Proposal No. [ ] – Shareholder Proposal

Apple has been advised that Mr. Jing Zhao, 262 Altadena Circle, Bay Point, CA 94565, who has indicated he is a beneficial owner of at least $2,000 in market value of Apple's common stock, intends to submit the following proposal at the Annual Meeting:

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.289) "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.

Apple's Statement in Opposition to Proposal No. [ ]

The Board recommends a vote AGAINST Proposal No. [ ].

Our executive compensation program is designed to attract, motivate, and retain a talented, entrepreneurial, and creative team of executives who will provide leadership for Apple's success in dynamic and competitive markets. Internal pay equity among our executive officers does not demonstrate a failure of compensation principles and practices; rather, it is a hallmark of the team-based approach of our executive compensation program. Our executive officers are expected to operate as a high-performing team, and we believe that generally awarding the same base salary, annual cash incentive, and long-term equity awards to each of our executive officers, other than the CEO, successfully supports this goal.

Apple's Compensation Committee is responsible for Apple's compensation and incentive plans and programs, approves all compensation for Apple's executive officers, and acts as the administrative committee for Apple's employee equity plans. The

Compensation Committee consists entirely of independent directors who have various resources and tools at their disposal to assist in the performance of their duties without the addition of multiple outside independent experts or resources from the general public whose priorities and interests may differ from those of Apple or our shareholders.

Under the terms of its charter, the Compensation Committee has the right, in its sole discretion, at any time to retain or obtain advice, reports, or opinions from such internal and external counsel, compensation consultants, and other experts and advisors as it deems necessary or appropriate to assist it in the full performance of its functions. Since 2014, the Compensation Committee has engaged the services of Pay Governance, an independent compensation consulting firm. Pay Governance works with the Compensation Committee to develop effective executive pay programs based on its knowledge of Apple's industry and business needs. Pay Governance provides advice to the Compensation Committee on a range of external market factors, including evolving compensation trends, appropriate peer companies, and market survey data. Pay Governance also provides general observations about our compensation programs and management recommendations regarding the amount and form of compensation for our executive officers.

Each year, the Compensation Committee conducts a review of Apple's executive compensation program and takes into account numerous factors, including the advice of its independent compensation consultant, management recommendations, pay practices and program designs at peer companies, shareholder feedback, and the Compensation Committee's own business judgment, which is informed by the significant experience of its members. Shareholders also have an opportunity each year to cast an advisory vote on the compensation of our named executive officers.

Apple believes this Proposal No. [ ] is unnecessary, not consistent with market practice, and would provide no benefit to Apple or our shareholders. The Compensation Committee already has extensive knowledge and resources at its disposal to establish appropriate executive compensation principles and practices for Apple that are aligned with the interests of our shareholders.

For all of the reasons above, the Board recommends a vote AGAINST Proposal No. [ ].

Vote Required

Approval of Proposal No. [ ] requires the affirmative vote of (i) a majority of the shares present or represented by proxy and voting at the Annual Meeting and (ii) a majority of the shares required to constitute a quorum.