

1745 Copperleaf Ct  
Concord, CA 94519  
August 19, 2019

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 to 2020 Shareholders Meeting

Dear Secretary:

Enclosed please find my shareholder proposal for inclusion in our proxy materials for the 2020 annual meeting of shareholders and a letter of my shares ownership. The TD Ameritrade letter had a mistake of "6/06/2014 7:1 SPLIT ON 7 SHRS 42" which should be 49, as the letter showing that I had 20 shares on 2/26/2018 and thus have 15 shares today. I have continuously held 15 shares at least since 2/26/2018 until today. I will continuously hold these shares through the 2020 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,



Jing Zhao

Enclosure: Shareholder proposal  
Shares ownership letter

## **Shareholder Proposal to Improve Guiding Principles of Executive Compensation**

Resolved: shareholders recommend that Apple Inc. improve guiding principles of executive compensation.

### **Supporting Statement**

According to Apple 2019 Proxy Statement, "Since 2014, the Compensation Committee has engaged the services of Pay Governance, ...on matters for which the Compensation Committee is responsible." (p. 30). Any single paid-by-company consulting firm cannot provide principled executive compensation services. The failure of our executive compensation principles is clearly shown in the same \$1,000,000 salary, the same \$21,491,888 stock award and the same \$4,000,000 non-equity incentive plan compensation in 2018 to each of Apple's four of five named executive officers (p.38). What is use of the Compensation Committee when it could not differentiate the contribution of the tremendously different functions of the CFO, the Retail SVP, the COO and the Secretary of Apple? These four NEOs pay ratio to the median compensated employee is larger than  $\$26,509,692/\$55,426=478$  to 1 (p.38 & p.46)!

Furthermore, "[w]ith the assistance of Pay Governance, the Compensation Committee identified groups of companies to serve as market reference points for compensation comparison purposes for 2018." However, all the 25 peers are domestic companies (p. 30) despite that fact that Apple is an international business. "During 2018, the Company's domestic and international net sales accounted for 37% and 63%, respectively, of total net sales." (2018 Form 10-K p.6)

Nationwide, "Median compensation for 132 chief executives of S&P 500 companies reached \$12.4 million in 2018, up from \$11.7 million for the same group in 2017, according to a Wall Street Journal analysis." (March 17, 2019). "CEOs rake in 940% more than 40 years ago, while average workers earn 12% more" (CBSNEWS August 14, 2019). America's ballooning executive compensation is neither responsible for the society nor sustainable for the economy.

For the purpose of this proposal, the Board and the Compensation Committee have the flexibility to improve guiding principles of executive compensation.