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STATE OF CONNECTICUT

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## TREASURER SHAWN T. WOODEN

### **NEARLY 70 PERCENT OF FACEBOOK'S NON-INSIDER VOTES SUPPORT INDEPENDENT BOARD CHAIR**

*SHAREHOLDER RESOLUTION CO-FILED BY CONNECTICUT RETIREMENT PLANS AND TRUST FUNDS, PUBLIC PLANS*

**June 6, 2019**

State Treasurer Shawn T. Wooden, fiduciary for Connecticut's \$35.3 billion pension and trust funds, joined public pension plans from five states in applauding the results of a resolution calling on Facebook's CEO Mark Zuckerberg to give up his position as the company's board chairman.

The vote came at Facebook's annual meeting last week, when 68-percent of non-insider votes were cast in favor of a shareholder proposal co-filed by Connecticut, recommending an independent board chair.

"While the head of Facebook has served a dual role as board chairman and CEO, there have been numerous missteps -- from the role of its platform in election propaganda to the sharing of the personal data of tens of millions," Wooden said. "The vote results for our shareholder resolution actually prove the point: With the majority of shares under his control, Facebook's CEO effectively shut down a corporate structure that would have provided checks and balances between a company's board and its management. Shareholders deserve better."

Wooden joined treasurers and other public pension fund leaders from Illinois, Rhode Island, Massachusetts, Pennsylvania, Oregon and New York City in co-filing the resolution led by primary filer Trillium Asset Management.

As of this week, Connecticut held 764,360 Facebook shares with a market value of approximately \$128 million through its \$35.3 billion Connecticut Retirement Plans and Trust Funds.

The vote for an independent board chair increased substantially compared to a similar proposal introduced in 2017 that received support from 51% of non-insider votes.

Investor demand for greater oversight and accountability has steadily mounted as the frequency and string of controversies at the California-based company has sparked extensive criticism and concern.

The resolution called for Facebook to align with the governance model that has been adopted by Alphabet, Apple, Autodesk, and Microsoft – establishing governance systems and processes that provide the most robust and effective risk oversight.

While the resolution received strong support from shareholders other than Zuckerberg, board members and other insiders, when taking into account all votes cast, the independent board chair proposal earned support of 20% of the votes cast.

Zuckerberg has the majority of voting shares, and no shareholder resolutions could pass with him opposing them. He owns or controls an estimated 88 percent of Facebook's Class B shares, which each have 10 votes at the annual meeting. Zuckerberg and a number of other insiders control 4,010,720,956 of the votes. Once those votes are removed, the calculation reveals that out of a total of 1,674,842,339 votes cast (excluding abstentions and broker non-votes as established by SEC rules), 1,139,241,589 were cast in favor of the independent board chair proposal.

Three other resolutions filed by shareholders likewise failed to receive a majority of votes cast.

Facebook has published the vote results at: <http://d18rn0p25nwr6d.cloudfront.net/CIK-0001326801/4d5ba024-45b4-409d-bfea-be53be1432a8.pdf>.

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