



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 20, 2019

Sam Whittington
Apple Inc.
sam_whittington@apple.com

Re: Apple Inc.
Incoming letter dated October 22, 2019

Dear Mr. Whittington:

This letter is in response to your correspondence dated October 22, 2019 concerning the shareholder proposal (the "Proposal") submitted to Apple Inc. (the "Company") by the National Center for Public Policy Research (the "Proponent") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponent dated November 25, 2019. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>.

Sincerely,

M. Hughes Bates
Acting Deputy Chief
Counsel

Enclosure

cc: Justin Danhof
National Center for Public Policy Research
jdanhof@nationalcenter.org

December 20, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Apple Inc.
Incoming letter dated October 22, 2019

The Proposal recommends that the Company issue a report detailing the potential risks associated with omitting “viewpoint” and “ideology” from its written equal employment opportunity policy.

There appears to be a basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7) as the Proposal does not transcend the Company’s ordinary business operations. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

In reaching our position, we considered the board’s Nominating and Corporate Governance Committee’s analysis and conclusion that the Proposal did not present a significant policy issue for the Company. That analysis discusses the difference – or delta – between the Proposal and the Company’s current policies and practices. In addition, the committee’s analysis noted that a shareholder proposal submitted to the Company’s shareholders last year regarding a related issue received 1.7% of the vote.

We note that the Company did not file its statement of objections to including the Proposal in its proxy materials at least 80 calendar days before the date on which it will file definitive proxy materials as required by rule 14a-8(j)(1). Noting the circumstances of the delay, we waive the 80-day requirement.

Sincerely,

Dorrie Yale
Special Counsel



November 25, 2019

Via email: shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Stockholder Proposal of the National Center for Public Policy Research, Securities Exchange Act of 1934 – Rule 14a-8

Dear Sir or Madam,

This correspondence is in response to the letter of Sam Whittington on behalf of Apple Inc. (the “Company”) dated October 22, 2019, requesting that your office (the “Commission” or “Staff”) take no action if the Company omits our Shareholder Proposal (the “Proposal”) from its 2020 proxy materials for its 2020 annual shareholder meeting.

RESPONSE TO APPLE’S CLAIMS

Our Proposal asks the Board of Directors to issue a public report detailing the potential risks associated with omitting “viewpoint” and “ideology” from its written equal employment opportunity (“EEO”) policy. We indicated that the report should be available within a reasonable timeframe, be prepared at reasonable expense, and omit any proprietary information.

The Company seeks to exclude this proposal on three broad grounds. First, it claims that the Proposal’s subject matter concerns only the Company’s ordinary business operations, while failing to implicate any significant policy issues. Next, the Company asserts that the Proposal relates to substantially the same subject matter as a recently submitted proposal that failed of shareholder support. Finally, it avers that it has already substantially implemented this Proposal.

None of these arguments bears weight. While the Company currently protects against discrimination on a lengthy set of grounds, those grounds glaringly fail to include considerations of political or philosophical disposition. This means that nothing in the Company's current non-discrimination policies prohibits the company from failing to hire, firing, or taking other adverse employment actions on the grounds that the employees or potential employees hold political or philosophical views that are either in the national minority or are at odds with those of the Company's management.

We have proposed that the Company study the effects of this position because it implicates a matter of great and abiding national importance – protecting those in the intellectual minority from blacklisting – that has again become a hot-button issue of late. Conducting the study will not interfere with the day-to-day operations of the Company or micromanage its activities, but will instead simply require a high-level analysis of the Company's decision not to prohibit blacklisting-type behavior. It does not inappropriately duplicate recently past efforts because the Proposal is only tangentially related to the previous proposal cited. And the Company's own arguments themselves reveal not only that the Proposal has not already been implemented, but that in a substantial list of categories protected against discrimination, the Company has refused to include any entry that could reasonably be considered as protection for those holding disfavored political or philosophical views.

Under Rule 14a-8(g), the Company bears the burden of persuading the Staff that it may omit our Proposal. The Company has failed to meet that burden. The Commission has explicitly held that proposals that seek a report into the effects of potentially harmful lacuna in discrimination policy implicate substantial policy issues without unduly interfering with business operations. Because our Proposal is materially – and significantly – different than the previous proposal cited, and because the Company has, by its own evidence, provided none of the protections implicated in the Proposal, we urge the Commission to reject the Company's no-action request.

Analysis

Part 1. The Proposal May Not Be Excluded as Interfering with Ordinary Business Operations Because the Commission has Already Recognized that Materially Similar Propositions Do Not So Interfere While Implicating Substantial Policy Issues.

Under Rule 14a-8(i)(7), a company may exclude a shareholder proposal if it deals with matters relating to the company's "ordinary business." The Commission has indicated two central considerations regarding exclusion under Rule 14a-8(i)(7). First, the Commission considers the subject matter of the proposal. Next, the Commission considers the degree to which the proposal seeks to micromanage a company. *Exchange Act Release No. 40018 (May 21, 1998)*.

Our Proposal is substantially similar to the proposal that the Staff allowed in *CorVel Corp.* (avail. June 5, 2019). The "resolved" section of the proposal at issue in that no-action determination contest stated:

RESOLVED Shareholders request that CorVel Corporation (“CorVel”) issue a public report detailing the potential risks associated with omitting “sexual orientation” and “gender identity” from its written equal employment opportunity (EEO) policy. The report should be available within a reasonable timeframe, prepared at a reasonable expense and omitting proprietary information.

Likewise, our Proposal to the Company states:

RESOLVED Shareholders request that Apple Inc. (“Apple”) issue a public report detailing the potential risks associated with omitting “viewpoint” and “ideology” from its written equal employment opportunity (EEO) policy. The report should be available within a reasonable timeframe, prepared at a reasonable expense and omit proprietary information.

Just as the Company does now, CorVel argued that it should be able to omit the proposal on grounds that it contravened its ordinary business operations under Rule 14a-8(i)(7). As the operative language of our Proposal is nearly identical to that in *CorVel*, consistency dictates that the Staff reject Apple’s no-action request on these grounds. In its no-action request, the Company does not even address the Staff’s *CorVel* decision.

The only difference between our Proposal and the one in *CorVel* is that ours seeks a report on the effect of failing to bar discrimination on the grounds of *viewpoint* rather than sexual orientation or gender identity. This is, for the present analysis, a distinction without a difference.

There is no doubt that questions of discrimination, *vel non*, on the grounds of sexual orientation or gender identity have occupied substantial public-policy attention in recent years, an interest perhaps most obviously illustrated at the national level by the arc of Supreme and inferior Court cases beginning with *Bowers v. Hardwick*, 478 U.S. 186 (1986) and culminating at present with *Obergefell v. Hodges*, 576 U.S. ____ (2015). Yet there can similarly be no question that the issue of discrimination on the grounds of viewpoint, particularly political or ideological viewpoint, has represented at least as compelling a national public-policy interest for a significantly longer period.

The debate about whether American government and business may properly discriminate in hiring or retention on the grounds of political viewpoint or philosophy stretches back at least as far as the initial “Red Scare” following World War I.¹ The argument reached its apogee during the House Unamerican Activities Committee hearings and related events in the 1950s.² During what is most commonly known as “the McCarthy Era,” government and private industry

¹ See, e.g., Matthew F. Simmons, *Red Scare*, INTERNATIONAL ENCYCLOPEDIA OF THE FIRST WORLD WAR (last updated May 26, 2016), available at https://encyclopedia.1914-1918-online.net/article/red_scare.

² See, e.g., *HUAC*, HISTORY.COM (last updated June 7, 2019), available at <https://www.history.com/topics/cold-war/huac>.

“blacklisted” those with minority political viewpoints, costing them their jobs and their livelihoods.³ Major political, media and literary figures rallied against McCarthyism, with the result that the American people reached a broad consensus that discrimination in employment on the grounds of political viewpoint was beyond the pale. Recently, though, that consensus has weakened, especially in the Company’s own Silicon Valley, where instances of viewpoint discrimination in employment have begun to appear again, along with an increasing sense of the pervasiveness, invasiveness, and deleteriousness of such discrimination.⁴

CorVel stands for the proposition that a proponent may request that a company’s board of directors undertake a study to determine the effect of failing to expand anti-discrimination policies to include categories of longstanding public-policy interest. That analysis wholly applies here, and determines this question.

The precedent cited by the Company cannot overcome the determinative effect of the clear, recent, and directly relevant *CorVel* decision. Both *CVS Health Corporation* (avail. Feb. 27, 2015) and *The Walt Disney Co.* (avail. Nov. 24, 2014) involved proposals that would have required the relevant organizations to amend their non-discrimination policies in specified ways. Our Proposal, exactly like the successful *CorVel* proposal but in contrast to the unsuccessful *CVS* and *Disney* proposals, seeks merely a *report* about the effects of the continuing failure to forbid discrimination on certain specified grounds. Similarly, the other precedent on which the Company has relied presents instances in which the proponent asked the relevant companies to “consider” changing their policies. See Apple’s No-Action Request Letter at 3-4 (citing *Bristol-Myers Squibb Co.* (Jan. 7, 2015), *Yum! Brands, Inc.* (Jan. 7, 2015), and *Lowe’s Companies, Inc.* (Jan. 22, 2015)). Again, like the directly apposite *CorVel* case, our Proposal seeks only a report into the effects of non-inclusion; we do not seek to interfere with the response to be taken by the Company as a result of its report. As a result, our Proposal does not improperly interfere with the ordinary course of Company’s business nor attempt to micro-manage the Company, and so is not excludable.

In its Letter, the company recounted its Nominating Committee’s reasons for wishing to exclude the Proposal. These reasons boil down to the claim that the Company’s non-discrimination policy already addresses this issue, and that the issue has recently been raised at and rejected at a shareholder meeting. The tension between these two assertions is both obvious and deep. As it

³ See *id.*

⁴ See, e.g., Nitasha Tiku, *Survey Finds Conservatives Feel Out of Place in Silicon Valley: Online poll adds to concerns that political divisions are affecting tech workplaces*, *Wired* (Feb. 2, 2018), available at <https://www.wired.com/story/survey-finds-conservatives-feel-out-of-place-in-silicon-valley/>; Olivia Solon, *There was a witch-hunt’: Silicon Valley conservatives decry Google groupthink*, *THE GUARDIAN* (Aug. 9, 2017), available at <https://www.theguardian.com/technology/2017/aug/09/google-diversity-memo-conservatives-react>; Mark Bergen & Ellen Huet, *Google Fires Author of Divisive Memo on Gender Differences*, *Bloomberg* (Aug. 7, 2017), available at <https://www.bloomberg.com/news/articles/2017-08-08/google-fires-employee-behind-controversial-diversity-memo>; *Mozilla CEO Resignation Raises Free Speech Issues*, *USA Today* (April 5 2014), available at <https://www.usatoday.com/story/news/nation/2014/04/04/mozilla-ceo-resignation-free-speech/7328759/>.

happens, though, the claims are both false and essentially duplicative of their claims under Rule 14a-8(i)(12)(i) and 14a-8(i)(10), and so will be considered in detail below.

Our Proposal requests a public report detailing the potential risks associated with omitting certain factors of high and enduring public-policy significance from the Company's EEO policy. The Staff has unambiguously ruled that such requests do not contravene Rule 14a-8(i)(7).

For the above reasons, we urge the Commission to find that our Proposal may not be omitted under Rule 14a-8(i)(7).

Part II. The Proposal Bears Only Superficial Resemblance to the Other Shareholder Proposal Cited by the Company, and so is not Precluded under Rule 14a-8(i)(12)(i).

Under Rule 14a-8(i)(12), a company may omit a shareholder proposal from its proxy materials if it deals with "substantially the same subject matter" as a proposal included in the company's proxy materials once within the preceding 5 calendar years if the prior proposal received "[l]ess than 3% of the vote." The condition in Rule 14a-8(i)(12) that the prior proposal have dealt with "substantially the same subject matter" as the current proposal does not mean that the prior proposal and the current proposal must be exactly the same. As the Commission made clear when it revised the predecessor Rule in 1983, however, the primary purpose of the then-new rule is to:

counter the abuse of the security holder proposal process by certain proponents who make minor changes in proposals each year so that they can keep raising the same issue despite the fact that other shareholders have indicated by their votes that they are not interested in that issue.

Exchange Act Release No. 20091 (August 16, 1983) [48 FR 38218, 38221]). The Commission added that it "believe[d] that by focusing on substantive concerns addressed in a series of proposals, *an improperly overbroad interpretation of the new rule will be avoided.*" *Id.* (emphasis added). In other words, it is not enough to permit exclusion that a new proposal merely broadly implicates the same subject matter as a previous proposal. Thus, for instance, the Commission found that a proposal requiring a report on a company's global-warming policy and the bases for that policy was not excludable on the basis of a previous submission requiring a report on sustainability practices in light of a donation of rain-forest land simply because both proposals required reports on environmental issues. *See The Goldman Sachs Group, Inc.* (March 1, 2011); *The Goldman Sachs Group, Inc.* (Feb. 7, 2011).

The Company's claims notwithstanding, Rule 14a-8(i)(12) does not apply to our Proposal; its application here would be unconscionably overbroad. While there is a superficial resemblance between our Proposal and the prior proposal cited by the Company, in that they both broadly implicate issues of political or ideological viewpoint, they are in every substantial and material way different – in their focus, their purpose, their application, and their effect.

The previous proposal sought to have the Company reveal the ideological dispositions of its Board member nominees in chart form before shareholders voted on those nominees. Our Proposal seeks a report detailing the potential risks associated with failing to protect employees from discrimination on the basis of political or philosophical viewpoint. Thus, the Company is correct in noting that the proposals both – as most proposals will, to one extent or other – traffic in the realm of ideas held by some groups of people. In every material and effective way, however, the proposals are substantially different.

The *focus* and *subject* of each proposal is different. The previous proposal focused on Board nominees, while our Proposal is concerned with employees – but not even employees directly: rather, with the overall risks to the Company of failing to provide long-taken-for-granted protections against blacklisting and career ruination as a result of viewpoint discrimination.

The prospective *result* of each proposal is different. The former proposal would have resulted in nominee disclosure of their public viewpoints, while the latter will result in a report about risks to the Company of failure to protect workers from long-discredited (but now potentially reviving) discrimination. This is more than just a nominal distinction. Our Proposal seeks no personal information from any party, no reporting from any party. It is not an *active* request for disclosure from anyone. Rather, it is simply an attempt to gauge the dangers that obtain should the Company continue to fail to prohibit viewpoint discrimination.

This difference in requested result underscores the fundamental difference in *purpose* between the two proposals. The previous proposal sought to provide shareholders with additional information about Company board candidates. This information might well have proven useful to shareholders in maximizing Company value and growth opportunity by ensuring that, at the highest levels, the Company did not make grave errors in corporate governance because it was fundamentally unaware of the purchasing and loyalty dispositions of large swathes of its customers. The purpose here is entirely different, except in that it (as it must) attends to the maximization of Company value. The purpose of our Proposal is to place before the Company board a consideration of the potential costs that lay in a continuing failure to offer basic civic protections to its employees – the potential costs associated with making the workplace uncomfortable, unsafe, and potentially unavailable to potentially huge numbers of employees.

These are fundamentally, profoundly different proposals. The former proposal was aimed at maximizing shareholder knowledge, so as to in turn potentially maximize the value to the Company of its board. Our Proposal seeks to inform the Company of the potential costs of keeping open a door to debilitating discrimination.

This fundamental difference is perhaps best illustrated by adapting a well-established Rule 14 test from a slightly different context. When trying to decide whether a shareholder-initiated proposal is properly trumped by a company-initiated proposal under Rule 14a-8(i)(9), the Commission has explained that both proposals should be permitted when a shareholder might vote for both of them without logical contradiction. *See Staff Legal Bulletin No. 14H* (Oct. 22,

2015), available at <https://www.sec.gov/interps/legal/cfslb14h.htm>. Conversely, in a case like this one, in which a Company has claimed that a proposal is too similar to a previous recent proposal to merit submission to shareholders, the test should perhaps be this: could a shareholder logically and without caprice vote for one of the propositions and against the other? If the proposals are so genuinely similar that it would be incoherent for a reasonably, and reasonably representative, shareholder to vote for one of the propositions while voting against the other, then it is proper to exclude the latter proposition. Such a test would preserve the Commission's fundamental purposes in its 1983 amendment of this rule: it would properly permit exclusion of proposals that changed in only nominal or surface ways each year, but retained the same purpose and thrust. But it would deny exclusion to proposals that were so genuinely different that shareholders would be faced, in the new proposal, by a new proposition about which they might logically and reasonably reach a different conclusion than the one reached on the previous proposal.

That is certainly the case here. Shareholders who rejected a proposal to require disclosure of personal information from board of director nominees might very well vote in favor of requiring a report on the effect of Company's continuing – and conspicuous, given the length and breadth of other categories to which its non-discrimination policy applies – refusal to prohibit viewpoint discrimination at Apple. The two proposals are, at heart, so tangentially related that such a position – against required disclosures but also against discrimination – is self-evidently not only consistent but quite pedestrian.

For all of these reasons, we urge the Commission to find that our Proposal may not be omitted under Rule 14a-8(i)(12).

Part III. The Company May Not Omit Our Proposal Because It Has Not Implemented It in Any Meaningful Sense.

Under Rule 14a-8(i)(10), a company may exclude a shareholder proposal if it can meaningfully demonstrate that “the company has already substantially implemented the proposal.” Rule 14a-8(i)(10) exclusion is “designed to avoid the possibility of shareholders having to consider matters which already have been *favorably acted upon* by management.” See *Exchange Act Release* No. 12598 (regarding predecessor to Rule 14a-8(i)(10)) (emphasis added). A company can be said to have “substantially implemented” a proposal when its “policies, practices and procedures compare favorably with the guidelines of the proposal.” See *Texaco, Inc.* (avail. March 8, 1991).

The Company has not provided evidence that its management has “favorably acted upon” our Proposal. *Exchange Act Release* No. 12598. In fact, the Company's evidence on this point is self-refuting.

The Company points to its non-discrimination policy, which is indeed long and far reaching. The policy forbids discrimination on the grounds of:

race, color, creed, religion, ancestry, national origin, marital status, age, sex, sexual orientation, gender, gender identity characteristics or expression, genetic information, physical or mental disability, pregnancy, medical condition, or U.S. military or protected Veteran status or on any other basis protected by law.

See Apple EEO policy (attached to Apple's No-Action Request Letter as Exhibit B). The Company's Conduct Policy forbids discrimination on the same grounds. See Apple's No-Action Request Letter at Exhibit C.

Notably – and dispositively – missing from this list are any protections from discrimination on the grounds of viewpoint. Under the Company's current anti-discrimination policy, employees of any race, color, creed, age, sex, sexual orientation or other already listed ground could be fired, or fail to be hired or promoted, on the express grounds that they held political or philosophical opinions as odds with the opinions held by supervisors, human-resource professionals, or other interested parties at the Company.

The extensiveness of the list of grounds on which discrimination is forbidden does nothing to provide protection against discrimination for *non-listed* grounds. Instead, under the common interpretive rule of "*expressio unius est exclusio alterius*," the listing of some specific grounds for non-discrimination *excludes* unmentioned grounds from consideration.⁵ Thus, by the commonly accepted relevant canon of construction, the Company's EEO and Conduct policies do nothing whatever to protect against viewpoint discrimination, and in fact *sub silentio* permit it.

The very fact that the Company seems to think (or at least is willing to assert) that it already offers protection against viewpoint discrimination suggests that it is so unclear on the concept – much less the potential effects on the Company, on the public, and on shareholder value arising from continuing to permit such discrimination – that the report requested by our Proposal is not just warranted but vital.

For the above reasons, we urge the Staff to find that our Proposal may not be omitted under Rule 14a-8(i)(10).

Conclusion

The Company has clearly failed to meet its burden that it may exclude our Proposal under Rule 14a-8(g). Therefore, based upon the analysis set forth above, we respectfully request that the Staff reject Apple's request for a no-action letter concerning our Proposal.

⁵ See, e.g., *expressio unius est exclusio alterius*, MERRIAM-WEBSTER DICTIONARY (online, last accessed Nov. 25, 2019), available at <https://www.merriam-webster.com/legal/expressio%20unius%20est%20exclusio%20alterius>.

Office of the Chief Counsel
Division of Corporation Finance
November 25, 2019
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A copy of this correspondence has been timely provided to the Company. If I can provide additional materials to address any queries the Commission may have with respect to this letter, please do not hesitate to call me at 202-507-6398 or email me at sshepard@nationalcenter.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'SASO', with a long horizontal line extending from the top of the 'O' to the right.

Scott Andrew Shepard, Esq.

cc: Justin Danhof, National Center for Public Policy Research
Sam Whittington, Apple Inc.



Rule 14a-8(i)(7)
Rule 14a-8(i)(12)
Rule 14a-8(i)(10)

October 22, 2019

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Apple Inc.
Shareholder Proposal of the National Center for Public Policy Research

Dear Ladies and Gentlemen:

Apple Inc., a California corporation (the "**Company**"), hereby requests confirmation that the staff of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the Company omits the enclosed shareholder proposal (the "**Proposal**") and its accompanying supporting statement (the "**Supporting Statement**") submitted by the National Center for Public Policy Research (the "**Proponent**") from the Company's proxy materials for its 2020 Annual Meeting of Shareholders (the "**2020 Proxy Materials**").

A copy of the Proposal and the Supporting Statement, together with other correspondence relating to the Proposal, is attached hereto as Exhibit A.

In accordance with Staff Legal Bulletin No. 14D (November 7, 2008) ("**SLB No. 14D**"), this submission is being delivered by e-mail to shareholderproposals@sec.gov. Pursuant to Rule 14a-8(j), a copy of this submission also is being sent to the Proponent. Rule 14a-8(k) and SLB No. 14D provide that a shareholder proponent is required to send the company a copy of any correspondence relating to the Proposal which the proponent submits to the Commission or the staff. Accordingly, we hereby inform the Proponent that, if the Proponent elects to submit additional correspondence to the Commission or the staff relating to the Proposal, the Proponent should concurrently furnish a copy of that correspondence to the undersigned.

Apple
One Apple Park Way
Cupertino, CA 95014

T 408 996-1010
F 408 996-0275
www.apple.com

Pursuant to the guidance provided in Section F of Staff Legal Bulletin 14F (October 18, 2011), we ask that the staff provide its response to this request to the undersigned via e-mail at the address noted in the last paragraph of this letter.

The Company further requests that the staff waive the 80-day filing requirement set forth in Rule 14a-8(j). Rule 14a-8(j)(1) requires that a company seeking to exclude a proposal from its proxy materials file its reasons for excluding the proposal with the Commission "no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission." Rule 14a-8(j)(1) allows the staff, however, to "permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline." The Company believes that it has good cause for its failure to meet the 80-day deadline because, two days before the deadline for filing a notice of intention to exclude the Proposal had passed, the staff published Staff Legal Bulletin No. 14K (October 16, 2019) ("**SLB No. 14K**"), which provided staff guidance regarding the application of Rule 14a-8(i)(7) which the Company believes supports the Company's exclusion of the Proposal. The Company is submitting this letter promptly after the issuance of SLB No. 14K and respectfully requests that the staff waive the 80-day requirement with respect to this letter.

THE PROPOSAL

On September 9, 2019, the Company received from the Proponent, as an attachment to an e-mail, a letter submitting the Proposal for inclusion in the Company's 2020 Proxy Materials. The Proposal reads as follows:

Resolved: Shareholders request that Apple Inc. ("Apple") issue a public report detailing the potential risks associated with omitting "viewpoint" and "ideology" from its written equal employment opportunity (EEO) policy. The report should be available within a reasonable timeframe, prepared at a reasonable expense and omit proprietary information.

I. Rule 14a-8(i)(7) – The Proposal Concerns the Company's Ordinary Business Operations

A. Background

Rule 14a-8(i)(7) permits a company to omit from its proxy materials a shareholder proposal that relates to the company's "ordinary business operations." According to the Commission, the underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholder meeting." *Exchange Act Release No. 40018, Amendments to Rules on Shareholder Proposals*, [1998 Transfer Binder] *Fed. Sec. L. Rep. (CCH) ¶ 86,018, at 80,539* (May 21, 1998) (the "**1998 Release**").

In the 1998 Release, the Commission described two “central considerations” for the ordinary business exclusion. The first is that certain tasks are “so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight.” The second consideration relates to “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.* at 86,017-18 (footnote omitted).

B. The Proposal Seeks to Affect the Day-to-Day Management of the Company

The Proposal relates to the relationship between the Company and its employees, which is a fundamental element of the day-to-day management of Company’s business. The staff has stated that “Proposals concerning a company’s management of its workforce are generally excludable under rule 14a-8(i)(7).” *Merck & Co., Inc.* (February 16, 2016). For example, the staff has permitted exclusion under Rule 14a-8(i)(7), as relating to the company’s workforce, of proposals addressing such matters as employee leaves of absence (*Walmart Inc.* (April 4, 2019)), employee retirement plans (*FedEx Corp.* (March 7, 2016)), employee compensation (*Baxter International, Inc.* (January 6, 2016)) and establishment of employee education programs (*AT&T, Inc.* (December 28, 2015)).

Furthermore, the staff has said on numerous occasions that a proposal relating to a company’s policy addressing political ideology in the workforce, or political expression by employees, seeks to regulate the company’s management of the general workforce and therefore relates to the company’s ordinary business matters. Proposals considered by the staff to relate to ordinary business matters have included proposals that, like the Proposal, seek to expand antidiscrimination or equal employment opportunity policies to encompass political viewpoints or ideologies. For example, in *CVS Health Corporation* (February 27, 2015), the staff permitted exclusion of a proposal requesting that “CVS Health amend its equal employment opportunity policy (or equivalent policy) to explicitly prohibit discrimination based on political ideology, affiliation or activity, and to substantially implement the policy.” In its submission to the staff, CVS argued that “a proposal seeking to protect against discrimination based on political participation affects a company’s management of business operations by involving the relationship of employees and management.” The staff concurred, noting that “the proposal relates to CVS Health’s policies concerning its employees.” Similarly, in *The Walt Disney Co.* (November 24, 2014), the staff found that a proposal requesting that the company modify its antidiscrimination policies to protect employee participation in political processes and activities interfered with the ordinary business of the company’s relationship with its employees.

The staff has permitted exclusion of other proposals regarding employee political activity as interfering with the ordinary business function of establishing policies concerning employees. See, e.g., *Bristol-Myers Squibb Co.* (January 7, 2015)(proposal requesting that the company consider adopting antidiscrimination principles that protect employees’ right to engage, on their personal time, in legal activities relating to the political process, civic activities and public policy); *Yum! Brands, Inc.* (January 7, 2015)(same); *Lowe’s Companies, Inc.* (January 22, 2015)(proposal

requesting that the company review its policies relating to human rights, providing that “the review can consider whether the company’s policies permit employees to take part in his or her government free from retribution”).

Like the proposals addressed in these prior staff letters, the Proposal seeks to expand the Company’s employment policies to address discrimination based on political viewpoints or ideologies. In fact, the staff has already addressed, in *CVS Health*, a proposal almost identical to the Proposal, requesting that the company consider amending its equal employment opportunity policy to prohibit discrimination based on political ideology. It is well-settled, therefore, that the Proposal relates to the Company’s management of its workforce, and thus concerns the Company’s ordinary business operations.

C. The Proposal does not Implicate a Significant Policy Issue

As explained in Securities Exchange Act Release No. 34-40018 (May 21, 1998), proposals that otherwise concern ordinary business matters may nonetheless be appropriate for a shareholder vote if the proposal raises a policy issue that is sufficiently significant to transcend day-to-day business matters. The staff has explained in Staff Legal Bulletin No. 14I (November 21, 2017) that the applicability of the significant policy exception “depends, in part, on the connection between the significant policy issue and the company’s business operations.” The staff noted further that whether a policy issue is of sufficient significance to a particular company to warrant inclusion of a proposal that touches upon that issue may involve a “difficult judgment call” which the company’s board of directors (or a committee thereof) “is generally in a better position to determine.” A well-informed board, the staff said, exercising its fiduciary duty to oversee management and the strategic direction of the company, “is well situated to analyze, determine and explain whether a particular issue is sufficiently significant because the matter transcends ordinary business and would be appropriate for a shareholder vote.”

Where a board concludes that the proposal does not raise a policy issue that transcends the company’s ordinary business operations, the staff said, the company’s letter notifying the staff of the company’s intention to exclude the proposal should set forth the board’s analysis of “the particular policy issue raised and its significance” and describe the “processes employed by the board to ensure that its conclusions are well-informed and well-reasoned.” See *also* Staff Legal Bulletin No. 14J (October 23, 2018) (reiterating staff’s belief that a “well-developed discussion of the board’s analysis . . . can assist the staff in evaluating a company’s no-action request”); SLB No. 14K (noting that “the board’s analysis will describe in sufficient detail the specific substantive factors the board considered in arriving at its conclusion, and set forth a non-exclusive list of such factors.”).

Nominating Committee Process

The Nominating and Corporate Governance Committee (the “**Nominating Committee**”) of the Company’s Board of Directors (the “**Board**”) is composed of directors who oversee all significant aspects of the Company’s business operations as part of their duties as board members, and the Nominating Committee itself also oversees, receives regular updates on and makes recommendations regarding matters pertaining to the Company’s corporate governance.

The Nominating Committee reviewed the Proposal, taking into consideration its own substantial knowledge of the Company, the Company's operations and business environment, and input from management. The Nominating Committee reviewed numerous factors (as set forth below) relating to the Proposal and its connection with the Company's business operations. Based on this review, the Nominating Committee concluded that, as in the numerous no-action letters cited above, the concerns raised by the Proposal do not present an issue that transcends the Company's ordinary business operations and therefore the Proposal is not appropriate for inclusion in the Company's 2020 proxy materials.

Nominating Committee Analysis

In reaching its conclusion that the Proposal does not present an issue that transcends the Company's ordinary business operations the Nominating Committee considered the factors set forth below.

First, Apple already has robust employee policies relating to inclusion, diversity, and antidiscrimination, and the minor difference that exists between these policies and what the Proposal is requesting (specifically, that the Company's Equal Employment Opportunity Policy (the "**EEO Policy**") does not explicitly include "ideology" or "viewpoint" as protected categories) does not represent a significant company-specific policy issue. The Company's EEO Policy, a copy of which is attached hereto as Exhibit B, confirms that "Apple is an equal opportunity employer and does not discriminate in recruiting, hiring, training or promoting, on the basis of race, color, creed, religion, ancestry, national origin, marital status, age, sex, sexual orientation, gender, gender identity characteristics or expression, genetic information, physical or mental disability, pregnancy, medical condition, or U.S. military or protected Veteran status or on any other basis protected by law." The EEO Policy ensures that all of the Company's employees receive equal and fair treatment by protecting them from discrimination on the basis of a variety of personal characteristics.

Second, Apple has a Business Conduct Policy (the "**Conduct Policy**"), a copy of which is attached hereto as Exhibit C, which applies to all "employees, independent contractors, consultants, and others who do business with Apple" and ensures equal treatment and fair employment practices by prohibiting any "harassment or discrimination based on such factors as race, color, creed, religion, sex, national origin, marital status, age, sexual orientation, gender identity characteristics or expression, genetic information, physical or mental disability, pregnancy, medical condition, or any other basis protected by local law." The Conduct Policy also affirms that the Company "encourages a creative, culturally diverse, and supportive work environment . . . free of discrimination" The Conduct Policy therefore also protects employees from discrimination, and all employees are required to complete training regarding the Conduct Policy every year.

Additionally, Apple has taken steps to ensure an inclusive work culture for all of its employees. Apple has demonstrated a public commitment and belief that Apple should be a reflection of the world around it. Apple has an "Inclusion and Diversity" page on its website (see <https://www.apple.com/diversity>) highlighting its vision, policies and accomplishments regarding an open and accepting workplace. This website page makes clear that "At Apple, inclusion and

diversity means bringing everybody in. We welcome all voices and all beliefs.” This policy is further confirmation that the Company is already committed to welcoming diversity of all stripes, including diversity based on differing viewpoints and ideologies, and that the Company has already addressed the policy issue presented by the Proposal in a manner.

Thus, while the EEO Policy, Conduct Policy and Inclusion and Diversity website do not explicitly reference “viewpoint” or “ideology,” they do ensure that employees receive equal and fair treatment and protection from discrimination. On this basis and applying the guidance set forth by the Commission staff in SLB No. 14K (above), the Company’s existing policies and ideals have diminished the significance of the policy issue presented by the Proposal to such an extent that the Proposal does not present a policy issue that is significant to the Company.

The Nominating Committee therefore determined that the difference, or delta, between what the Proposal requests and what the Company’s current policies provide is therefore minor, and in any case this delta does not present a significant policy issue.

Additionally, while the Proposal relates to the Company’s core business activities involving management of its workforce, the policy issue presented by the Proposal would not have a clear impact on the Company’s financial statements. Any potential impact of expressly addressing political ideology or viewpoint in the EEO Policy is necessarily speculative and likely immaterial.

The Company has not experienced indications of significant investor interest in the issue presented by the Proposal. Topics related to “ideology” or “viewpoint” discrimination have not been raised as significant topics of discussion in the Company’s frequent engagement with major institutional shareholders over the last several years.

Finally, the Company did receive a shareholder proposal from the Proponent which was included in the proxy materials for the 2019 Annual Meeting of Shareholders. The proposal requested that the Board adopt a policy to disclose the specific minimum qualifications used by the nominating committee to evaluate board nominees and include disclosure of each nominee’s skills, *ideological perspectives* and experiences in a chart or matrix form. This proposal received only 1.7% of the vote of the Company’s shareholders at the Company’s 2019 Annual Meeting of Shareholders (as discussed below in Section II.C). This prior vote on a proposal with a substantially identical policy focus, and the general lack of shareholder feedback on this topic are objective indications that the issue raised by the Proposal is not one widely viewed by the Company’s shareholders as significant to the Company’s business.

Based on all of the foregoing, the Nominating Committee determined that the Proposal does not relate to a significant policy issue for the Company.

D. The Proposal Seeks to Micromanage the Company by Interfering with Employee Policies

In addition to interfering with management’s day-to-day operations, the Proposal seeks to “micro-manage” the Company by probing too deeply into matters of a complex nature upon

which shareholders, as a group, would not be in a position to make an informed judgment. The staff has stated that when considering whether a proposal “micromanages” a company, it looks at “whether the proposal seeks intricate detail or imposes a specific strategy, method, action, outcome or timeline for addressing an issue, thereby supplanting the judgment of management and the board.” *SLB No. 14K*. In addition, “if the method or strategy for implementing the action requested by the proposal is overly prescriptive, thereby potentially limiting the judgment and discretion of the board and management, the proposal may be viewed as micromanaging the company.” *Id.*

Here, the Proposal attempts to supplant the judgment of management and the Board by imposing prescriptive demands on the Company’s employment policies. The determination of the terms of the Company’s EEO Policy is a multi-faceted endeavor guided by numerous factors, including legal and regulatory considerations, business considerations and civil rights protections. All of these considerations are complicated and require management and the Board to have the discretion to exercise its independent judgment in making determinations appropriate for the Company. The Proposal seeks to have the Company prepare a report detailing potential “risks” to the Company associated with omitting “viewpoint” or “ideology” as protected categories under the EEO Policy. Although the Proponent requests preparation of a report, the Proposal and Supporting Statement make clear that the aim of the Proposal is to amend the EEO Policy to add the requested protected categories (and, as stated in *SLB No. 14K*, “the precatory nature of a proposal does not bear on the degree to which a proposal micromanages.”). The Proposal thus prescribes specific actions that the Company’s management must undertake without affording them sufficient flexibility or discretion in addressing the complex matter presented by the Proposal. Therefore, the Proposal unduly limits the ability of management and the Board to manage complex matters with a level of flexibility necessary to fulfill their fiduciary duties to the Company’s shareholders.

II. Rule 14a-8(i)(12)(i) — The Proposal Relates to Substantially the Same Subject Matter as Another Shareholder Proposal that was Included in the Company’s Proxy Materials in the Last Five Years, which did not Receive the Support Necessary for Resubmission

A. Background

Rule 14a-8(i)(12)(i) permits a company to omit a shareholder proposal from its proxy materials if it deals with substantially the same subject matter as a proposal included in the company’s proxy materials once within the preceding 5 calendar years if the prior proposal received “[l]ess than 3% of the vote.” The condition in Rule 14a-8(i)(12) that the prior proposal have dealt with “substantially the same subject matter” as the current proposal does not mean that the prior proposal and the current proposal must be exactly the same. At one time, the predecessor to Rule 14a-8(i)(12) provided that, to be excludable under the rule, the current proposal had to be “substantially the same proposal” as the prior proposal. In 1983, however, the Commission amended the rule to permit exclusion of a proposal that “deals with substantially the same subject matter.” The Commission explained the reason and meaning of the revision in Exchange Act Release No. 20091 (August 16, 1983), stating:

The Commission believes that this change is necessary to signal a clean break from the strict interpretive position applied to the existing provision. The Commission is aware that the interpretation of the new provision will continue to involve difficult subjective judgments, but anticipates that those judgments will be based upon a consideration of the substantive concerns raised by a proposal rather than the specific language or actions proposed to deal with those concerns.

When considering whether proposals deal with substantially the same subject matter, the staff has focused on the “substantive concerns” raised by the proposals rather than on the specific language of the proposals or corporate action proposed to be taken. Accordingly, the staff has concurred with the exclusion of a shareholder proposal under Rule 14a-8(i)(12) when the proposal addresses concerns that are similar to those underlying a prior proposal, even if the current proposal recommends a significantly different action than was recommended by the prior proposal. For example, in *Bristol-Myers Squibb* (February 6, 1996), the staff concurred that a proposal requesting that the company educate women on the possible abortifacient effects of certain of its products was excludable because it addressed the same substantive concern as a prior proposal requesting that the company refrain from donating to abortion-supporting organizations. While the actions requested by the two proposals were significantly different (consumer education on specific company products in one case and ceasing support for particular charitable organizations in the other), both proposals sought, broadly but in significantly different ways, to influence the company’s participation in the national abortion debate. Similarly, in *The Coca-Cola Co.* (January 18, 2017), the staff concurred that a proposal requesting a report identifying the number of Israel/Palestine employees who were Arab and non-Arab, broken down by job category, addressed the same substantive concern as a prior proposal requesting that the company implement a set of “Holy Land” equal employment principles that went significantly beyond a report on worker demographics by addressing employment culture, training programs, hiring criteria, tax incentives, compliance monitoring and other principles. See *also General Electric Co.* (February 6, 2014) (concurring with exclusion of a proposal seeking to amend nuclear energy policy to make specific safety improvements as dealing with the same substantive concern as an earlier proposal that sought the company’s phase out of all nuclear activities); *Barr Pharmaceuticals, Inc.* (September 25, 2006) (concurring with exclusion of a proposal requesting adoption of an animal welfare policy to reduce the number of research animals and implement acceptable standards of care because it was substantially similar to a prior proposal requesting that the company commit to non-animal testing methods and petition government agencies to accept the results of such tests); *Medtronic Inc.* (June 2, 2005) (concurring that a proposal requesting that the company list all of its political and charitable contributions on its website involved substantially the same subject matter as a prior proposal requesting that the company cease making charitable contributions); *Saks Inc.* (March 1, 2004) (concurring that a proposal requesting that the company’s board of directors implement a code of conduct based on International Labor Organization standards, establish an independent monitoring process and annually report on adherence to the code was excludable as addressing substantially the same subject matter as a prior proposal requesting a report on the company’s vendor labor standards and compliance mechanism); and *Bristol-Myers Squibb Co.* (February 11, 2004) (concurring with exclusion of a proposal requesting the board of directors to review pricing and marketing policies and prepare a report on how the company would respond to pressure to increase access to prescription drugs as involving substantially the same subject matter as a

prior proposal requesting the creation and implementation of a policy of price restraint on pharmaceutical products).

The staff has also concurred that a shareholder proposal may be excluded under Rule 14a-8(i)(12) even if it touches on different topics from a submission from a prior year so long as the earlier proposal deals with substantially the same subject matter. For example, in *The Dow Chemical Co.* (March 5, 2009), the staff concurred that a proposal requesting a report on the general health and environmental effects of a particular product was excludable as raising the same substantive concerns as a prior proposal requesting a report on the extent to which any company product caused or exacerbated asthma. Even though the later proposal focused on environmental concerns in addition to health concerns, and focused on a single product rather than the full universe of company products, both proposals broadly addressed the human welfare consequences of company products. Similarly, in *Hormel Foods Corp.* (November 10, 2011), the staff concurred that a proposal asking the company to adopt a series of animal welfare improvements, including a ban on electric shock devices, installation of cameras in all animal areas, improved training for supervisors, a phase-out of gestation crates, and implementation of annual audits of these standards, was excludable under Rule 14a-8(i)(12) because it addressed the same substantive concern as a prior shareholder proposal that requested only a report on the company's use of gestation crates. See also *Ford Motor Co.* (February 28, 2007) (concurring with exclusion of proposal requesting that executive compensation be tied to efficiency improvements as addressing substantially the same concern as a prior proposal requesting that executive compensation be tied to a reduction in greenhouse gas emissions, even though the later proposal addressed dependence on foreign oil and the prior proposal focused on greenhouse gas and related concerns); and *Exxon Mobil Corp.* (March 23, 2012) (concurring with exclusion of proposal requesting a policy on the company's commitment to the human right to water as addressing the same substantive concern as a proposal that requested a report on, among other things, emissions and environmental impacts on "land, water and soil").

B. The Proposal Deals With Substantially the Same Subject Matter as Another Proposal that was Included in the Company's Proxy Materials within the Preceding Five Calendar Years

The Company has, within the past five years, included in its proxy materials at least one other shareholder proposal that raises the same substantive concerns and relates to "substantially the same subject matter" as the Proposal, namely diversity of political ideologies and viewpoints at the Company. In 2019, the Company included in its proxy materials the Proponent's proposal (the "**2019 Proposal**," attached hereto as Exhibit D) that the Company adopt a policy to disclose to its shareholders a description of the minimum qualifications that must be met by the Company's director nominees, and disclose each nominee's skills, *ideological perspectives* and experience in a chart or matrix form. The supporting statement for the 2019 Proposal makes numerous references to "diverse perspectives" and "diversity of thought," and includes a statement that claims the Company and Silicon Valley eschew conservative thought and values.

The 2019 Proposal and the Proposal therefore share the same substantive concern—diversity of thought and diversity of political ideologies at the Company, and protection of “conservative” ideology and thought in particular.

That the Proposal and the 2019 Proposal share a singular focus is evident from the following:

- Each of the proposals specifically makes reference to diverse political opinions at the Company (or the purported lack thereof). The 2019 Proposal discusses “ideological perspectives,” “diverse perspectives” and “diversity of thought.” The Proposal discusses “viewpoint[s],” “ideolog[ies],” and “viewpoint diversity.” Each is focused on improving the Company’s inclusiveness towards various perspectives and ideologies, and each proposal requests that the Company take some action towards effecting change to achieve this goal. While the ultimate requests of each proposal are slightly different—the 2019 Proposal is concerned with ideological diversity at the Board level, while the Proposal is concerned with protection of diverse viewpoints among the Company’s employees—the substantive concern is the same.
- Each of the proposals seems to be motivated by protection of “conservative” thoughts and values at the Company. The 2019 Proposal states that “There is ample evidence that the Company – and Silicon Valley generally – operate in ideological hegemony that eschews conservative people, thoughts, and values.” The Proposal states “There is ample evidence that individuals with conservative viewpoints may face discrimination at Apple” and that “Silicon Valley is hostile to right-of-center thought.”
- The Supporting Statement directly cites the 2019 Proposal, noting that “Apple has refused requests to increase the viewpoint diversity of its board,” an obvious reference to the previous year’s shareholder proposal. Given that the two proposals were submitted in consecutive years by the same Proponent, referencing the same concerns, and the latter proposal directly cites the earlier proposal in making its argument, the similarity of the substantive concerns of the two proposals is apparent.

The fact that the requested actions of the two proposals differ does not change either the subject matter or the principal focus of the Proposal for purposes of Rule 14a-8(i)(12). As demonstrated in the numerous no-action letters cited above, the staff has focused on the “substantive concerns” raised by substantially similar proposals rather than the specific language of the proposals or corporate action proposed to be taken. Given that the Proposal broadly addresses the same concern as the 2019 Proposal—diversity of thought at the Company, including protection of “conservative” thoughts and values—the Proposal therefore deals with substantially the same subject matter as the 2019 Proposal for purposes of Rule 14a-8(i)(12).

C. The 2019 Proposal Did Not Receive the Shareholder Support Necessary to Permit Resubmission

As reported in the Company’s Current Report on Form 8-K filed with the SEC on March 4, 2019, the 2019 Proposal received 1.7% of the votes cast at the Company’s 2019 Annual Meeting of Shareholders (as calculated in accordance with *Staff Legal Bulletin No. 14*, Question F.4 (July

13, 2001)). For purposes of this calculation, the 2019 Proposal received 45,732,679 “for” votes and 2,267,300,224 “against” votes. Abstentions and broker non-votes were not included for purposes of this calculation. Therefore, the vote on the 2019 Proposal failed to meet the 3% threshold specified in Rule 14a-8(i)(12)(i).

Accordingly, the Company may exclude the Proposal from its 2020 Proxy Materials under Rule 14a-8(i)(12)(i) because it deals with substantially the same subject matter as the 2019 Proposal, and the 2019 Proposal did not receive the necessary shareholder support to permit resubmission.

III. Rule 14a-8(i)(10) — The Company Has Already Substantially Implemented the Proposal

A. The Exclusion

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if “the company has already substantially implemented the proposal.” The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” *SEC Release No. 34-12598* (July 7, 1976). Originally, the staff narrowly interpreted this predecessor rule and granted no-action relief only when proposals were “‘fully’ effected” by the company. *SEC Release No. 34-19135* (October 14, 1982). By 1983, however, the Commission recognized that the “previous formalistic application of [the rule] defeated its purpose” because proponents were successfully convincing the staff to deny no-action relief by submitting proposals that differed from existing company policy by only a few words. *SEC Release No. 34-20091* (August 16, 1983). Therefore, in 1983, the Commission adopted a revised interpretation to the rule to permit the omission of proposals that had been “substantially implemented” (*id.*) and subsequently codified this revised interpretation. *SEC Release No. 34-40018* (May 21, 1998). The purpose of the exclusion under Rule 14a-8(i)(10) has been described as follows:

“A company may exclude a proposal if the company is already doing—or substantially doing—what the proposal seeks to achieve. In that case, there is no reason to confuse shareholders or waste corporate resources in having shareholders vote on a matter that is moot. In the [Commission’s] words, the exclusion ‘is designed to avoid the possibility of shareholders having to consider matters which have already been favorably acted upon by the management’”

See Broc Romanek and Beth Young (W. Morley, editor), *Shareholder Proposal Handbook*, Sec. 23.01(B) at p. 23-4 (Aspen Law & Business 2003 ed.).

A company need not implement a proposal in exactly the manner set forth by the proponent in order to exclude the proposal under Rule 14a-8(i)(10). *SEC Release No. 34-40018* (May 21, 1998). For example, in *Hewlett-Packard Co. (Steiner)* (December 11, 2007), the staff

concluded that a proposal requesting that the board permit shareholders to call special meetings was substantially implemented by a proposed bylaw amendment permitting shareholders to call a special meeting unless the board determined that the specific business to be addressed had been addressed recently or would soon be addressed at an annual meeting. Differences between a company's actions and a shareholder proposal are permitted as long as the company's actions satisfactorily address the proposal's essential objectives. For example, in *Johnson & Johnson* (February 17, 2006), the staff concluded that a proposal requesting that the company confirm the authorization to work in the U.S. of all current and future U.S. employees was substantially implemented when the company had verified the authorization to work in the U.S. of 91% of its domestic workforce. Even if a company's actions do not go as far as those requested by the shareholder proposal, they nevertheless may be deemed to "compare favorably" with the requested actions. See, e.g., *Walgreen Co.* (September 26, 2013) (concurring in the exclusion of a proposal requesting elimination of supermajority voting requirements in the company's governing documents where the company had eliminated all but one of the supermajority voting requirements); *Exelon Corp.* (February 26, 2010) (concurring in the exclusion of a proposal that requested a report on different aspects of the company's political contributions when the company had already adopted its own set of corporate political contribution guidelines and issued a political contributions report that, together, provided "an up-to-date view of the [c]ompany's policies and procedures with regard to political contributions").

B. The Company has Already Substantially Implemented the Proposal because the Company's Existing Policies Compare Favorably with the Guidelines of the Proposal

The Proposal seeks to have the Company issue a public report detailing potential risks associated with omitting "viewpoint" and "ideology" from its EEO Policy. The Supporting Statement states that the current EEO Policy "calls into question the extent to which individuals are protected due to inconsistent state policies and the absence of federal protection for partisan activities." However, as described in more detail below, the Company's existing policies and initiatives already protect employees from discrimination, and are inclusive of all voices and beliefs. The Company's policies and initiatives therefore compare favorably with the guidelines of the Proposal, and for that reason the Company may exclude the Proposal from its 2020 Proxy Materials pursuant to Rule 14a-8(i)(10).

The Company's EEO Policy, a copy of which is attached hereto as Exhibit B, confirms that "Apple is an equal opportunity employer and does not discriminate in recruiting, hiring, training or promoting, on the basis of race, color, creed, religion, ancestry, national origin, marital status, age, sex, sexual orientation, gender, gender identity characteristics or expression, genetic information, physical or mental disability, pregnancy, medical condition, or U.S. military or protected Veteran status or on any other basis protected by law. All other aspects of employment, such as compensation, benefits, transfers, terminations, training and social and recreational programs shall continue to be administered so as to reflect the above policy." The EEO Policy ensures that all of the Company's employees receive equal and fair treatment by protecting them from discrimination on the basis of a variety of personal characteristics and beliefs.

The Company's Conduct Policy, a copy of which is attached hereto as Exhibit C, applies to all "employees, independent contractors, consultants, and others who do business with Apple" and ensures equal and fair employment practices by prohibiting any "harassment or discrimination based on such factors as race, color, creed, religion, sex, national origin, marital status, age, sexual orientation, gender identity characteristics or expression, genetic information, physical or mental disability, pregnancy, medical condition, or any other basis protected by local law." The Conduct Policy also affirms that the Company "encourages a creative, culturally diverse, and supportive work environment . . . free of discrimination" All employees are required to complete training regarding the Conduct Policy every year.

The EEO Policy and the Conduct Policy protect all Company employees and job applicants, from discrimination based on a variety of personal characteristics, including creed and religious belief. These policies also extend beyond the Company by protecting employees from similar discriminatory practices by "independent contractors, consultants, and others who do business with Apple."

In addition, the Company has taken steps to ensure an inclusive work culture for all of the Company's employees. The Company has an "Inclusion and Diversity" page on its website (see <https://www.apple.com/diversity>) highlighting its vision, policies and accomplishments regarding an open and accepting workplace. This website page makes clear that "At Apple, inclusion and diversity means bringing everybody in. We welcome all voices and all beliefs." This policy demonstrates that the Company is already committed to welcoming diversity of all stripes, including diversity based on differing viewpoints and ideologies.

As noted in the excerpt from the EEO Policy set forth above, the Company's prohibition against discrimination applies to all aspects of employment, including hiring, compensation, training (which includes professional education) and advancement. In the same way the EEO Policy specifically applies to all aspects of employment, the Conduct Policy applies to "every business decision in every area of the [C]ompany worldwide," which protects employees and job applicants from discrimination, in the context of any decision relating to hiring, compensation, training or advancement, in each case as contemplated by the Proposal.

The Company policies described above compare favorably to the guidelines of the Proposal because they protect the Company's employees and job applicants from discrimination on the basis of a broad set of characteristics, and they also protect the workers of other companies that do business with the Company. Together, these policies expressly prohibit discrimination and encourage an inclusive workplace culture welcoming of all voices and beliefs. Accordingly, the Company has substantially implemented the Proposal.

CONCLUSION

For the reasons discussed above, the Company believes that it may omit the Proposal from its 2020 Proxy Materials in reliance on Rule 14a-8(i)(7), (12) and (10). We respectfully request that the staff concur with the Company's view and confirm that it will not recommend enforcement action to the Commission if the Company excludes the Proposal from its 2020 Proxy Materials.

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
October 22, 2019
Page 14

If you have any questions or need additional information, please feel free to contact me at (408) 996-1010 or by e-mail at sam_whittington@apple.com.

Sincerely,



Sam Whittington
Assistant Secretary

Attachments

cc: Justin Danhof, National Center for Public Policy Research
Alan L. Dye, Hogan Lovells

Exhibit A

Copy of the Proposal and Supporting Statement and Related Correspondence

EEO Policy Risk Report

RESOLVED

Shareholders request that Apple Inc. (“Apple”) issue a public report detailing the potential risks associated with omitting “viewpoint” and “ideology” from its written equal employment opportunity (EEO) policy. The report should be available within a reasonable timeframe, prepared at a reasonable expense and omit proprietary information.

SUPPORTING STATEMENT

Apple does not explicitly prohibit discrimination based on viewpoint or ideology in its written EEO policy.

Apple’s lack of a company-wide best practice EEO policy sends mixed signals to company employees and prospective employees and calls into question the extent to which individuals are protected due to inconsistent state policies and the absence of federal protection for partisan activities. Approximately half of Americans live and work in a jurisdiction with no legal protections if their employer takes action against them for their political activities.

Companies with inclusive policies are better able to recruit the most talented employees from a broad labor pool, resolve complaints internally to avoid costly litigation or reputational damage, and minimize employee turnover. Moreover, inclusive policies contribute to more efficient human capital management by eliminating the need to maintain different policies in different locations.

There is ample evidence that individuals with conservative viewpoints may face discrimination at Apple.

In general, Silicon Valley is hostile to right-of-center thought. Companies such as Facebook and Google routinely fire conservative employees when they speak their values. At the 2019 annual meeting of Apple shareholders, an audience member told company CEO Tim Cook about her close friend who works at Apple and lives in fear of retribution every single day because she happens to be a conservative. What she described was the textbook definition of a hostile work environment. Apple has also refused requests to increase the viewpoint diversity of its board. This also signals to employees that viewpoint discrimination is condoned if not encouraged.

Presently shareholders are unable to evaluate how Apple prevents discrimination towards employees based on their ideology or viewpoint, mitigates employee concerns of potential discrimination, and ensures a respectful and supportive work atmosphere that bolsters employee performance.

Without an inclusive EEO policy, Apple may be sacrificing competitive advantages relative to peers while simultaneously increasing company and shareholder exposure to reputational and financial risks.

We recommend that the report evaluate risks including, but not limited to, negative effects on employee hiring and retention, as well as litigation risks from conflicting state and company anti-discrimination policies.



Via FedEx and Email (shareholderproposal@apple.com)

September 9, 2019

Katherine Adams, Corporate Secretary
Apple Inc.
One Apple Park Way
MS: 169-5GC
Cupertino, California 95014

Dear Ms. Adams,

I hereby submit the enclosed shareholder proposal (“Proposal”) for inclusion in the Apple Inc. (the “Company”) proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission’s proxy regulations.

I submit the Proposal as General Counsel of the National Center for Public Policy Research, which has continuously owned Apple stock with a value exceeding \$2,000 for a year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company’s 2020 annual meeting of shareholders. A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Copies of correspondence or a request for a “no-action” letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center for Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Danhof", written over a horizontal line.

Justin Danhof, Esq.

Enclosure: Shareholder Proposal



APPLE INC.
GENERAL COUNSEL OFFICE

Via FedEx and Email (shareholderproposal@apple.com)

October 1, 2019

Katherine Adams, Corporate Secretary
Apple Inc.
One Apple Park Way
MS: 169-5GC
Cupertino, California 95014

Dear Ms. Adams,

Enclosed please find a Proof of Ownership letter from UBS Financial Services Inc. in connection with the shareholder proposal submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations by the National Center for Public Policy Research to Apple Inc. on September 9, 2019.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center for Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Danhof", with a stylized flourish at the end.

Justin Danhof, Esq.



UBS Financial Services Inc.
1501 K Street NW, Suite 1100
Washington, DC 20005
Tel. 202-585-4000
Fax 855-594-1054
Toll Free 800-382-9989
<http://www.ubs.com/team/cfsgroup>

CFS Group

Anthony Connor
Senior Vice President - Investments
Senior Portfolio Manager
Portfolio Management Program

Bryon Fusini
First Vice President - Investments
Financial Advisor

Richard Stein
Senior Wealth Strategy Associate

www.ubs.com

Ms. Katherine Adams, Corporate Secretary
Apple Inc.
One Apple Park Way
MS: 169-5GC
Cupertino, California 95014

October 1, 2019

Confirmation: Information regarding the account of The National Center for Public Policy Research

Dear Ms. Adams,

The following client has requested UBS Financial Services Inc. to provide you with a letter of reference to confirm its banking relationship with our firm.

The National Center for Public Policy Research has been a valued client of ours since October 2002 and as of the close of business on 09/09/2019, the National Center for Public Research held, and has held continuously for at least one year 28 shares of the Apple Inc. common stock. UBS continues to hold the said stock.

Please be aware this account is a securities account not a "bank" account. Securities, mutual funds and other non-deposit investment products are not FDIC-insured or bank guaranteed and are subject to market fluctuation.

Questions

If you have any questions about this information, please contact Dianne Scott at (202) 585-5412.

UBS Financial Services is a member firm of the Securities Investor Protection Corporation (SIPC).

Sincerely,

Dianne Scott
UBS Financial Services Inc.

cc: Justin Danhof, Esq., National Center for Public Policy Research

Exhibit B

Copy of the Equal Employment Opportunity Policy



Equal Employment Opportunity Policy

Apple is an equal opportunity employer and does not discriminate in recruiting, hiring, training, or promoting on the basis of race, color, ancestry, national origin, religion, creed, age (over 40), mental and physical disability, sex, gender (including pregnancy, childbirth, breastfeeding or related medical conditions), sexual orientation, gender identity or expression, medical condition, genetic information, marital status, or military or protected Veteran status or on any other basis protected by law. All other aspects of employment, such as compensation, benefits, transfers, terminations, training, and social and recreational programs shall continue to be administered so as to reflect the above policy.

Apple will not tolerate discrimination, harassment (including sexual harassment) or retaliation against employees or non-employees with whom we have a business, service, or professional relationship. This includes discrimination, harassment or retaliation by management, employees, coworkers, or third parties.

If you feel you have been subjected to or have witnessed discrimination, harassment, or retaliation, you may contact any member of the Human Resources department, the Business Conduct Helpline (1-866-485-6789), or any supervisor or manager, up to and including the CEO, and you will receive a timely response. You may also contact a state or federal anti-discrimination agency, such as the Equal Employment Opportunity Commission. Managers are required to report any complaints of misconduct under this policy.

Apple's qualified personnel will conduct a thorough and timely investigation of any complaint of discrimination, harassment, or retaliation and will take prompt appropriate corrective action. To the extent possible, every effort will be made to maintain confidentiality.

Apple will not retaliate or tolerate retaliation against anyone for filing a complaint in good faith or participating in the investigation of a complaint under this policy. Anyone who is found to have violated this policy will be subject to disciplinary action, up to and including termination of employment.

Deirdre O'Brien, Vice President of People, is Apple's Equal Employment Opportunity Officer and supports Apple's continued commitment to equal employment opportunities, including Apple's policies prohibiting unlawful discrimination and harassment.

Exhibit C

Copy of the Business Conduct Policy



Business Conduct

The way we do business
worldwide

Business Conduct

The way we do business worldwide

Apple conducts business ethically, honestly, and in full compliance with applicable laws and regulations. This applies to every business decision in every area of the company worldwide.

Apple's Principles of Business Conduct

Apple's success is based on creating innovative, high-quality products and services and on demonstrating integrity in every business interaction. Apple's principles of business conduct define the way we do business worldwide. These principles are:

- **Honesty.** Demonstrate honesty and high ethical standards in all business dealings.
- **Respect.** Treat customers, suppliers, employees, and others with respect and courtesy.
- **Confidentiality.** Protect the confidentiality of Apple's information and the information of our customers, suppliers, and employees.
- **Compliance.** Ensure that business decisions comply with applicable laws and regulations.

Your Responsibilities

Apple's Business Conduct Policy and principles apply to employees, independent contractors, consultants, and others who do business with Apple. You are expected to:

- **Follow the policy.** Comply with Apple's Business Conduct Policy, principles, and all applicable legal requirements.
- **Speak up.** If you have knowledge of a possible violation of Apple's Business Conduct Policy or principles, other Apple policies, or legal or regulatory requirements, you must notify either your manager (provided your manager is not involved in the violation), HR, Legal, Internal Audit, Finance, or the Business Conduct office. If you need more support, contact the [Business Conduct Helpline](#).
- **Use good judgment.** Apply Apple's principles of business conduct, review our policies, review legal requirements, and then decide what to do.
- **Ask questions.** When in doubt about how to proceed, discuss it with your manager, your Human Resources representative, or the Business Conduct Group. If you need more support, contact the [Business Conduct Helpline](#).

Failure to comply with Apple's Business Conduct Policy, or failure to report a violation, may result in disciplinary action up to and including termination of employment or the end of your working relationship with Apple.

Retaliation Is Not Tolerated

Apple will not retaliate—and will not tolerate retaliation—against any individual for filing a good-faith complaint with management, HR, Legal, Internal Audit, Finance, or the [Business Conduct Helpline](#), or for participating in the investigation of any such complaint.

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Individual Conduct

Can you give an example of conflicts of interest or potential divided loyalty?

Your niece needs a summer internship and you decide to hire her into your organization, or, your brother-in-law owns a business that is being considered as a vendor for Apple, and you are one of the decision makers.

Are employees permitted to develop outside iOS or Mac apps on their own time?

Employees are permitted to create iOS and Mac apps in Xcode for personal or educational purposes but they may not join the Developer Program, nor share, sell, or distribute apps for iOS, Android, or any other operating system, unless required for Apple business.

May I occasionally use my Apple email address for my outside business?

You may never use your Apple email for an outside business.

May I post my outside music, videos, or books on iTunes or the iBookstore?

Generally, yes, as long as the content isn't related to Apple's business or products. Do not use your position at Apple to get favored treatment for your content.

May I serve on the board of directors of an outside enterprise or organization?

Yes. Employees must obtain written permission from their manager and vice president before accepting board positions on non-profit organizations that do not relate to Apple's present, or reasonably anticipated business. Employees must obtain written permission from their manager and senior vice president before accepting board positions on for-profit organizations, or for other groups that relate to Apple's present, or reasonably anticipated business. Vice presidents and Executive Team members must obtain written permission from the CEO before accepting such positions.

Conflicts of Interest

A conflict of interest is any activity that is inconsistent with or opposed to Apple's best interest, or that gives the appearance of impropriety or divided loyalty. Avoid any situation that creates a real or perceived conflict of interest. Use good judgment, and if you are unsure about a potential conflict, talk to your manager, contact Human Resources, or contact the [Business Conduct Helpline](#).

Do not conduct Apple business with family members or others with whom you have a significant personal relationship. In rare cases where exceptions may be appropriate, written approval from the senior vice president of your organization is required.

You shouldn't use your position at Apple to obtain favored treatment for yourself, family members, or others with whom you have a significant relationship. This applies to product purchases or sales, investment opportunities, hiring, promoting, selecting contractors or suppliers, and any other business matter. This does not apply to special purchase plans offered by Apple like the employee discount. If you believe you have a potential conflict involving a family member or other individual, disclose it to your manager.

Outside Employment and Inventions

Apple employees must notify their manager before taking any other employment. In addition, any employee (full-time or part-time) who obtains additional outside employment, has an outside business, or is working on an invention must comply with the following rules.

Do not:

- Use any time at work or any Apple assets for your other job, outside business, or invention. This includes using Apple workspace, phones, computers, Internet access, copy machines, and any other Apple assets or services.
- Use your position at Apple to solicit work for your outside business or other employer, to obtain favored treatment, or to pressure others to assist you in working on your invention.
- Participate in an outside employment activity that could have an adverse effect on your ability to perform your duties at Apple.
- Use confidential Apple information to benefit your other employer, outside business, or invention.

Before participating in inventions or businesses that are in the same area as your work for Apple or that compete with or relate to Apple's present or reasonably anticipated business, products, or services, you must have written permission from your manager, an Apple product law attorney, and the senior vice president of your organization.

Personal Investments

Many Apple employees have investments in publicly traded stock or privately held businesses. In general, these are fine, but investments may give rise to a conflict of interest if you are involved in or attempt to influence transactions between Apple and a business in which you are invested. If a real or apparent conflict arises, disclose the conflict to your manager. Your manager will help determine whether a conflict exists and, if appropriate, the best approach to eliminate the conflict. If you still need help, contact the [Business Conduct Helpline](#).

Individual Conduct

I have stock in companies that do business with Apple. Is this a problem?

Probably not. However, it could be a concern if you are influencing a transaction between Apple and the company, or the transaction is significant enough to potentially affect the value of your investment.

How do I know whether information is material?

Determining what constitutes material information is a matter of judgment. In general, information is material if it would likely be considered important by an investor buying or selling the particular stock.

Does Apple's policy apply to buying or selling stock in other companies?

Yes. For example, say you learn about a customer's nonpublic expansion plans through discussions about hardware purchases. If you purchase stock in the customer's company or advise others to do so, it could be viewed as insider trading.

What is harassment?

Harassment can be verbal, visual, or physical in nature. Specific examples of prohibited harassing conduct include, but are not limited to, slurs, jokes, statements, notes, letters, electronic communication, pictures, drawings, posters, cartoons, gestures, and unwelcome physical contact that are based on an individual's protected class.

Need more information?

In the U.S., refer to Apple's [Harassment Policy](#). Outside the U.S., contact Human Resources.

Workplace Relationships

Personal relationships in the workplace may present an actual or perceived conflict of interest when one individual in the relationship is in a position to make or influence employment decisions regarding the other. If you find yourself in such a relationship, you must notify Human Resources so they may assist you in resolving any potential conflicts. Employees should not allow their relationships to disrupt the workplace or interfere with their work or judgment. For additional information, see Apple's policy on [Personal Relationships](#).

Buying and Selling Stock

Never buy or sell stock when aware of information that has not been publicly announced and could have a material effect on the value of the stock. This applies to decisions to buy or sell Apple stock and to third party stock, such as the stock of an Apple supplier or vendor. It is also against Apple policy and may be illegal to give others, such as friends and family, tips on when to buy or sell stock when aware of material, nonpublic information concerning that stock.

In addition, employees are prohibited from investing in derivatives of Apple stock, including hedging transactions and transactions involving options, warrants, puts, or calls or similar instruments related to shares of Apple stock.

Members of Apple's board of directors, executive officers, and certain other individuals are subject to blackout periods during which they are prohibited from trading in Apple stock. If you are subject to these restrictions, you will be notified by the legal department. Even if you are not subject to blackout periods, you may never buy or sell stock when aware of material, nonpublic information.

Review Apple's [Insider Trading Policy](#). Specific questions on buying and selling stock should be referred to the legal department.

Harassment and Discrimination

Apple encourages a creative, culturally diverse, and supportive work environment. Apple is committed to providing a workplace free of discrimination and sexual harassment, as well as harassment or discrimination based on such factors as race, color, creed, religion, sex, national origin, marital status, age, sexual orientation, gender identity characteristics or expression, genetic information, physical or mental disability, pregnancy, medical condition, or any other basis protected by local law. Apple will not tolerate discrimination or harassment of employees or non-employees with whom we have a business, service, or professional relationship. This applies to interactions with employees, customers, suppliers, and applicants for employment, and any other interactions where you represent Apple.

If you feel that you have been harassed or discriminated against or have witnessed such behavior, report the incident to any member of the Human Resources department, any supervisor or manager, up to, and including, the CEO, or the [Business Conduct Helpline](#).

Individual Conduct

Where can I learn more about policies on confidential employee information?

View the [Safe Harbor Privacy Policy](#).

Is personal information on my computer system private?

No. Limited personal use of Apple equipment and systems is allowed. However Apple may monitor equipment and systems. You should not have any expectation about the privacy of content or personal information.

If I make a presentation on my own time, may I accept a payment?

That depends. If you are representing Apple, you may not accept payment. If you are on your own time and are not representing Apple, you may be allowed to accept payment. Before accepting this type of opportunity check with your manager, Human Resources, or the [Business Conduct Helpline](#).

What if I have a substance abuse issue?

Help yourself and Apple by taking action. Talk to your Human Resources representative or, in the U.S., view information on the [Employee Assistance Program](#).

Confidential Employee Information

As part of your job, you may have access to personal information regarding other Apple employees or applicants, including information regarding their employment history, personal contact information, compensation, health information, or performance and disciplinary matters. This information is confidential and should be shared only with those who have a business need to know. It should not be shared outside Apple unless there is a legal or business reason to share the information and you have approval from your manager.

Workplace Privacy

As an Apple employee, it's important you understand that, subject to local laws and regulations and in accordance with Apple's review process, Apple may take the following steps when you access Apple's network or systems or use any device, regardless of ownership, to conduct Apple business:

- Access, search, monitor, and archive all data and messages sent, accessed, viewed, or stored (including those from iCloud, Messages, or other personal accounts).
- Conduct physical, video, or electronic surveillance, search your workspace (such as file cabinets, desks, and offices, even if locked), review phone records, or search any non-Apple property (e.g. backpacks, purses) on company premises.
- Disclose to law enforcement information discovered during any search that indicates possible unlawful behavior without prior notice.

You should familiarize yourself with the [Workplace Property](#) and [Privacy Policy](#) which sets out Apple's rights and your rights when conducting Apple business or using Apple provided equipment. If you have questions regarding the policy, reach out to the [Business Conduct Helpline](#).

Public Speaking and Press Inquiries

All public speaking engagements that relate to Apple's business or products must be pre-approved by your manager and [Corporate Communications](#). If you receive approval to make a public presentation at a business meeting or conference, you may not request or accept any form of personal compensation from the organization that requested the presentation. This does not prohibit accepting reimbursement for expenses, if approved by your manager.

All inquiries from the press or the financial analyst community must be referred to [Corporate Communications](#) or [Investor Relations](#).

Publishing Articles

If you author an article or other publication, do not identify yourself in the publication as an Apple employee without prior approval from [Corporate Communications](#). In addition, in some cases, such publications may require Senior Vice President and Legal approval. For guidance regarding posting on social media or blogging, see Apple's [Social Media and Online Communications Policy](#) on HRWeb.

Alcohol, Drugs, and a Smoke Free Environment in the Workplace

Employees are prohibited from manufacturing, distributing, dispensing, possessing, using, or being under the influence of illegal drugs in the workplace. Use of alcohol or medications on the job or before work can cause safety issues, damage customer relations, and hurt productivity and innovation. Use good judgment and keep in mind that you are expected to perform to your full ability when working for Apple. For more information, view the HR [Alcohol, Drugs, and Smoke Free Environment Policy](#).

Responsibilities to Apple

What are assets?

Assets include Apple's proprietary information (such as intellectual property, confidential business plans, unannounced product plans, sales and marketing strategies, and other trade secrets), as well as physical assets like cash, equipment, supplies, and product inventory.

Can I give an Apple-owned iPhone to my family member for use?

No. You are responsible for protecting Apple's assets at all times. You must follow all security procedures regarding Apple's property.

If I believe that it is appropriate to disclose confidential proprietary information to a vendor or other third party, what should I do?

First, verify that there is a business need for the disclosure. Second, obtain your manager's approval for the disclosure. Third, be sure that a [non-disclosure/confidentiality agreement](#) is in place with the vendor, or third party, and that you forward the original copy of the agreement to the [legal](#) department. If you are still unsure, check with the legal department before making the disclosure.

How do I identify confidential Apple information in documents?

Mark these documents "Apple Confidential."

What if I have a specific question on the use of the Apple name, names of products or services, or the Apple logo?

Please direct questions to [Apple Corporate Identity](#).

How can I find out more about patents?

Visit Apple's [Patent Information](#) site.

Protecting Apple's Assets and Information

We all have an obligation to protect Apple's property and to abide by the following guidelines:

- **Watch what you say.** Surprise and delight are Apple hallmarks. Being aware of who is around you, and what they might learn from you is an important way we all protect Apple's secrets. Don't let Apple secrets fall into the wrong hands.
- **Protect our stuff.** Keeping track of Apple assets and information entrusted to you, and preventing opportunities for loss, misuse, waste, or theft of Apple property is everyone's responsibility. Trash is inevitable. Waste is not. Before disposing of Apple assets, discuss your plans with your manager, get approval, and follow applicable policies.
- **Set the example.** Behaviors are contagious. Be a model for your co-workers and our partners. Follow our procurement procedures when acquiring goods or services, and use Apple's assets only for legal and ethical purposes.

Confidential Apple Information

One of Apple's greatest assets is information about our products and services, including future product offerings. Never disclose confidential, operational, financial, trade secret, or other business information without verifying with your manager that such disclosure is appropriate. Typically, disclosure of this information is very limited, and the information may be shared with vendors, suppliers, or other third parties only after a non-disclosure agreement is in place. Even within Apple, confidential information should be shared only on a need-to-know basis. The Intellectual Property Agreement you signed when you joined Apple defines your duty to protect information.

The Apple Identity and Trademarks

The Apple name, names of products (such as iPhone), names of services (such as AppleCare), taglines (such as "Don't steal music"), and logos (such as the familiar Apple logo) collectively create the Apple identity. Before publicly using the Apple name, product names, service names, taglines, or the Apple logo, review Apple's [Trademark List](#) and [Corporate Identity Guidelines](#) on how names and logos can be used and presented (for example, the size of the Apple logo and the amount of white space surrounding it). Before using the product names, service names, taglines, or logos of third parties, check with the legal department.

Apple Inventions, Patents, and Copyrights

Apple's practice is to consider patenting the inventions of its employees, regardless of whether the inventions are implemented in actual products. If you are involved in product development, you should contact Legal regarding the patentability of your work. Be alert to possible infringement of Apple's patents and bring any possible infringements directly to Legal.

If you create original material for Apple that requires copyright protection, such as software, place Apple's copyright notice on the work and submit a copyright disclosure form to Legal. For more information, visit the Apple [Copyright Information](#) site.

Activities Related to Technical Standards

There are numerous organizations that develop or promote technical standards (such as W3C, OASIS, INCITS, IEEE, ETSI). Before engaging in activities related to technical standards, including, for example, joining a standards organization or working group, contributing technology to a standard, or using a standard in the development of an Apple product, employees must receive management and Legal approval. For additional information, see Apple's [Standards Legal Policy](#).

Accuracy of Records and Reports

Accurate records are critical to meeting Apple's legal, financial, and management obligations. Ensure that all records and reports, including timecards, customer information, technical and product information, correspondence, and public communications, are full, fair, accurate, timely, and understandable.

Never misstate facts, omit critical information, or modify records or reports in any way to mislead others, and never assist others in doing so.

Business Expenses

All employees must observe policies and procedures regarding business expenses, such as meal and travel expenses, and submit accurate expense reimbursement requests. Guidelines on daily meal expenses vary worldwide. For more information view the Apple [Travel Policy](#).

How can I learn more about procedures for meals and travel?

See Apple's [Travel Policy](#) or talk to your manager.

Money Laundering

Money laundering is the process by which individuals or organizations try to conceal illicit funds or make these funds look legitimate. Money laundering is strictly prohibited. The laws in certain countries require Apple to report suspicious activity. If you deal directly with customers or vendors, the following examples may be indications of potential money laundering:

- Attempts to make large payments in cash.
- Payments by someone who is not a party to the contract.
- Requests to pay more than provided for in the contract.
- Payments made in currencies other than those specified in the contract.
- Payments from an unusual, nonbusiness account.
- Transactions forming an unusual pattern such as bulk purchases of products or gift cards, or many repetitive cash payments.

If I suspect money laundering, what should I do?

Advise your manager or contact the [Business Conduct Helpline](#).

Responsibilities to Apple

Tell me more about legal holds.

In a litigation case or other legal matter, Apple may be required to produce documents. In these cases the legal department may put a legal hold on certain documents to prevent the documents from being destroyed, altered, or modified. If it is found that Apple has failed to retain or produce required documents, penalties or adverse rulings may result.

Adverse rulings in major litigation cases can cost Apple a significant amount of money. Failure of employees to retain and preserve documents placed on legal hold may result in discipline or discharge.

Records & Information Management and Legal Hold

As an Apple employee, you have a responsibility to manage records and information. The definition of “records and information” is extremely broad. **Information** includes all documents and data; however, **Records** are a subset and must be kept because they have enduring business value, must be kept pursuant to other Apple policies for legal, accounting and other regulatory requirements. Check [Global Records & Information Management’s website](#) to access Apple’s policy and retention schedule to determine the appropriate retention period for your records. For assistance contact the Global Records & Information Management team at global_rim@apple.com.

At times, Apple may need to retain records and information beyond the period they would normally be kept. The most common reasons are litigation, other legal matters or audits.

In these situations, retention and preservation of records and information is critical. If you have records and information that may be required for litigation or other legal matters, the legal department will place those documents on a legal hold, meaning the records and information cannot be altered, destroyed, deleted, or modified in any manner. Legal will notify the individuals most closely identified with the records and information about the legal hold and will provide instructions for retaining the records and information. Recipients of a legal hold must ensure that these instructions are followed. A legal hold remains in effect until you are notified by the legal department in writing.

To what extent may I use an existing customer list to market other Apple products or services?

Before using a customer list for marketing, sales, or other activities, talk to your manager or the legal department. Using an existing customer list may or may not be appropriate.

Where can I learn more about information protection and non-disclosure agreements?

See [frequently asked questions](#) about non-disclosure and confidentiality agreements at Apple.

Where can I get a non-disclosure agreement?

Apple provides [non-disclosure/confidentiality agreements](#) for the U.S. and other locations outside the US.

As long as the information helps Apple, why is the source of business intelligence an issue?

Obtaining information illegally or unethically could damage Apple's reputation and in some cases could subject you and Apple to legal liability. For example, using illegally or unethically obtained information in a bid to the government could result in disqualification from future bidding and criminal charges.

May I keep my personal music on my computer at work?

If you are authorized to make copies of the music for personal use (for example, you purchased the music on iTunes), you may keep the music on your computer.

Customer Focus

Every product we make and every service we provide is for our customers. Focus on providing innovative, high-quality products and services and demonstrating integrity in every business interaction. Always apply Apple's principles of business conduct.

Customer and Third-Party Information

Customers, suppliers, and others disclose confidential information to Apple for business purposes. It is the responsibility of every Apple employee to protect and maintain the confidentiality of this information. Failure to protect customer and third-party information may damage relations with customers, suppliers, or others and may result in legal liability. See the [Apple Customer Privacy Policy](#).

Non-Disclosure/Confidentiality Agreements

When dealing with a supplier, vendor, or other third party, never share confidential information without your manager's approval. Also, never share confidential information outside Apple (for example, with vendors, suppliers, or others) unless a [non-disclosure/confidentiality agreement](#) is in place. These agreements document the need to maintain the confidentiality of the information. Original copies of non-disclosure agreements must be forwarded to the legal department. Always limit the amount of confidential information shared to the minimum necessary to address the business need.

Obtaining and Using Business Intelligence

Apple legitimately collects information on customers and markets in which we operate. Apple does not seek business intelligence by illegal or unethical means, and competitors may not be contacted for the purpose of obtaining business intelligence. Sometimes information is obtained accidentally or is provided to Apple by unknown sources. In such cases, it may be unethical to use the information, and you should immediately contact your manager, the legal department, or the [Business Conduct Helpline](#) to determine how to proceed.

Third-Party Intellectual Property

It is Apple's policy not to knowingly use the intellectual property of any third party without permission or legal right. If you are told or suspect that Apple may be infringing an intellectual property right, including patents, copyrights, trademarks, or trade secrets owned by a third party, you should contact the legal department.

Copyright-Protected Content

Never use or copy software, music, videos, publications, or other copyright-protected content at work or for business purposes unless you or Apple are legally permitted to use or make copies of the protected content. Never use Apple facilities or equipment to make or store unauthorized copies. For more information about personal content on an Apple owned device view the IS&T [Illegal Downloading, Copying, and Distribution Policy](#).

Are business meals, travel, and entertainment considered gifts?

Yes. Anything of value is considered a gift.

Can I avoid these rules if I pay for gifts to customers or business associates myself?

No. If the gift is given for business reasons and you are representing Apple, the gift rules apply.

What is an example of a side deal?

In a sales environment, a side deal may involve a guarantee to accept back unsold products or other special agreements to encourage certain customers to place larger orders. Such a side deal, whether written or oral, can have an impact on Apple's potential liability with respect to that transaction and may make it inappropriate for Apple to recognize revenue on the products sold, affecting the accuracy of Apple's books and records. Side deals or side letters made outside of Apple's formal contracting and approvals process are strictly prohibited.

Giving and Receiving Business Gifts

Employees may not give or receive gifts or entertainment to or from current or potential vendors, suppliers, customers, or other business associates unless all of the following conditions are met:

- **Nominal value.** The value of the gift is less than US\$150. Exceptions must be approved by your vice president (for vice president-level employees, exceptions must be approved by your manager).
- **Customary.** The item is a customary business gift and would not embarrass Apple if publicly disclosed. Cash is never an acceptable gift. Giving or receiving cash is viewed as a bribe or kickback and is always against Apple policy.
- **No favored treatment.** The purpose of the gift is not to obtain special or favored treatment.
- **Legal.** Giving or accepting the gift is legal in the location and under the circumstances where given.
- **Recipient is not a government official.** Never provide a gift, including meals, entertainment, or other items of value, to a U.S. or foreign government official without checking with Government Affairs in advance. See page 13 for more information on gifts to government officials.

This policy does not preclude Apple as an organization from receiving and evaluating complimentary products or services. It is not intended to preclude Apple from giving equipment to a company or organization, provided the gift is openly given, consistent with legal requirements, and in Apple's business interests. The policy also does not preclude the attendance of Apple employees at business-related social functions, if attendance is approved by management and does not create a conflict of interest.

Zero Gift Rule: Certain departments, including AppleCare, Apple Online Store, Apple Retail, ASC/ASM/ACEs, Business Conduct and Global Compliance, Facilities, Filemaker, Finance, Global Security, Hardware, Hardware Technologies, Human Resources, Industrial Design, IS&T, Operations and Software have more restrictive gift policies that prohibit giving or receiving gifts altogether. Employees in these departments must adhere to the stricter policies. For more information, if you are in Operations, Hardware, Hardware Engineering or Industrial Design see the [Code of Conduct Policy](#), all other groups see [Apple's Zero Gift Policy](#).

Side Deals or Side Letters

All the terms and conditions of agreements entered into by Apple must be formally documented. Contract terms and conditions define the key attributes of Apple's rights, obligations, and liabilities and can also dictate the accounting treatment given to a transaction. Making business commitments outside of the formal contracting process, through side deals, side letters, or otherwise, is unacceptable. You should not make any oral or written commitments that create a new agreement or modify an existing agreement without approval through the formal contracting process.

What can I do if a reseller complains to me about low prices at another reseller?

Advise the reseller that you can't discuss or attempt to influence pricing of other parties since this could violate antitrust laws.

How should I handle customer inquiries about resellers and service providers?

Apple resellers and service providers are key members of the Apple family. They promote and sell Apple products and they provide service and support to Apple customers.

Accordingly, you should never make disparaging remarks to customers about resellers or service providers.

What is an example of an endorsement?

A friend writes a great book on software design and asks you to endorse the book by making a statement on the back cover. If you make such an endorsement, don't include your job title or affiliation with Apple.

Competition and Trade Practices

Agreements with competitors are subject to rigorous scrutiny in all countries. Competitors are expected to compete, and compete aggressively on all terms. Agreements with our resellers, distributors, and suppliers can also give rise to scrutiny, particularly if Apple has a leading position in the market.

You should not:

- Agree with competitors or exchange information with competitors on price, policies, contract terms, costs, inventories, marketing plans, capacity plans, or other competitively significant terms.
- Agree with competitors to divide sales territories, products, or assign customers.
- Agree with resellers on the resale pricing of Apple products without legal approval. Resellers must be free to determine their own resale prices.
- Violate fair bidding practices, including bidding quiet periods, or provide information to benefit one vendor over other vendors.
- Engage in any pricing or other practices that could defraud a supplier or others.

Remember: Always consult the [Competition Law Team](#) whenever you have a question. For more detail, please see the [Antitrust and Competition Law Policy](#).

Endorsements

When representing Apple, never endorse a product or service of another business or an individual unless the endorsement has been approved by your manager and Corporate Communications. This does not apply to statements you may make in the normal course of business about third-party products that are sold by Apple.

Open Source Software

Open source software is software for which the source code is available without charge under a free software or open source license. Before using, modifying, or distributing any open source software for Apple infrastructure or as part of an Apple product or service development effort, you must review Apple's [Open Source Software Policy](#) and contact Legal for approval using the forms referenced in that policy.

Tell me more about pricing products that are sold to governments.

Governments shouldn't be charged more for our products or services than Apple charges other customers for the same products or services. There are laws that make it a crime to overcharge the U.S. government. Some other countries have similar laws.

Can I avoid a gift limitation by paying for a gift, such as lunch or golf, myself?

No. If you are representing Apple, any gift to a government employee would be viewed as coming from Apple.

What is considered a gift to a U.S. or foreign official?

In most cases, anything of value that is given is considered a gift. This includes items such as meals, golf, entertainment, and product samples. Cash is never an acceptable gift. Typically, giving cash is viewed as a bribe or kickback and is against Apple policy.

Who is a "foreign official"?

A foreign official is any official or employee of a foreign government or public international organization (including departments or agencies of those governments or organizations), or any person acting in an official capacity. Also included are employees of a state-run or state-owned business, such as a public utility, and employees of a public/government-run school or university.

Governments as Customers

Governments are unique customers for Apple. Governments often place special bidding, pricing, disclosure, and certification requirements on firms with which they do business. Discuss these requirements with Government Affairs or your local Apple Legal representative before bidding for government business.

Gifts to U.S. Officials

It may be illegal to give a gift, even an inexpensive meal or a T-shirt, to a government employee. The rules vary depending on the location and job position of the government employee (for example, rules may vary by state, school district, and city, and there may be different rules for various elected and non-elected officials).

To prevent violations, review all gifts to government officials with [Government Affairs](#) before giving a gift.

Gifts to Non-U.S. Officials

In many countries it is considered common courtesy to provide token/ceremonial gifts to government officials on certain occasions to help build relationships. Check local requirements and review any such gifts exceeding US\$25 in advance with Legal. For meals, the US\$25 limit does not necessarily apply. Check for [value limits by country](#) on meals to public officials and employees. Meals of any value should be avoided with officials from government agencies where Apple has a pending application, proposal, or other business.

No Bribery or Corruption

At Apple, we do not offer or accept bribes or kickbacks in any form and we do not tolerate corruption in connection with any of our business dealings. You may not offer or receive bribes or kickbacks to, or from, any individual, whether that individual is a government official or a private party. For additional information, see [Apple's Anti-Corruption Policy](#).

Political Contributions

Apple does not make political contributions to individual candidates or parties. All corporate political contributions, whether monetary or in-kind (such as the donation/lending of equipment or technical services to a campaign), must be approved in advance by Apple's CEO and processed by Apple Government Affairs to ensure compliance with disclosure regulations and Apple's policy of promptly reporting contributions on the Apple website. Employees may not use Apple assets (including employee work time, or use Apple premises, equipment, or funds) to personally support candidates and campaigns. It is illegal for Apple to reimburse an employee for a contribution. For more information, see the [Apple Corporate Political Compliance Policy](#) and the [Apple Public Policy Advocacy Website](#).

What should I do if I'm interested in hiring a current or recent government employee?

Contact [Government Affairs](#) before beginning any negotiations to hire a current or recent government, military, or other public sector employee as an Apple employee or consultant.

How do I get more information regarding Apple's environmental, health, and safety programs?

Visit the [Environment, Health & Safety](#) site.

What if I want to get more involved in community activities?

Contact [Community Affairs](#). This group promotes, supports, and facilitates employee involvement in community volunteer activities. Outside the U.S., check with your local Public Relations team or Human Resources.

Hiring Government Employees

Laws often limit the duties and types of services that former government, military, or other public sector employees may perform as employees or consultants of Apple. Employment negotiations with government employees are prohibited while the employees are participating in a matter involving Apple's interests.

Trade Restrictions and Export Controls

Many countries periodically impose restrictions on exports and other dealings with certain countries, persons, or groups. Export laws may control trading of commodities or technologies that are considered to be strategically important because they have the potential to be used for military purposes. Laws may cover travel to or from a sanctioned country, imports or exports, new investments, and other related topics. Certain laws also prohibit support of boycott activities. See Apple's [Export Control Policy](#) for more information.

If your work involves the sale or shipment of products, technologies, or services across international borders, check with the export department to ensure compliance with any laws or restrictions that apply.

Environment, Health, and Safety (EHS)

Apple operates in a manner that conserves the environment and protects the safety and health of our employees. Conduct your job safely and consistently with applicable EHS requirements. Use good judgment and always put the environment, health, and safety first. Be proactive in anticipating and dealing with EHS risks.

In keeping with our commitment to the safety of our people, Apple will not tolerate workplace violence. For additional information, review Apple's [Workplace Violence Policy](#).

Charitable Donations

Employees are encouraged to support charitable causes of their choice as long as that support is provided without the use or furnishing of Apple assets (including employee work time or use of Apple premises, equipment, or funds). Any charitable donations involving Apple assets require the approval of the Chief Executive Officer or Chief Financial Officer. For additional information, see [Finance Policy 1.10](#).

This policy does not preclude Apple employees from using the [Apple Matching Gifts Program](#) to contribute to the nonprofit organization of their choice.

Community Activities and Public Positions

At Apple, we comply with applicable laws and regulations and operate in ways that benefit the communities in which we conduct business. Apple encourages you to uphold this commitment to the community in all your activities.

If you hold an elected or appointed public office while employed at Apple, advise Government Affairs. Excuse yourself from involvement in any decisions that might create or appear to create a conflict of interest.

Your Obligation to Take Action

Always apply Apple's principles of business conduct, follow Apple policies, and comply with laws and regulations. When you are unsure, take the initiative to investigate the right course of action. Check with your manager, Human Resources, Legal, Internal Audit, or Finance, and review our policies on AppleWeb. If you would like to talk with someone outside your immediate area, consider contacting the [Business Conduct Helpline](#).

If you know of a possible violation of Apple's Business Conduct Policy or legal or regulatory requirements, you are required to notify your manager (provided your manager is not involved in the violation), Human Resources, Legal, Internal Audit, Finance, or the [Business Conduct Helpline](#). Failure to do so may result in disciplinary action.

Employees must cooperate fully in any Apple investigation and keep their knowledge and participation confidential to help safeguard the integrity of the investigation.

Business Conduct Helpline

The Business Conduct Helpline is available 24/7 to all employees worldwide to help answer your questions on business conduct issues, policies, regulations, and compliance with legal requirements. It also allows you to advise Apple of situations that may require investigation or management attention.

The Business Conduct Helpline is committed to keeping your issues and identity confidential. If you would be more comfortable doing so, you may contact the Helpline anonymously. Your information will be shared only with those who have a need to know, such as those involved in answering your questions or investigating and correcting issues you raise. If your information involves accounting, finance, or auditing, the law may require that necessary information be shared with the Audit and Finance Committee of the Apple Board of Directors.

Due to legal restrictions, anonymous use of the Business Conduct Helpline is not encouraged in certain countries (for example, France).

Apple will not retaliate—and will not tolerate retaliation—against any individual for reporting a concern in good-faith with the [Business Conduct Helpline](#).

Information on contacting the Business Conduct Helpline—including via email, toll-free telephone, and web access—is available on the [Business Conduct website](#).

Policies and References

[Alcohol, Drugs and a Smoke Free Environment in the Workplace](#)

[Anti-Corruption Policy](#)

[Business Conduct Helpline](#)

[Charitable Contributions \(Finance Policy 1.10\)](#)

[Community Affairs](#)

[Copyright Information](#)

[Copyright Policy](#)

[Corporate Identity Guidelines](#)

[Customer Privacy Policy](#)

[Diversity](#)

[Employee Assistance Program \(U.S. only\)](#)

[Environment, Health & Safety](#)

[Equal Employment Opportunity](#)

[Expense Reimbursements \(Finance Policy 10.01\)](#)

[Export Control](#)

[Government Affairs](#)

[Harassment](#)

[Illegal Downloading, Copying, and Distribution Policy](#)

[Information Security](#)

[Insider Trading Policy](#)

[Intellectual Property](#)

[Legal Department Contacts](#)

[Mail and Electronic Communications](#)

[Matching Gifts Program](#)

[Name and Logo Use Questions](#)

[Personal Relationships](#)

[Political Compliance](#)

[Political Contributions and Expenditures](#)

[Privacy Policy](#)

[Procurement](#)

[Reasonable Accommodation](#)

[Records Management](#)

[Safe Harbor Privacy Policy](#)

[Standards Legal Policy](#)

[Stock Blackout Periods](#)

[Trademarks](#)

[Travel Policy](#)

[Workplace Property Policy](#)

Exhibit D

Copy of the 2019 Proposal

True Diversity Board Policy

Resolved, that the shareholders of Apple Inc. (the “Company”) request the Board adopt a policy to disclose to shareholders the following:

1. A description of the specific minimum qualifications that the Board’s nominating committee believes must be met by a nominee to be on the board of directors; and
2. Each nominee’s skills, ideological perspectives, and experience presented in a chart or matrix form.

The disclosure shall be presented to the shareholders through the annual proxy statement and the Company’s website within six (6) months of the date of the annual meeting and updated on an annual basis.

Supporting Statement

We believe that boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively. By providing a meaningful disclosure about potential Board members, shareholders will be better able to judge how well-suited individual board nominees are for the Company and whether their listed skills, experience and attributes are appropriate in light of the Company’s overall business strategy.

The Company’s compliance with Item 407(c)(2)(v) of SEC Regulation S-K requires it to identify the minimum skills, experience, and attributes that all board candidates are expected to possess.

True diversity comes from diversity of thought. There is ample evidence that the Company – and Silicon Valley generally – operate in ideological hegemony that eschews conservative people, thoughts, and values. This ideological echo chamber can result in groupthink that is the antithesis of diversity. This can be a major risk factor for shareholders.

We believe a diverse board is a good indicator of sound corporate governance and a well-functioning board. Diversity in board composition is best achieved through highly qualified candidates with a wide range of skills, experience, beliefs, and board independence from management.

We are requesting comprehensive disclosures about board composition and what qualifications the Company seeks for its Board, therefore we urge shareholders to vote FOR this proposal.