



HOW WILL YOU SPEND YOUR FUTURE?

California State Teachers'  
Retirement System  
Investments  
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February 7, 2012

Mark Zuckerberg, Chairman  
and Chief Executive Officer  
Facebook Inc.  
1601 Willow Road  
Menlo Park, CA 94025

Dear Mr. Zuckerberg:

I am the Director of the Corporate Governance Asset Group at the California State Teachers' Retirement System (CalSTRS). CalSTRS is the largest public pension fund for public school teachers and the second largest public pension fund in the U.S. At the close of the market on February 2, 2012, CalSTRS assets were valued at \$150 billion. We are invested across several asset classes, but the public equity allocation represents the largest allocation, at 52% of the portfolio.

CalSTRS is currently invested in Facebook through its Private Equity allocation in two partnerships and we will most likely be a common stock investor once the IPO is completed. We are pleased with the appreciation that the fund has enjoyed from its investment in Facebook, but as a long-term investor, we engage portfolio companies on a variety of issues.

I write to you today because of the reported composition of the Facebook board of directors. We are disappointed that the Facebook board will not have any women members. This is particularly glaring in view of the fact that Facebook is going public at a time when there is clear evidence that companies with diverse boards perform far better than the companies with more homogenous boards. We also note that the Facebook COO, Sheryl Sandberg has been very supportive of increasing the diversity on corporate boards, particularly gender diversity, and in the senior management of corporations.

The Facebook board is relatively small for a company with its estimated market capitalization. We believe that investors and the company would benefit from a larger, more diverse board and urge you to expand its size. We realize that Facebook will be a controlled company in which the public stockholders will have little influence, but when the company's mission and subscriber base are considered, a diverse board makes good business sense.

Mark Zuckerberg  
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On behalf of CalSTRS and our beneficiaries, the teachers of the state of California we strongly encourage you to increase the diversity of your board prior to the IPO.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne E. Sheehan". The signature is fluid and cursive, with a large initial "A" and "S".

Anne Sheehan  
Director of Corporate Governance