

262 Altadena Cir  
Bay Point, CA. 94565  
July 24, 2015

Secretary  
Apple Inc.  
1 Infinite Loop, MS: 301-4GC  
Cupertino, California 95014  
(via post mail & email [shareholderproposal@apple.com](mailto:shareholderproposal@apple.com))

Re: Shareholder Proposal on Compensation Committee

Dear Secretary:

Enclosed please find my shareholder proposal for inclusion in our proxy materials for the 2016 annual meeting of shareholders and Scottrade letter of my shares ownership. I will continuously hold these shares until the 2016 annual meeting of shareholders.

Should you have any questions, please contact me at 1-925-643-5034 or [zhao.cpri@gmail.com](mailto:zhao.cpri@gmail.com).

Yours truly,

A handwritten signature in black ink that reads "Jing Zhao". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Jing Zhao

Enclosure: Shareholder proposal  
Shares ownership letter

## **Shareholder Proposal on Compensation Committee**

Resolved: shareholders recommend that Apple Inc. reform its Compensation Committee to include outside independent experts from the general public to adopt new compensation principles responsive to America's general economy, such as unemployment, working hour and wage inequality.

### **Supporting Statement**

According to Apple Notice of 2015 Annual Meeting of Shareholders, the CEO's total compensation is \$9,222,638 in 2014; the CFO's total compensation is \$14,002,801 in 2014; the former CFO's total compensation is \$68,591,562 in 2012; the Retails and Online Stores SVP's total compensation is \$73,351,124 in 2014; the Internet Software and Services SVP's total compensation is \$50,420,415 in 2012; and the Operations SVP's total compensation is \$68,691,612 in 2012 (page 40). "In 2014, the Compensation Committee selected and directly retained the services of Pay Governance LLC, ...on matters for which the Compensation Committee is responsible." (page 29). However, any single consulting firm cannot represent the wide general public, such as unions and academic societies, to advise a fair, just and ethical compensation policy.

As Thomas Piketty stated, "there is absolutely no doubt that the increase of inequality in the United States contributed to the nation's financial instability." (Capital in the Twenty-First Century, trans. Arthur Goldhammer. Cambridge: The Belknap Press of Harvard University Press, 2014. p.297) "Let me return now to the cause of rising inequality in the United States. The increase was largely the result of an unprecedented increase in wage inequality and in particular the emergence of extremely high remunerations at the summit of the wage hierarchy, particularly among top managers of large firms."(p.298) And, "the financial professions are about twice as common in the very high income groups as in the economy overall." (p.303) "Because it is objectively difficult to measure individual contributions to a firm's output, top managers found it relatively easy to persuade boards and stockholders that they were worth the money, especially since the members of compensation committees were often chosen in a rather incestuous manner." (p.510)

This proposal should also be evaluated in the context of our company's overall compensation policy, such as the widely reported and criticized working condition issue, for Apple employees and especially for supply-chain workers in China, where most of our products are made and sold and our CEO "has served on the advisory board of Tsinghua University School of Economics and Management since October 2013" (Notice page 10).