

262 Altadena Cir
Bay Point, CA. 94565
June 13, 2016

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

Re: Shareholder Proposal on Executive Compensation Reform

Dear Secretary:

Enclosed please find my shareholder proposal for inclusion in our proxy materials for the 2017 annual meeting of shareholders and a letter of my shares ownership. I will continuously hold these shares until the 2017 annual meeting of shareholders.

Should you have any questions, please contact me at 1-925-643-5034 or 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 Executive Compensation Reform

Resolved: shareholders recommend that Apple Inc. engage multiple outside independent experts or resources from the general public to reform its executive compensation principles and practices.

Supporting Statement

According to Apple Notice of 2016 Annual Meeting of Shareholders, "Since 2014, the Compensation Committee has engaged the services of Pay Governance LLC, ...on matters for which the Compensation Committee is responsible." (p. 26). However, any single consulting firm cannot represent the general public, such as independent scholars, think tanks, unions and academic societies, to advise fair, just and ethical compensation principles. The failure of our executive compensation principles and practices is clearly shown in the same \$1,000,000 salary, the same \$20,000,105 stock award and the same \$4,000,000 non-equity incentive plan compensation each in 2015 to our five of six named executive officers (p.35). What is use of the Compensation Committee when it could not differentiate the contribution of the tremendously different functions of the CFO, the Retail and Online Stores SVP, the Internet Software and Services SVP, the Hardware Engineering SVP and the Secretary of our company?

As Professor Thomas Piketty (*Capital in the Twenty-First Century*, trans. Arthur Goldhammer. Cambridge: The Belknap Press of Harvard University Press, 2014) stated, "there is absolutely no doubt that the increase of inequality in the United States contributed to the nation's financial instability." (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) "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)

For the purpose of this proposal, the Board and the Compensation Committee have the flexibility to select multiple independent experts or sources.