

## MasterCard Inc.

**Resolved:** Shareholders request the Board of Directors conduct an evaluation and issue a report within the next year (at reasonable cost, omitting proprietary information) describing if and how MasterCard Inc. (MasterCard or “The Company”) intends to reduce the risk associated with the processing of payments involving its cards and/or its electronic payment system services for the sale and purchase of untraceable firearms, including “Buy, Build, Shoot” firearm kits, components, and/or accessories used to assemble privately made firearms known as “Ghost Guns”.

**Supporting Statement:** In addition to the health and safety risk to society, gun violence has a negative financial effect both in the short and long term, as it suppresses productivity and economic activity, destabilizes communities, and reduces business confidence.

Companies have an important and constructive role to play in ensuring their activities do not contribute to community violence.

Technological advances have also made it easier for unlicensed persons to make firearms at home from standalone parts or weapon parts kits. Sellers of “Ghost Gun” kits advertise that their products are meant to be built into operable firearms with no serial number, records, or background check.

“Ghost Guns” are routinely seized from individuals who are prohibited by law from possessing firearms. When made for personal use, “Ghost guns,” are not required to have a serial number, making it difficult for law enforcement to determine where, by whom, or when they were manufactured, and to whom they were sold or otherwise distributed.

From January 1, 2016, through December 31, 2020, there were approximately 23,906 suspected “Ghost Guns” reported to the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) as having been recovered by law enforcement from crime scenes, including 325 homicides or attempted homicides, which includes students who were killed during mass school shootings.<sup>1</sup>

The growing number of “Ghost Guns” is alarming to law enforcement officials across the country. The Baltimore Police Department reported that in 2020, 29 of the 126 “Ghost Guns” seized were from people who were too young to legally possess a firearm.<sup>2</sup> The ATF Los Angeles Field Division has stated that 41% of their cases involve “Ghost Guns”.<sup>3</sup>

MasterCard receives payment for the use of its services and profits from its partnership with acquiring banks and the “Ghost Gun” retailers they support.

Given the risks associated with the nature of the untraceable firearms business, as investors we are concerned that the continued use of MasterCard credit cards and/or its electronic payment system services to facilitate the sale of firearm kits, components, and/or accessories used to assemble “Ghost Guns”, present regulatory, reputational, legal, and financial risks to investors.

Therefore, we urge the Board and management to assess The Company’s policy related to untraceable firearm transactions and report to shareholders on how it manages risks related to these transactions.

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<sup>1</sup> <https://www.federalregister.gov/documents/2021/05/21/2021-10058/definition-of-frame-or-receiver-and-identification-of-firearms>

<sup>2</sup> <https://foxbaltimore.com/news/local/bpd-discusses-startling-spike-in-untraceable-ghost-guns>

<sup>3</sup> <https://abc7.com/ghost-guns-california-gun-laws-kits/5893043/>