

1745 Copperleaf Ct

Concord, CA 94519

August 11, 2017

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 2019 Shareholders Meeting

Dear Secretary:

Enclosed please find my shareholder proposal for inclusion in our proxy materials for the 2019 annual meeting of shareholders and a letter of my shares ownership. I will continuously hold these shares until the 2019 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 loop at the end of the "Z".

Jing Zhao

Enclosure: Shareholder proposal

Shares ownership letter

## Shareholder Proposal on International Policy Committee

Resolved: shareholders recommend that Apple Inc. establish an International Policy Committee of the Board of Directors to oversee Apple's policies including human rights, foreign governmental regulations and international relations affecting Apple's international business, especially in China.

### Supporting Statement

Apple's current Audit and Finance Committee, Compensation Committee and Nominating and Corporate Governance Committee are not adequate to deal with very complicated challenges and high risks of Apple's international business.

Since a shareholder proposal must be submitted half year before the shareholders meeting, this statement can only mention very few negative worrying reports, from supply chain, human rights, taxes regulations to trade disputes issues: "Apple Supplier Workers Describe Noxious Hazards at China Factory" (Bloomberg.com, 1/16/2018), "Apple iCloud move in China raises human rights fears" (*USA TODAY*, 2/26/2018), "Apple still owes State €5bn in back taxes: Tech giant has so far paid €9bn under European Commission ruling" (*The Irish Times*, Aug 2, 2018).

The Chinese governmental mouthpiece *People's Daily* published "Strong sales of US brands including Apple give China bargaining chips in trade row" (August 7, 2018, <http://en.people.cn/n3/2018/0807/c90000-9488434.html>) directly threatening Apple's business in China: "Why has the California-based company enjoyed remarkable success in China, while some Chinese companies have experienced big losses amid a growing trade conflict Washington brought on. Apple ...sales to the greater China region gained 19 percent to \$9.6 billion. ...the company's better-than-expected quarterly result in China was a major reason for the surge in its shares. However, the eye-catching success achieved in the Chinese market may provoke nationalist sentiment if US President Donald Trump's recently adopted protectionist measures hit Chinese companies hard. China is by far the most important overseas market for the US-based Apple, leaving it exposed if Chinese people make it a target of anger and nationalist sentiment. ...if the US company wants to earn good money in China, it needs to share its development dividends with the Chinese people. ...China now serves as a key production and processing base for Apple. Many Chinese companies have been included in Apple's production chain to provide parts and components or assembly work. This has allowed Apple to benefit from China's ample supply of cheap labor. In the case of the iPhone, some statistics show Chinese processors only get 1.8 percent of the total profits created by the device. Apple ...enjoys most of the profits created from its Chinese business. It is impractical and unreasonable to kick the company out of China, but if Apple wants to continue raking in enormous profits from the Chinese markets amid trade tensions, the company needs to do more to share the economic cake with local Chinese people. ...The Chinese market is vital for many top US brands, giving Beijing more leeway to play hardball in the trade conflict. "