

262 Altadena Cir  
Bay Point, CA. 94565  
April 30, 2014

Office of the Secretary  
International Business Machines Corporation  
1 New Orchard Road, Mail Drop 301  
Armonk, NY 10504  
via certified mail

Re: Shareholder Proposal on Public Policy Committee

Dear Secretary:

Enclosed please find my shareholder proposal for inclusion in our proxy materials for the 2015 annual meeting of shareholders and the letter of my shares confirmation. I will continuously hold these shares until the 2015 annual meeting of shareholders.

Should you have any questions, please contact me at 1-925-643-5034 (phone/fax) or [zhao.cpri@gmail.com](mailto:zhao.cpri@gmail.com). I would suggest that IBM have an email account to receive shareholder's proposal and other communications.

Yours truly,

A handwritten signature in black ink that reads "Jing Zhao". The signature is written in a cursive style with a loop at the end of the "Z".

Jing Zhao

Enclosure: Shareholder proposal

Letter of Jing Zhao's shares confirmation

## **Shareholder Proposal on Establishing a Public Policy Committee**

Resolved: shareholders recommend that International Business Machines Corporation (IBM) establish a Public Policy Committee to assist the Board of Directors in overseeing IBM's policies and practice that relate to public issues including human rights, corporate social responsibility, supplier chain management, charitable giving, political activities and expenditures, government regulations, and especially international relations that may affect IBM's operations, performance, reputation, and shareholders' value.

### **Supporting Statement**

IBM currently has four board committees: Audit Committee, Directors and Corporate Governance Committee, Executive Compensation and Management Resources Committee, and Executive Committee, but without a committee to legitimately and ethically deal with public issues, especially international affairs, affecting our business. According to our 2013 annual report, IBM has 32% (\$31,628m/\$97,800m) revenue in Europe/Middle East/Africa, 23% (\$22,923/\$97,800m) revenue in Pacific Asia; "Within the BRIC countries of Brazil, Russia, India and China, ... The company continues to see good opportunity in all regions over the long term and is continuing to invest in these key markets." (p.40); "During 2013, performance in China was impacted by the process surrounding the implementation of a broad governmental economic reform plan."(p.41). IBM is truly a leading international business corporation in the world.

The globalization has made the world increasingly connected and complicated. For example, the U.S.-Japan Joint Statement on April 25, 2014 includes such dangerous contents as: "These commitments extend to all the territories under the administration of Japan, including the Senkaku Islands." "The United States welcomes and supports Japan's consideration of the matter of exercising the right of collective self-defense." The Japanese government has misled the U.S. under the U.S.-Japan Security Treaties to crash with the rising power of a nationalistic China since Japan utilized China's 1989 Tiananmen Tragedy to abandon Japan's peace constitution (the cornerstone of Asia's peace after WWII) towards rearmament, militarization and fascism. Although the Japanese government signed the G-7 Summit declaration in 1989 to protect Chinese students, I, as a graduate student in Osaka University organizing Chinese democratic and human rights activities in Japan, was persecuted because I refused to collaborate with the Japanese government to betray my fellow Chinese students. Please refer to Japan's second largest newspaper Asahi's interviews with me on February 10, 1990, October 20, 1992 and June 8, 2009, and my article "The Betrayal of Democracy: Tiananmen's Shadow over Japan," *Historia Actual Online*, 2004, Issue 4 Volume 2.

Partly to respond to my proposals, Microsoft established such a public policy committee in 2012. It is also necessary for IBM to establish a Public Policy Committee.