by making material misrepresentations and omissions to investors and prospective investors.[vi] Following this, a consortium of 17 U.S. news and media organizations published a series of articles based on thousands of leaked documents from Frances Haugen, also known as the "Facebook Papers." These documents said the Company's "iron-fisted management style"[vii] and ill-faith effort to fix its issues[viii] have hindered accountability, transparency, and responsibility.
- In September 2021, Facebook was hit with a shareholder lawsuit that alleged the Company paid USD$4.9 billion more than an initial fine sought by the FTC to shield Mr. Zuckerberg from personal liability in a 2019 settlement.[ix]
- In July 2021, former employee and whistleblower Sophie Zhang attributed leadership for failing to mitigate and address global political manipulation of the Company's services.[x]
- These issues did not begin in 2021. As far back as 2016, employees voiced their concern for the Company's corporate direction and how its pursuit for growth may negatively impact its ethics and mission statement.[xi]

In 2020, the Company established a formal and independent Oversight Board to increase transparency and governance over user appeals as well as hold the Company accountable for its content moderation decisions. While creating management structures to address the issue of political rights, content moderation and misinformation is positive, we do not believe that the Oversight Board has either the capacity, authority or scope to serve as a replacement for the effective, ongoing and far-reaching board oversight of the business, accountable to shareholders, that we seek. In our view, this reform is insufficient.

We believe that more fundamental governance reforms are needed to protect long-term value for shareholders. As institutional investors, we believe that the establishment of a robust system of accountability and oversight at the Board is key to protect shareholders' long-term value, and this starts with establishing board independence from management by nominating truly independent directors, appointing an independent Chair, and eliminating dual-class shares.

Nominate independent directors

In its 2021 Proxy Statement, Meta argued that "a substantial majority of [its] directors are independent, and each of the committees of [its] board of directors is comprised entirely of independent directors."

We disagree.

Mr. Marc L. Andreessen (Member of the Compensation, Nominating & Governance Committee) and Ms. Peggy A. Alford (Member of the Audit & Risk Oversight Committee) should not be considered independent directors, and therefore, should not be serving on the critical Compensation, Nominating & Governance Committee or Audit & Risk Oversight Committee.

Mr. Andreessen's thirteen-year tenure as a Board member already raises concerns around a potential lack of independence. In some jurisdictions such as the UK, that length of tenure would already disqualify him for an independence designation. Further, however, his alleged conduct as a director has raised red flags regarding interactions with management. In a 2016 lawsuit,[xii] for example, shareholders alleged that Mr. Andreessen coached Mr. Zuckerberg to help him get the Board to approve a new stock structure giving Mr. Zuckerberg even more control. Mr. Andreesen was assigned to a special board committee reviewing the proposal, but text messages submitted as evidence for the lawsuit support the claim that Mr. Andreesen was secretly giving Meta's CEO information and assisted him during the negotiations to secure endorsement of the proposal from independent Board members.[xiii] In 2021, another lawsuit filed by shareholders accused Mr. Andreessen and several of his colleagues of breaching their fiduciary duty in the context of the $5 billion 2019 Federal Trade Commission settlement. The suit alleges that the Board authorized the multi-billion deal – instead of a $106 million settlement option – to avoid liability for Mr. Zuckerberg.[xiv]

Ms. Peggy A. Alford was appointed as a Board Member in 2019. Just two years earlier, she was hired as Chief Financial Officer and Head of Operations for the Chan Zuckerberg Initiative, Mr Zuckerberg's personal charity, which we believe disqualifies her for designation as an independent director. Considering the myriad legal, regulatory and human rights risks the Company faces and the disproportionate influence Mr. Zuckerberg has over the Board, Ms. Alford's presence in the Audit & Risk Oversight Committee is particularly concerning.

We intend to withhold votes for these directors at the next annual meeting of shareholders, and we request that the Board start a search for more qualified replacements immediately, if it has not already done so.

We also urge the Board, in light of Mr. Thiel's recent decision to not stand for re-election to the Board at the Company's 2022 Annual Meeting of Stockholders, to replace Mr. Thiel with an independent candidate who would bring the skills, experience and expertise required to address the challenges ahead, implement the governance reforms needed to drive the Company's strategy forward and represent shareholders' best interest.

Nominate an independent chair and eliminate dual-class shares

In addition to our concerns with the independence of individual directors, we are concerned that Meta's governance and ownership structure give too much control to the CEO and Chairman, Mr. Mark Zuckerberg.

We request the Board of Directors to show an appropriate degree of responsiveness to the shareholder proposals filed in 2020 requesting the Board of Directors to eliminate the dual-class structure and to appoint an independent Board Chair, which received 88.2% and 63.4% support from independent shareholders, respectively.

As a general rule, we oppose structures that allow a combined Chair/CEO role which, we believe, undermines the essential checks and balances of good corporate governance. In Meta's case, given the enormous influence of its products and intensive regulatory and public scrutiny, and the issues with director independence note above, this structure is untenable. The lack of an independent Board Chair is particularly problematic at Meta, where Mr. Zuckerberg, who sits as both Chair and CEO, owns 58% of the Company's voting shares but holds only 14% of the shares.

The risk of lawsuits, sustained public controversy and regulatory intervention, whether ultimately found to be justified or not, are strong arguments in support of continuous, effective and unconflicted board oversight of corporate management. The Board is responsible for this oversight, but conflicts of interest may arise when one person holds both the Chair and CEO positions. In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. We believe that Meta's Board should adopt best practice governance policies, including having an independent Board Chair.

We believe:

- The role of the CEO and management is to run the company;
- The role of the Board is to provide independent oversight of management and the CEO;
- There is an inherent conflict of interest when the same person occupies both the role of CEO and Chair.

According to PWC's 2019 survey of over 700 directors, 57% of directors surveyed who sit on a Board with a combined Chair/CEO say it is difficult to voice dissent – a 37% higher result than on boards with an independent Chair.[xv] This is likely even more pronounced where the combined Chair/CEO controls enough votes to unseat any director he chooses, which is the case at Meta.

55% of companies in the S&P 500 have an independent Chair.[xvi] Numerous institutional investors recommend such a move. For example, California's Retirement System CalPERS' Principles & Guidelines encourage separation, even with a lead director in place. The Council of Institutional Investors' corporate governance policies favor independent Board Chairs.[xvii]

At a time when the reputational, legal and regulatory and strategic risks faced by Meta are particularly high, the Board should be able to assure shareholders that their rights, concerns and interests are heard and respected. In response to a shareholder proposal asking for an independent Board Chair, the management responded:

> Our board of directors currently believes that the most effective leadership model is that Mr. Zuckerberg, our founder and controlling shareholder, serves as both Chairman and CEO. We believe our board of directors is functioning effectively under its current structure, and that the current structure provides appropriate governance and oversight protections. We believe that our Lead Independent Director plays a significant and meaningful role in leading our board of directors and do not believe that requiring the Chair to be independent will provide appreciably better direction and performance.

However, nearly two thirds of unaffiliated shareholders disagreed with the Company's statement—and 63% of independent shareholders voted in favor of the proposal in 2020. The Company's refusal to implement this widely-supported proposal reflects the growing disconnect between the Board and shareholders. It is exacerbated by the dual-class share structure which effectively allows Meta to ignore the results of this vote.

Responsible governance for a responsible company

We propose the above governance reforms out of concern for the Company's future, and our own interests as shareholders in the Company, but also because the Company has such an outsized influence on societies globally through its platforms. The effects of poor governance, gaps in accountability and irresponsible behavior will be felt well outside the four walls of this Company. In the absence of good governance practices adopted voluntarily at Meta, regulators will be required to step in.

We look forward to hearing from the Board of Directors. Please contact Sarah Couturier-Tanoh, Manager of Corporate Engagement & Advocacy at SHARE at scouturier-tanoh@share.ca.

Sincerely,

[i] https://www.ftc.gov/news-events/press-releases/2020/12/ftc-sues-facebook-illegal-monopolization

[ii] https://www.bloomberglaw.com/public/document/CONFCOMPLAINTSoutheasternPennsylvaniaTransportationAuthorityvMark?doc_id=X5LED1QPUTE90D81KICJN8OSFKQ?fmt=pdf

[iii] https://time.com/5197255/facebook-cambridge-analytica-donald-trump-ads-data/; https://www.democracynow.org/2021/10/26/professor_ramesh_srinivasan_on_the_facebook; https://www.theverge.com/2021/10/29/22753046/facebook-meta-aoc-instagram-rebrand-france-haugen-blumenthal

[iv] https://fortune.com/2021/10/29/mark-zuckerberg-metaverse-privacy-facebook-meta/

[v] https://www.cbsnews.com/news/facebook-whistleblower-sec-complaint-60-minutes-2021-10-04/

[vi] https://www.cbsnews.com/news/facebook-whistleblower-sec-complaint-60-minutes-2021-10-04/

[vii] https://www.washingtonpost.com/technology/2021/10/25/mark-zuckerberg-facebook-whistleblower/

[viii] https://www.wired.com/story/facebook-papers-badge-posts-former-employees/

[ix] https://www.forbes.com/sites/graisondangor/2021/09/21/facebook-overpaid-ftc-fine-by-billions-to-protect-zuckerberg-lawsuits-say/?sh=76bed068352e

[x] https://www.technologyreview.com/2021/07/29/1030260/facebook-whistleblower-sophie-zhang-global-political-manipulation/

[xi] https://www.wired.com/story/facebook-papers-badge-posts-former-employees/

[xii] https://www.bloomberg.com/news/articles/2016-12-08/facebook-s-investors-criticize-marc-andreessen-for-conflict-of-interest?cmpid=medium.inline

[xiii] https://www.businessinsider.com/mark-zuckerberg-marc-andreessen-text-message-stock-reclassification-lawsuit-2016-12

[xiv] https://techpolicy.press/facebook-sued-by-pension-funds-over-alleged-governance-issues/

[xv] https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjDz7rG7__1AhW9nWoFHYttD1YQFnoECCMQAQ&url=https%3A%2F%2Fwww.corporatecomplianceinsights.com%2F2019-corporate-directors-survey%2F&usg=AOvVaw2vzp66GLjaf-H5lPBDmLNH

[xvi] https://www.spencerstuart.com/-/media/2019/ssbi-2019/us_board_index_2019.pdf

[xvii] https://www.cii.org/files/09_22_21_corp_gov_policies.pdf