March 14, 2019

Sean Aggarwal, Director
Jonathan Christodoro, Director
Ben Horowitz, Director
Valerie Jarrett, Director
David Lawee, Director
Hiroshi Mikitani, Director
Ann Miura-Ko, Director
Maggie Wilderotter, Director
c/o Kristin Svercheck, General Counsel
Lyft, Inc.
185 Berry St., #5000
San Francisco, CA 94107

Dear Messrs. Aggarwal, Christodoro, Horowitz, Lawee, and Mikitani and Mses. Jarrett, Miura-Ko, and Wilderotter:

As institutional investors with $3.2 trillion assets under management, we the undersigned are alarmed at Lyft's recently disclosed plan to adopt a dual-class voting structure without the kind of sunset provision that has been put in place at companies such as Groupon, EVO Payments, and Bloom Energy. In addition to denying public investors an accountable governance structure through which to monitor and protect their investment, Lyft's dual-class plan will prevent the company from being included in multiple major indexes compiled by S&P, including the S&P 500. We urge the board of directors to reconsider this decision and adopt the one-share, one-vote structure utilized successfully by the vast majority of public companies and which Lyft itself currently employs as a privately held firm. At the very least, we urge the board to adopt an appropriate near-term sunset provision for the dual class structure, such as three, five, or seven years.

Dual-Class Creates Misalignment of Control and Economic Exposure

Lyft proposes to grant founders Logan Green and John Zimmer 20 votes for every one vote that would be held by future public shareholders, enabling the founders to exercise more than 60% of the voting power at the company despite their owning approximately 7% of Lyft shares currently. This arrangement imposes a significant gap between those who exercise control over the company, and those who have economic exposure to the consequences of that control. It is particularly worrisome to us as long term investors in the financial markets because Messrs. Green and Zimmer's position in the company is already below the 10% threshold of founder ownership at which many existing dual-class capital structures convert to a traditional one-share, one-vote structure. Moreover, as Lyft issues more

shares in the future, this misalignment of control and cash flow would be magnified. Potential Lyft shareholders cannot ignore the risk this stark misalignment poses to their investment going forward.

Technology Companies Increasingly Move Away from Unlimited Dual-Class Structures

A decade ago, IPOs often did not include sunset provisions or other qualifications (such as collapsing dual-class into one-vote, one-share if the founders' ownership drops below 10%). Since 2010, however, it has been increasingly common for such companies to include provisions that ensure that the dual-class set up is temporary. For instance, between 2010 and 2012, Groupon, MaxLinear, and Yelp each went public with sunset provisions of five, seven, and seven years respectively, and each has subsequently seen its dual-class structure successfully convert to one-share, one-vote. In the past year, EVO Payments, Bloom Energy, and Smartsheet all launched IPOs with dual-class structures that sunset in three, five, and seven years, respectively. By failing to include a reasonable sunset provision, Lyft risks making itself an outlier among its peers, which may lead to investment risk.

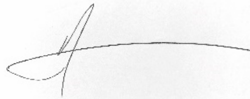
Empirical Research Indicates Dual-Class Harms Long-Term Shareholders

Several recent studies have examined the question of how dual-class voting structures affect valuations and premiums, particularly at highly innovative companies. These studies find that in the immediate aftermath of an IPO, dual-class structures are associated with higher premia, increased innovation, and greater value creation, but that after about six years the relationship reverses, and dual-class firms underperform thereafter. These findings reinforce our belief that the appropriate governance structure for long-term investors is the one-share, one-vote system, and that Lyft is imposing unnecessary and uncompensated investment risk on potential shareholders both by switching to a dual-class structure and by failing to commit to one-share, one-vote by a certain date.

Lyft has successfully operated as a private company for 6 years with a one-share, one-vote structure. There is, at best, an ephemeral, short-term advantage to a dual-class structure coupled with significant downside risks to the company and its owners. We believe it is incumbent upon the board to remedy this situation and conform to the standards of other recent technology companies entering the public markets. Lyft's board of directors can reassure potential shareholders that it understands that going forward both the board and management must be accountable to public shareholders by agreeing to retain its existing one-share, one-vote structure following the IPO, or, at the very least, adopting a sunset provision that commits the company to revert to one-share, one-vote within the next three to seven years.

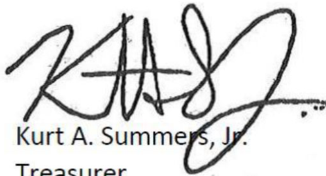
If you have any questions or would like to discuss the concerns expressed here with the undersigned institutions, please contact Dieter Waizenegger at dieter.waizenegger@ctwinvestmentgroup.com.

Sincerely,



Adam M. Kanzer
Head of Stewardship – Americas
BNP Paribas Asset Management

Dieter Waizenegger
Executive Director
CtW Investment Group



Kurt A. Summers, Jr.
Treasurer
City of Chicago

Tim Goodman
Director
Hermes Equity Ownership Services

Ken Hall
General Secretary-Treasurer
International Brotherhood of Teamsters

John Hoeppner
Head of US Stewardship and Sustainable Investments
Legal and General Investment Management America

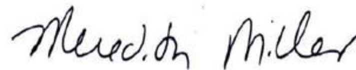
Councilor Paul Doughty
Chair
Local Authority Pension Fund Forum

Elizabeth L Greenwood
Vice Chair
Los Angeles City Employees' Retirement System

Scott M. Stringer
New York City Comptroller

Thomas P. DiNapoli
New York State Comptroller
Office of the New York State Comptroller

Patti Brammer
Corporate Governance Officer
Ohio Public Employees Retirement System



Meredith Miller
Chief Corporate Governance Officer
UAW Retiree Medical Benefits Trust