

ARJUNA  CAPITAL
ENLIGHTENED INVESTING

June 12, 2018

Elliot Schrage
VP of Communications & Public Policy
Facebook Inc.
1601 Willow Road
Menlo Park, CA 94025

Dear Mr. Schrage,

Thank you for your apology regarding your comments to me at the Facebook shareholder meeting, as well as your honest acknowledgement that they were correctly interpreted as insulting and offensive. As a female investor speaking on behalf of Facebook's shareholders, I was stunned by a tactic that was so clearly patronizing.

We are engaging with the company because we believe there is a path forward that benefits both the company and its investors. Yet, our interactions have been limited and management's responses have been dismissive of our concerns.

In 2016, before our first shareholder proposal on gender pay equity went to a vote, I spoke once with a company representative, and I was assured that there was no gender pay gap at the company. Yet this assurance was made in the absence of metrics like those being published by Facebook's peers. We did not withdraw our proposal for that reason, and have refiled it for two years since. Facebook saying it pays men and women equally does not address our concerns in the absence of data. In 2017, there was no dialogue on the issue and this year, in 2018, Facebook's staff waited until just before the meeting to even reach out on gender pay equity, yet committed to no additional action.

In 2017, we filed a shareholder proposal expressing concerns that fake news propagated over the platform was having an impact on our democracy. Yet, the company waited until after that proposal went to a vote to speak to us. When we did speak, the company assured us that there was not an issue and ignored our recommendations for better reporting. Six months later, Facebook testified before Congress about the 126 million Americans who may have viewed Russian propaganda on Facebook in the lead up to the 2016 US presidential election.

In 2018, we filed a related proposal on "content governance," that is, the fake news, hate speech, and sexual harassment propagated over the platform that is in direct violation of the company's own terms of service. Along with our co-filers the New York State Common Retirement Fund and Illinois State Treasurer, we requested a dialogue, but were dismissed completely. We have yet to discuss our concerns regarding content governance with Facebook.

At the annual meeting, I simply asked why. Why are you not engaging with your investors? And more specifically, why are you not engaging with us in a meaningful way?

I look forward to a more productive dialogue and meaningful engagement.

Sincerely,



Natasha Lamb
Managing Partner
Arjuna Capital