December 6, 2019

Sam Whittington
Apple Inc.
sam_whittington@apple.com

Re: Apple Inc.
Incoming letter dated October 18, 2019

Dear Mr. Whittington:

This letter is in response to your correspondence dated October 18, 2019 concerning the shareholder proposal (the “Proposal”) submitted to Apple Inc. (the “Company”) by Jing Zhao (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 October 21, 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. For your reference, a brief discussion of the Division’s informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

M. Hughes Bates
Acting Deputy Chief Counsel

Enclosure

cc: Jing Zhao
***

*** FISMA & OMB Memorandum M-07-16
Response of the Office of Chief Counsel
Division of Corporation Finance

Re: Apple Inc.
Incoming letter dated October 18, 2019

The Proposal recommends that the Company “improve guiding principles of executive compensation.”

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(3), as vague and indefinite. We note your view that neither shareholders nor the Company would be able to determine with reasonable certainty how the Proposal seeks to “improve [the] guiding principles of executive compensation.” In this regard, we note that the Proposal lacks sufficient description about the changes, actions or ideas for the Company and its shareholders to consider that would potentially improve the guiding principles. A proposal that described the nature of improvements that the company could consider, without prescribing the particular result, would be less likely to be viewed as vague and indefinite. 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)(3).

Sincerely,

Dorrie Yale
Special Counsel
October 21, 2019

Via email shareholderproposals@sec.gov
U.S. Securities and Exchange Commission
Office of Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549-2736

Re: Shareholder Proposal for Inclusion in Apple Inc. 2020 Proxy Statement

Ladies and Gentlemen:

This is a short answer to Apple’s October 18, 2019 letter to the SEC.

Procedural Background

I wrote to Apple six years ago before I submitted my first proposal to Apple. Until last month, Apple had refused to communicate with me directly on very important policy concerns. Submitting proposals has been the only communication channel to address a shareholder’s policy concerns of Apple’s corporate governance. Please refer to the attached email from me to Mr. Whittington and Mr. Schmidt covering my first time policy conversation directly with Apple on October 2, 2019. It is a regret that Apple rejected my suggestion to have a round-table meeting to effectively hear from the wide public to review Apple’s policies on executive compensation and other issues, such as human rights. Mr. Tim Cook becomes the board chairman of the School of Economics and Management of Tsinghua University (where I studied Nuclear Physics at the late period of the Cold War). As reported from Appleinsider.com today (October 21, 2019): “The promotion comes in a time when Apple faces increased public scrutiny as tensions continue to mount between China and Hong Kong.” “U.S. lawmakers are currently urging Tim Cook to reinstate the HKMap Live app.” (more information at https://applecensorship.com/?l=en). Will Apple repeat the public policy failure of Yahoo!? 

My Proposal Is Not Vague and Indefinite

My proposal to reform eBay’s executive compensation committee has different contents with my proposal to improve Apple’s guiding principles of executive compensation. For example,
in the statement of my proposal to eBay, I mentioned eBay’s CEO pay ratio to the median of the annual total compensation of all employees is 144 : 1, and eBay’s NEOs (except the CEO) pay ratio is about half of its CEO pay ratio, but Apple’s NEOs (except the CEO) pay ratio is 478!

Apple’s four NEOs pay ratio 478 is one clear indicator need to improve. There is nothing “vague and indefinite.” My proposal does not specify a proper number (such as 10 or 20) because a shareholder proposal cannot micro-manage the company’s business. That is why my proposal’s statement specifically states: “For the purpose of this proposal, the Board and the Compensation Committee have the flexibility to improve guiding principles of executive compensation.”

Should you have any questions, please contact me at *** or ***.

Respectfully,

Jing Zhao

Cc: Sam Whittington sam_whittington@apple.com, Jeff Schmidt jeff_schmidt@apple.com, Alan Dye alan.dye@hoganlovells.com, Weston Gaines weston.gaines@hoganlovells.com
Sam and Jeff,

It is a pleasure to communicate with you last Wednesday. We should do this much earlier.

After our conversation, I have thought how to help you not to put my proposal to vote and to achieve the purpose to improve the executive compensation policy.

I still think the round-table meeting is the best effective method for our company to hear from the wide public to review our policies on executive compensation and other issues (such as human rights). Since these policies are common concerns for almost all companies, I would suggest that Apple take the initiative to invite other companies here in Silicon Valley to host the meeting together. I can help to contact Visa, eBay, Applied Materials, Cisco and others. I can also suggest some outside experts too.

Please also refer to my similar executive compensation proposal to AT&T today:

Apple should be a leader of our time.

Best regards,
Jing Zhao
US-Japan-China Comparative Policy Research Institute

Sam Whittington
Fri, Oct 11, 2019 at 7:23 AM
<sam_whittington@apple.com>
To: JING ZHAO ***
Cc: Jeff Schmidt <jeff_schmidt@apple.com>
October 18, 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 Jing Zhao

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 Jing Zhao (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 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.

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

Apple
One Apple Park Way
Cupertino, CA 95014

T 408 996-1010
F 408 996-0275
www.apple.com
The Company intends to file its definitive 2020 Proxy Materials with the Commission more than 80 days after the date of this letter.

THE PROPOSAL

On August 19, 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 recommend that Apple Inc. improve guiding principles of executive compensation.

PROCEDURAL BACKGROUND

This is the sixth consecutive year in which the Proponent has submitted a shareholder proposal for inclusion in the Company’s proxy materials. Of the Proponent’s previous five submissions, three were excluded from the Company’s proxy materials, with the staff’s concurrence, on the basis of a substantive deficiency under Rule 14a-8. The other two proposals were included in the Company’s proxy materials for the 2017 and 2018 annual meetings of shareholders and received 2.20% and 5.56%, respectively, of the votes cast on the proposals (as calculated in accordance with Staff Legal Bulletin No. 14, Question F.4 (July 13, 2001)).

Upon receipt of the Proposal in August 2019, the Company delivered to the Proponent a notice of deficiency regarding the broker’s statement the Proponent had provided as his proof of ownership. The Proponent delivered to the Company a revised proof of ownership within the deadline provided by Rule 14a-8(f).

Following receipt of the Proponent’s revised proof of ownership, the Company engaged with the Proponent on multiple occasions to come to an agreement or an understanding regarding the issues raised by the Proposal, and to explain the Company’s current executive compensation principles. However, despite this engagement, the Company was unable to come to a resolution with the Proponent or better understand what specific actions or measures the Proposal would require, if approved.

BASIS FOR EXCLUSION OF THE PROPOSAL

I. Rule 14a-8(i)(3) – The Proposal is Vague and Indefinite

A. Background

Rule 14a-8(i)(3) permits exclusion of a proposal if the proposal or supporting statement is contrary to any of the Commission’s proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials. The staff has taken the position that a shareholder proposal is excludable under Rule 14a-8(i)(3) if it is so vague and indefinite that “neither the stockholders voting on the proposal, nor the company in implementing
the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” Staff Legal Bulletin No. 14B (September 15, 2004).

Under this standard, the staff has routinely permitted exclusion of proposals that fail to define key terms or otherwise fail to provide sufficient clarity or guidance to enable either shareholders or the company to understand how the proposal would be implemented. For example, the staff recently permitted a company to exclude, as vague and indefinite, a proposal submitted by the Proponent requesting that the company “reform the company’s executive compensation committee.” *Ebay, Inc.* (April 10, 2019). The supporting statement for the proposal did not request any specific reforms, but instead made observations about various elements of executive compensation. These statements did not indicate whether those elements of the company’s executive compensation program needed reform or how they should or could be affected by reform of the compensation committee. In its response, the staff noted that “neither shareholders nor the Company would be able to determine with any reasonable certainty the nature of the ‘reform’ the [p]roposal is requesting. Thus, the [p]roposal, taken as a whole, is so vague and indefinite that it is rendered materially misleading.”

Similarly, the staff has permitted exclusion under Rule 14a-8(i)(3) of other proposals purporting to address executive compensation but providing no guidance or direction regarding the objective of the proposal or how it would be implemented. *See The Boeing Company* (March 2, 2011) (allowing exclusion of proposal requesting, among other things, that senior executives relinquish certain “executive pay rights” without explaining the meaning of the phrase); *Prudential Financial, Inc.* (February 16, 2007) (allowing exclusion of proposal requesting that the board of directors “seek shareholder approval for senior management incentive compensation programs which provide benefits only for earnings increases based only on management controlled programs”) ; *General Electric Company* (February 5, 2003) (allowing exclusion of proposal urging the board of directors “to seek shareholder approval of all compensation for Senior Executives and Board members not to exceed 25 times the average wage of hourly working employees” because it failed to define critical terms such as “compensation” and “average wage” or otherwise provide guidance concerning its implementation). *See also Pfizer Inc.* (December 22, 2014) (allowing exclusion of proposal requesting that the chairman be an independent director whose only “nontrivial professional, familial or financial connection to the company or its CEO is the directorship,” because the scope of the prohibited “connections” was unclear).

The staff has also allowed exclusion of proposals under Rule 14a-8(i)(3) where the meaning and application of key terms used in the proposal may be subject to differing interpretations, such that shareholders in voting on the proposal and the company in implementing it might be uncertain what the proposal calls for or reach different conclusions regarding the manner in which the proposal should be implemented. Ambiguities in a proposal may render the proposal materially misleading, because “any action ultimately taken by the [c]ompany upon implementation could be significantly different from the actions envisioned by shareholders voting on the proposal.” *Fuqua Industries, Inc.* (March 12, 1991) (allowing exclusion of proposal to prohibit “any major shareholder . . . which currently owns 25% of the Company and
has three Board seats from compromising the ownership of the other stockholders,” where the meaning and application of such terms as “any major shareholder,” “assets/interest” and “obtaining control” would be subject to differing interpretations); see also Exxon Corporation (January 29, 1992) (allowing exclusion of proposal seeking to require that director nominees meet the criteria that they not have “taken the company into bankruptcy . . . after losing a considerable amount of money” because certain terms, including “bankruptcy” and “considerable amount of money,” were subject to differing interpretations); Occidental Petroleum Corporation (February 11, 1991) (allowing exclusion of proposal requesting that “shareholders have the right to vote on present as well as future shares that are issued and outstanding in regard to ‘buyback of shares,’” where proposal could be interpreted in multiple ways, including as permitting shareholders to vote to approve shares issued in exchange for outstanding shares or as requesting that present and future shareholders be entitled to vote on share buybacks); NYNEX Corporation (January 12, 1990) (allowing exclusion of proposal relating to noninterference with government policies of certain foreign nations because the undefined terms “interference” and “government policies” meant the proposal could be interpreted to call for multiple different actions, such as simply not to violate foreign laws or not to take actions inconsistent with uncodified policies of foreign governments).

As discussed below, the Proposal suffers from both of these defects, as it fails to define or clarify several key terms and, as a result, is subject to multiple interpretations regarding the manner in which it would be implemented.

B. Analysis

The Proposal requests that the Company “improve guiding principles of executive compensation.” However, the Proposal does not define what it means to “improve” such “guiding principles,” and there is little guidance in the Proposal or the Supporting Statement to clarify the nature of the requested “improvements.”

The Company’s proxy statement for the 2019 annual meeting of shareholders (the "2019 Proxy Statement") includes a sub-heading titled “Guiding Principles” under the section “Compensation Discussion and Analysis.” That sub-section states, in full:

Guiding Principles

Team-Based Approach. We apply a team-based approach to the compensation of our named executive officers with internal pay equity as a primary consideration

Performance Expectations. We establish clear, quantitative performance goals focused on Apple’s overall success rather than on objectives specific to each named executive officer’s areas of responsibility.

Emphasis on Long-Term Equity Incentives. We emphasize long-term performance, retention, and alignment between the interests of our named
executive officers and shareholders by significantly weighting their compensation toward long-term awards.

There are innumerable ways in which shareholders, when voting on the Proposal, could interpret the Proposal’s request to “improve” the Company’s executive compensation structure and the “guiding principles” disclosed in the Company’s 2019 Proxy Statement. Each shareholder would be left to individually determine whether and, if so how, the Company’s guiding principles for executive compensation could be “improved.” And, if shareholders were to approve the Proposal, in each case for reasons known only to the individual shareholder, the Company would have no basis on which to determine what “improvements” to its guiding principles should be made, such that any “improvement” implemented by the Company could be significantly different from the actions envisioned by the stockholders voting on the Proposal. Neither the Proposal nor the Supporting Statement offers any insight into whether the Proponent is asking for an entire overhaul of the Company’s guiding principles and practices regarding executive compensation, or for a more targeted change. Nor is it clear if the existing guiding principles disclosed in the 2019 Proxy Statement should be abandoned, or supplemented with additional principles, and if the latter, what those additional principles should entail.

In addition, the Supporting Statement obscures the intended aims of the Proposal instead of providing clarity. The Supporting Statement leads off with a reference to the compensation consultant engaged by the Company, and states without explanation that “Any single paid-by-company consulting firm cannot provide principled executive compensation services.” It then mentions the compensation of and pay ratio calculations for four of the Company’s named executive officers, claiming that they demonstrate a “failure of our executive compensation principles,” without explanation of why these amounts might represent a failure. Next, the Supporting Statement appears to criticize the peer group the Company used as market reference points for compensation comparison purposes, noting that the peer companies “are domestic companies . . . despite that fact that Apple is an international business.” (In fact, most, if not all, of the companies in the peer group disclosed in the Company’s most recent proxy statement are multinational companies with international operations). Finally, the Supporting Statement observes that CEO compensation in the S&P 500 is increasing generally. It is not clear how any of the Supporting Statement’s references to various aspects of the Company’s compensation program or the compensation of public company CEOs in general support or explain the Proposal. None of these statements give a clear indication of what, specifically, the Company should do to “to improve guiding principles of executive compensation.”

Like in eBay, Inc., which requested that the Company “reform” its executive compensation committee, the Proposal’s request “to improve” the Company’s executive compensation program is a vague standard, making it impossible for the Company or its shareholders to determine with any certainty what must be addressed in order to comply with the Proposal. Also as in eBay, Inc., the Supporting Statement does not provide clarity to help inform the Company or its shareholders what the Proposal is actually requesting, and instead consists of a series of isolated observations and assertions about the Company and the economy as a whole. The Proposal, therefore, “taken as a whole, is so vague and indefinite that it is rendered materially misleading,” as the staff stated in eBay, Inc.
The Proposal’s lack of specificity and general open-endedness would confuse shareholders attempting to ascertain the scope of the Proposal. Similarly, if the Proposal were approved, the Company’s implementation of the Proposal could have very different consequences than shareholders envisioned in approving it. Accordingly, the Proposal is vague and indefinite and therefore is excludable under Rule 14a-8(i)(3).

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)(3). 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.

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: Jing Zhao
    Alan L. Dye, Hogan Lovells
Exhibit A

Copy of the Proposal and Supporting Statement and Related Correspondence
Shareholder Proposal to Improve Guiding Principles of Executive Compensation

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

Supporting Statement

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

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

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

For the purpose of this proposal, the Board and the Compensation Committee have the flexibility to improve guiding principles of executive compensation.
August 19, 2019

Secretary
Apple Inc.
1 Infinite Loop, MS: 301-4GC
Cupertino, California 95014
(via post mail & email shareholderproposal@apple.com)

Re: Shareholder Proposal to 2020 Shareholders Meeting

Dear Secretary:

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

Should you have any questions, please contact me at *** or ***

Yours truly,

Jing Zhao

Enclosure: Shareholder proposal
Shares ownership letter
August 19, 2019

Jing Zhao

Re: Confirmation of Your Purchase History

Dear Jing Zhao,

Thank you for your request regarding your TD Ameritrade account ending in ***. Included below is the purchase information you requested. If you have questions regarding your tax liability or need assistance with determining your cost basis, please consult with a qualified tax advisor.

<table>
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<th>Date</th>
<th>Activity</th>
<th>Quantity</th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/23/2012</td>
<td>Buy</td>
<td>4</td>
<td>$612.70</td>
<td>$(2,457.80)</td>
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<tr>
<td>1/14/2013</td>
<td>Buy</td>
<td>1</td>
<td>$503.00</td>
<td>$(510.00)</td>
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<tr>
<td>4/17/2013</td>
<td>Buy</td>
<td>2</td>
<td>$406.55</td>
<td>$(820.10)</td>
</tr>
<tr>
<td>6/06/2014</td>
<td>7:1 SPLIT ON 7 SHRS</td>
<td>42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/16/2014</td>
<td>Sell</td>
<td>19</td>
<td>$110.00</td>
<td>$2,082.95</td>
</tr>
<tr>
<td>1/27/2016</td>
<td>Buy</td>
<td>15</td>
<td>$95.00</td>
<td>$(1,432.00)</td>
</tr>
<tr>
<td>7/27/2016</td>
<td>Sell</td>
<td>15</td>
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<tr>
<td>6/19/2017</td>
<td>Sell</td>
<td>10</td>
<td>$146.33</td>
<td>$1,456.35</td>
</tr>
<tr>
<td>2/26/2018</td>
<td>Transfer from SCT</td>
<td>20</td>
<td></td>
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<tr>
<td>1/30/2019</td>
<td>Sell</td>
<td>5</td>
<td>$166.09</td>
<td>$823.47</td>
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</tbody>
</table>
If we can be of any further assistance, please let us know. Just log in to your account and click “Message Center” (under Client Services) to write us. A Client Services representative will respond through your Message Center inbox. You can also call Client Services at 800-669-3900. We’re available 24 hours a day, seven days a week.

Sincerely,

[Signature]

Edward A Mikolajczyk
Resource Specialist
TD Ameritrade

This information is furnished as part of a general information service and TD Ameritrade shall not be liable for any damages arising out of any inaccuracy in the information. Because this information may differ from your TD Ameritrade monthly statement, you should rely only on the TD Ameritrade monthly statement as the official record of your TD Ameritrade account.

Market volatility, volume, and system availability may delay account access and trade executions.

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August 29, 2019

Via Courier and E-mail

Jing Zhao  ...

Re:  Notice of Deficiency under Rule 14a-8
Proposal for Apple Inc. 2020 Annual Meeting of Shareholders

Dear Mr. Zhao:

On behalf of Apple Inc. (the “Company”), I am writing to inform you that we are in receipt of your letter dated August 19, 2019, which includes a proposal for inclusion in the Company’s proxy materials for the 2020 annual meeting of shareholders (the “Proposal”). The letter, together with a letter from TD Ameritrade dated August 19, 2019 (the “TD Ameritrade Letter”) was delivered to us via e-mail and was first received on August 19, 2019.

The purpose of this letter is to inform you that your submission does not comply with Rule 14a-8 under the Securities Exchange Act of 1934 (the “Exchange Act”), and therefore the Proposal is not eligible for inclusion in our proxy statement for our 2020 annual meeting of shareholders. SEC regulations require us to bring the following deficiency to your attention.

Failure to Establish Continuous Ownership for Requisite One-Year Period

As you know, Rule 14a-8(b) provides that, to be eligible to submit a shareholder proposal, a proponent must have continuously held a minimum of $2,000 in market value, or 1% of the Company’s securities entitled to be voted on the proposal, for at least one year prior to the date the proposal is submitted. Your submission fails to establish that you have continuously held the minimum number or value of shares for the requisite period.

The TD Ameritrade Letter provides a list of transactions by you in the Company’s common stock since October 2012, and purports to provide the “purchase information you requested.” However, Rule 14a-8(b) requires that a proponent establish that the proponent held the requisite amount of stock “continuously” over the required period. In Item C(1)(c)(2) of Staff Legal Bulletin No. 14 (July 13, 2001), the SEC made it clear that submitting brokerage account statements—even those that appear to cover the requisite one-year period—is not sufficient proof of the proponent’s continuous beneficial ownership of company securities. When attempting to establish beneficial ownership through a letter written by the record holder of the securities, such as the proponent’s broker, the staff stated: “A shareholder must submit an affirmative
written statement from the record holder of his or her securities that specifically verifies that the shareholder owned the securities *continuously* for a period of one year as of the time of submitting the proposal.” Furthermore, in Staff Legal Bulletin No. 14F (October 18, 2011), the staff noted that many of such letters “fail to confirm continuous ownership of the [relevant] securities,” and recommended the following formulation for broker’s letters to provide the required verification of ownership:

“As of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities].”

The TD Ameritrade Letter provides only a list of transactions that have occurred in your account, and purports to be limited to transactions “you requested.” The letter therefore does not sufficiently establish your continuous ownership of the required amount of the Company’s shares. Furthermore, the TD Ameritrade Letter is unclear and apparently unreliable, showing both a “7:1 SPLIT ON 7 SHRS” that appears to be incorrectly calculated, and an unexplained transaction encompassing 20 shares simply labeled “Transfer from SCT.” The TD Ameritrade Letter therefore does not demonstrate that you have continuously held the requisite number or value of shares of our common stock.

You therefore must provide us with proof that the shares on which you rely to establish your eligibility to submit the Proposal owned by you on August 19, 2019, the date of submission of the Proposal, and have been continuously owned by you for the one-year period preceding the date of submission of the Proposal.

Our records do not list you as a record holder of our common stock. Because you are not a record holder of our common stock, you may substantiate your ownership in either of two ways:

1. You may provide a written statement from the record holder of the shares, in a format acceptable under Rule 14a-8(b) of the Exchange Act, of our common stock beneficially owned by you, verifying that, on August 19, 2019, when you submitted the Proposal, you had continuously held, for at least one year, the requisite number or value of shares of our common stock; or

2. You may provide a copy of a filed Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or any amendment to any of those documents or updated forms, reflecting ownership of the requisite number or value of shares of our common stock as of or before the date on which the one-year eligibility period began, together with a written statement that you continuously held the shares for the one-year period as of the date of the statement.

As you know, the staff of the SEC’s Division of Corporation Finance has provided guidance to assist companies and stockholders with complying with Rule 14a-8(b)’s eligibility criteria. This guidance, contained in Staff Legal Bulletin No. 14F (October 18, 2011) and Staff Legal Bulletin No. 14G (October 16, 2012), clarifies that proof of ownership for Rule 14a-8(b) purposes must be provided by the “record holder” of the securities, which is either the person or entity listed on the Company’s stock records as the owner of the securities or a DTC participant (or an affiliate of a DTC participant). A proponent who is not a record owner must therefore obtain the required written statement from the DTC participant through which the proponent’s securities are held. If a proponent is not certain whether its broker or bank is a DTC
participant, the proponent may check DTC’s participant list, which is currently available on the Internet at http://www.dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.pdf. If the broker or bank that holds the proponent’s securities is not on DTC’s participant list, the proponent will need to obtain proof of ownership from the DTC participant through which its securities are held. If the DTC participant knows the holdings of the proponent’s broker or bank, but does not know the proponent’s holdings, the proponent may satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required number or value of securities had been continuously held by the proponent for at least one year preceding and including the date of submission of the proposal – with one statement from the proponent’s broker or bank confirming the required ownership, and the other statement from the DTC participant confirming the broker or bank’s ownership.

For the Proposal to be eligible for inclusion in the Company’s proxy materials for its 2020 annual meeting of shareholders, the information requested above must be furnished to us electronically or be postmarked no later than 14 calendar days from the date you receive this letter. If the information is not provided, the Company may exclude the Proposal from its proxy materials pursuant to Rule 14a-8(f). Please address any response to the Company’s Secretary at Apple Inc., One Apple Park Way, MS: 301-4GC, Cupertino, California, 95014, and by e-mail to shareholderproposal@apple.com.

In accordance with SEC Staff Legal Bulletin Nos. 14 and 14B, a copy of Rule 14a-8, including Rule 14a-8(b), is enclosed for your reference. Also enclosed for your reference is a copy of Staff Legal Bulletin Nos. 14F and 14G.

Very truly yours,

Sam Whittington

Enclosures
August 30, 2019

Secretary
Apple Inc.
One Apple Park Way, MS: 301-4GC
Cupertino, California 95014
(via post mail & email shareholderproposal@apple.com)

Re: Shareholder Proposal to 2020 Shareholders Meeting-2

Dear Secretary:

Enclosed please find another letter of my shares ownership from TD Ameritrade, which stated that I have continuously held at least 15 shares since 06/06/2014 through 08/30/2019 today. I will continuously hold these shares through the 2020 annual meeting of shareholders.

Should you have any questions, please contact me at *** or ***

Yours truly,

Jing Zhao

Enclosure: Shares ownership letter
August 30, 2019

Jing Zhao

Re: Confirmation of Your Purchase History

Dear Jing Zhao,

Thank you for your request regarding your TD Ameritrade account ending in ***. Included below is the purchase information you requested. If you have questions regarding your tax liability or need assistance with determining your cost basis, please consult with a qualified tax advisor.

As of 06/06/2014, through 08/30/2019, you have continuously held at least 15 shares of AAPL, Apple, Inc.

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
<th>Quantity</th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/23/2012</td>
<td>Buy</td>
<td>4</td>
<td>$612.70</td>
<td>$(2,457.80)</td>
</tr>
<tr>
<td>1/14/2013</td>
<td>Buy</td>
<td>1</td>
<td>$503.00</td>
<td>$(510.00)</td>
</tr>
<tr>
<td>4/17/2013</td>
<td>Buy</td>
<td>2</td>
<td>$406.55</td>
<td>$(820.10)</td>
</tr>
<tr>
<td>6/06/2014</td>
<td>7:1 SPLIT ON 7 SHRS</td>
<td>42 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/16/2014</td>
<td>Sell</td>
<td>19</td>
<td>$110.00</td>
<td>$2,082.95</td>
</tr>
<tr>
<td>1/27/2016</td>
<td>Buy</td>
<td>15</td>
<td>$95.00</td>
<td>$(1,432.00)</td>
</tr>
<tr>
<td>7/27/2016</td>
<td>Sell</td>
<td>15</td>
<td>$103.76</td>
<td>$1,549.30</td>
</tr>
<tr>
<td>6/19/2017</td>
<td>Sell</td>
<td>10</td>
<td>$146.33</td>
<td>$1,456.35</td>
</tr>
<tr>
<td>2/26/2018</td>
<td>Transfer from SCT **</td>
<td>20 **</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/30/2019</td>
<td>Sell</td>
<td>5</td>
<td>$166.09</td>
<td>$823.47</td>
</tr>
</tbody>
</table>

* 42 additional shares were acquired from the split resulting in 49 shares total on 06/06/2014.
** TD Ameritrade acquired your former brokerage firm, Scottrade, completing the merger February 26th, 2018. This report displays our complete records acquired from your previous broker.

If we can be of any further assistance, please let us know. Just log in to your account and click “Message Center” (under Client Services) to write us. A Client Services representative will respond through your Message Center inbox. You can also call Client Services at 800-669-3900. We're available 24 hours a day, seven days a week.

Sincerely,

Edward A Mikolajczyk
Resource Specialist
TD Ameritrade

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