



**Shareholder Rebuttal to Meta Platforms, Inc.’s Opposition Statement
Regarding “One Share, One Vote”**

Resolved: Shareholders request that our Board take all practicable steps in its control to initiate and adopt a recapitalization plan for all outstanding stock to have one vote per share. We recommend that this be done through a phase-out process in which the board would, within seven years or other timeframe justified by the board, establish fair and appropriate mechanisms through which disproportionate rights of Class B shareholders could be eliminated. This is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts

Dear Meta Platforms, Inc. Shareholders:

NorthStar Asset Management asks you to vote “FOR” shareholder proposal number five, requesting that Meta Platforms, Inc. (“Meta” or the “Company”) adopt a recapitalization plan for all outstanding stock to have one vote per share, at Meta’s Annual Meeting of Stockholders on May 27, 2026.

Repeated Governance Failures:

Meta's dual-class structure, which grants CEO Mark Zuckerberg about 61% of total voting power despite ownership of 14% of economic interest, has insulated management from accountability and enabled a sustained pattern of governance failures that continue to impose material financial, legal, and reputational costs on shareholders. Recent events, including two landmark court verdicts against the company in the same week during March 2026, make clear that the current governance structure is not protecting shareholders or the public.

BOARD CLAIM 1: “Our board of directors evaluates Meta’s capital structure on a regular basis and continues to believe that our capital structure is in the best interests of the company and its shareholders.”

In the past year, shareholders have witnessed:

- A \$375 million jury verdict against Meta in New Mexico (March 24, 2026), in which jurors found that Meta knowingly harmed children's mental health, hid what it knew about child sexual exploitation on its platforms, and willfully violated the state's Unfair Practices Act by prioritizing profits over safety.¹
- A \$6 million verdict in Los Angeles (March 25, 2026), the first case to take a tech platform to trial for social media addiction, in which a jury found Meta negligent in the design of its platforms and responsible for 70% of the harm to a minor user. The jury awarded punitive damages, reserved for conduct involving malice or conscious disregard for safety, after hearing evidence that executives were aware of harms to young users and failed to act.²
- These verdicts are bellwether cases tied to approximately 2,000 pending lawsuits. Plaintiff attorneys have described them as “the dam breaking”³ and legal experts expect baseline settlement across a rapidly expanding litigation landscape.⁴
- A \$190 million shareholder derivative settlement (November 2025), one of the largest of its kind, resolving claims that directors failed in their oversight duties in connection with unlawful data practices, underscoring persistent board-level governance breakdowns.⁵
- A historic stock decline in October 2025 that erased \$214 billion in market capitalization at the time, as investors reacted to concerns over uncontrolled AI spending and a lagging competitive position. While shares remain up more than 18% over the past year, the drawdown from October 2025 highs underscores the market’s sensitivity to capital allocation discipline and strategic execution.⁶
- Continued multi-billion-dollar annual losses in Reality Labs, including approximately \$19 billion in 2025 and more than \$80 billion cumulatively since 2020. The company’s sweeping metaverse rebrand, followed by abrupt strategic reversals such as the March 2026 Horizon Worlds decision and pivot away from VR, highlights inconsistent capital allocation and raises concerns about whether decisions of this scale are subject to rigorous, independent oversight.⁷
- Escalating global regulatory scrutiny (2025–2026), including enforcement actions and investigations in the United States and European Union related to data privacy, competition, and platform safety, exposing the company to significant financial penalties, mandated product changes, and ongoing compliance burdens.⁸

¹ <https://nmdoj.gov/press-release/new-mexico-department-of-justice-wins-landmark-verdict-against-meta/>

² <https://www.npr.org/2026/03/25/nx-s1-5746125/meta-youtube-social-media-trial-verdict>

³ <https://www.npr.org/2026/03/25/nx-s1-5746125/meta-youtube-social-media-trial-verdict>

⁴ <https://www.reuters.com/legal/litigation/jury-reaches-verdict-meta-google-trial-social-media-addiction-2026-03-25/>

⁵ <https://money.usnews.com/investing/news/articles/2025-11-20/zuckerberg-meta-directors-agree-to-190-million-settlement-of-shareholder-privacy-case>

⁶ <https://www.cnbc.com/2025/10/30/meta-stock-earnings-ai-spend.html>

⁷ [The Long Farewell to Mark Zuckerberg’s Metaverse - The New York Times](https://www.nytimes.com/2025/10/30/technology/meta-reality-labs.html)

⁸ https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1085

Taken together, these developments directly contradict the Board’s assertion that Meta’s capital structure serves the best interests of shareholders. Instead, the company’s controlled structure has repeatedly limited independent oversight, weakened accountability, and allowed significant legal, strategic, and capital allocation risks to accumulate. The growing scale, frequency, and financial impact of these failures demonstrate that the current governance framework is amplifying risk and shareholders are bearing the cost.

BOARD CLAIM 2: "Our capital structure allows management to focus on the long term."

Public disclosures, litigation records, and sworn testimony instead indicate a recurring failure to identify, escalate, and address known long-term risks in a timely and effective manner. Rather than demonstrating disciplined long-term stewardship, the record reflects that material risks have been repeatedly surfaced internally and externally, yet allowed to persist until they escalated into litigation, regulatory scrutiny, and significant reputational harm. These developments raise serious questions about whether the current governance structure is functioning as claimed in practice.

Internal research, including work referred to as “Project MYST,” reportedly found that certain vulnerable youth populations were unable to regulate compulsive platform use, even with parental supervision.⁹ A former Meta researcher testified under oath that the company’s legal team directed staff to withhold or delete research demonstrating harm to children, raising serious concerns about whether material risk information was appropriately escalated or acted upon.¹⁰

These concerns are reinforced by findings presented in the March 2026 Los Angeles addiction trial, where jurors heard evidence that Meta’s platforms were designed using engagement-maximizing techniques that likened the platform’s effects on young users to “drugs” and “gambling,” underscoring that these harms are not incidental, but rather the foreseeable result of deliberate product design decisions.¹¹

Meta’s history in Myanmar further illustrates the long-term consequences of failing to act on known risks. Internal research and repeated external warnings over several years identified that the company’s algorithms were amplifying hate speech and incitement to violence against the Rohingya population. Independent investigations later concluded that the platform played a significant role in these atrocities, while the company now faces ongoing legal and reputational consequences stemming from those failures.¹²

⁹ <https://techcrunch.com/2026/02/17/metas-own-research-found-parental-supervision-doesnt-really-help-curb-teens-compulsive-social-media-use/>

¹⁰ <https://www.nbcnews.com/tech/tech-news/meta-whistleblower-research-kids-vr-former-employees-stock-rna230131>

¹¹ <https://www.cbsnews.com/news/meta-google-youtube-social-media-addiction-trial-los-angeles/>

¹² <https://www.amnesty.org/en/latest/news/2022/09/myanmar-facebooks-systems-promoted-violence-against->

Recent product decisions raise the risk of repeating this pattern. The rollback of professional fact-checking in favor of less robust, community-based moderation systems has prompted warnings from researchers and human rights organizations that such approaches may be insufficient to mitigate coordinated harm, particularly in high-risk regions.¹³

Taken together, these examples directly contradict the Board's assertion that Meta's capital structure enables long-term decision-making. Instead, they show a recurring pattern in which foreseeable, long-term risks were identified internally or raised externally yet not addressed in a timely or effective manner. As these risks have escalated into litigation, regulatory scrutiny, and public controversy, they have required substantial management time, attention, and resources. This is the opposite of the long-term focus the Board claims the structure enables.

BOARD CLAIM 3: "Our board provides robust independent oversight."

Independence in form does not equate to independence in function where a single individual controls a majority of voting power and effectively determines the composition of the Board. In such a structure, formal governance mechanisms cannot constitute meaningful independence if directors remain ultimately reliant on the continued support of a controlling shareholder.

Meta's own Oversight Board publicly criticized the company in April 2025 for rolling back major content moderation policies without conducting adequate human rights due diligence, underscoring gaps in governance review and risk assessment prior to significant policy changes.¹⁴

While the Board cites standard governance features, including independent director requirements under SEC and Nasdaq rules, the Lead Independent Director role, and executive sessions without management, these structural elements do not address the practical reality that directors serve at the discretion of a controlling shareholder who cannot be removed through ordinary shareholder vote.

A board that is structurally dependent on the continued support of a controlling shareholder cannot, as a practical matter, function as an independent check on management. Formal governance features may exist, but they do not overcome the structural limitations inherent in a system where directors are not ultimately accountable to the broader shareholder base. In that context, independence becomes procedural rather than substantive, and oversight becomes reactive rather than effective.

rohingya-meta-owes-reparations-new-report/

¹³ <https://www.npr.org/2025/01/12/nx-s1-5252739/meta-backs-away-from-fact-checking-in-the-u-s>

¹⁴ <https://www.reuters.com/sustainability/boards-policy-regulation/metas-oversight-board-rebukes-company-over-policy-overhaul-2025-04-23/>

BOARD CLAIM 4: "The requested change is unnecessary and not in the best interests of Meta at this time."

The Board's assertion that reform is "unnecessary" and "untimely" is unsupported by substantive reasoning and increasingly misaligned with emerging market signals. A growing body of analysis among Wall Street analysts and institutional investors suggests that Meta may be approaching a "tobacco moment," a point at which cumulative litigation risk, evidence of known harms, and intentional product design choices converge to create structural, industry-wide liabilities with lasting implications for valuation and social license to operate.¹⁵

Tobacco companies similarly argued that governance and accountability reforms were unnecessary and premature until mounting legal, regulatory, and reputational pressures made those positions untenable. The Board's claim that "now is not the right time" reflects a familiar pattern of delayed governance response in the face of escalating risk.

The Board provides no principled explanation for why the current moment is inappropriate for reform, beyond a generalized preference for maintaining the status quo. This absence of justification is particularly notable given the proposal's measured and flexible design. The proposal does not require the immediate elimination of the dual-class structure. Instead, it calls on the Board to develop and adopt a recapitalization plan, one that the Board itself would design and implement on a timeline it determines. This approach is consistent with established market practice, where companies adopt sunset provisions or structured transition pathways as they mature.

Academic research and institutional investor guidance consistently find that perpetual dual-class structures can entrench management, weaken board accountability, and reduce responsiveness to shareholder concerns over time. As a result, leading governance frameworks increasingly support time-based sunsets or other mechanisms that transition companies toward equal voting rights as they move beyond their founder-led growth phase.¹⁶

Longterm Shareholder Support:

Shareholders, we urge you to vote "FOR" proxy item number five, Stockholder Proposal asking for a recapitalization plan to ensure one vote per share. This proposal, filed by NorthStar Asset Management for 12 consecutive years, continues to receive overwhelming support from outside shareholders, including 88% support in 2025. By adopting this change, the Board can strengthen governance, improve accountability, and protect long-

¹⁵ [Meta Platforms Faces \\$280 Billion Market Value Drop on Legal, AI Concerns - Bloomberg](#)

¹⁶ <https://corpgov.law.harvard.edu/2025/01/22/voting-on-voting-rights-how-the-worlds-largest-investors-sanction-companies-with-unequal-voting-rights/>

term shareholder value.

Vote YES on Shareholder Proposal No. 5

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