# Corporate Governance

Apple believes that effective corporate governance should include regular constructive discussions with our shareholders. We have a proactive engagement process that encourages feedback from our shareholders. This feedback helps shape our governance practices, which include:

- A majority voting standard for uncontested elections of directors;
- One or more holders entitled to cast at least 10% of votes are permitted to call a special meeting of shareholders;
- Adoption of proxy access in 2015, and recently adopted enhancements to our proxy access bylaws to make it easier for shareholders to nominate director candidates;
- Changes to the performance-based component of the long-term equity incentives under our 2017 executive compensation program; and
- Stock ownership guidelines for our CEO, executive officers, and directors.

#### Board of Directors and Committees

◆ Chair • Member

	Age as of Annual Meeting	Director Since (calendar year)	Audit Committee	Compensation Committee	Nominating Committee
James Bell	68	2015	•		
Tim Cook Chief Executive Officer	56	2011			
Al Gore	68	2003		•	•
Bob Iger	66	2011		•	<b>*</b>
Andrea Jung	58	2008		•	•
Art Levinson Chairman of the Board	66	2000	•		
Ron Sugar	68	2010	•		
Sue Wagner	55	2014	•		

7.6 Years
Average Tenure

2 New Directors
in Last Three Years

## Apple Values



## Inclusion and Diversity

apple.com/diversity

Apple believes diversity is more than one gender, race, or ethnicity. It is the entire human experience.

Our hiring trends over the last three years show steady progress in attracting more women and under-represented minorities.

We achieved pay equity in the United States for similar roles and performance, and we are committed to maintaining pay equity.



## Supplier Responsibility

apple.com/supplier-responsibility

Apple is committed to providing fair and safe working conditions, creating greater opportunities for workers, and transparently reporting on our efforts at every level of the supply chain.

As of December 2016, 100% of smelters/refiners committed to or are participating in third-party assessments for tin, tungsten, tantalum, gold, and cobalt.

We conducted 705 supply chain assessments on labor and human rights, health and safety, and environment in 2016, covering over 1.3 million workers in 30 countries.



## Privacy and Security

apple.com/privacy

Security is fundamental to the design of all Apple hardware, software, and services.

Apple has been protecting user data for over a decade with SSL and TLS in Safari, File Vault on Mac, and encryption that is built into iOS.

We utilize privacy by design to help create the best user experience and we never sell user data.



Apple believes that technology should be accessible to everyone.

Our products are powerful and affordable assistive devices, with built-in accessibility features such as VoiceOver, SwitchControl, and support for Made for iPhone hearing aids.

We received the 2016 Robert S. Bray Award from the American Council of the Blind for continued accessibility innovation across all of our products.



#### Education

apple.com/education

Apple believes education is a fundamental human right and that a quality education should be accessible to all.

Our ConnectED program has helped create transformative learning environments in 114 underserved U.S. schools, reaching over 4,000 teachers and 50,000 students.

The Apple Teacher program delivers free professional development for educators, and Everyone Can Code provides free materials to learn, write, and teach code.



## Environment

apple.com/environment

Apple takes the same innovative approach to the environment as we do with our products.

We use 100% renewable energy in 23 countries, and 93% of the electricity in 2015 for our global operations comes from renewable sources.

In 2015, over 99% of the virgin paper used in our product packaging came from sustainably managed forests or controlled wood sources.

# Frequently Asked Questions

## 2017 Annual Meeting of Shareholders

When: February 28, 2017

9:00 a.m. Pacific Time

Admission will begin at 7:30 a.m. Pacific Time

Where: 1 Infinite Loop

Town Hall (Building 4) Cupertino, California 95014

Record Date: December 30, 2016

• Valid photo identification, such as a driver's license

or passport

• Proof of stock ownership as of the Record Date

The use of mobile phones, pagers, recording or photographic equipment, tablets, or computers is not permitted at the Annual Meeting.

## General

#### Why am I receiving these materials?

You are invited to attend Apple's 2017 Annual Meeting of Shareholders and vote on the proposals described in this Proxy Statement because you were an Apple shareholder on December 30, 2016 (the "Record Date"). Apple is soliciting proxies for use at the Annual Meeting, including any postponements or adjournments.

Even if you plan on attending the Annual Meeting in person, we encourage you to vote your shares in advance using one of the methods described in this Proxy Statement to ensure that your vote will be represented at the Annual Meeting.

These materials were first sent or made available to shareholders on January 6, 2017.

#### What is included in these proxy materials?

- The Notice of 2017 Annual Meeting of Shareholders
- This Proxy Statement for the Annual Meeting
- Apple's Annual Report on Form 10-K for the year ended September 24, 2016 (the "Annual Report")

If you requested printed versions by mail, these printed proxy materials also include the proxy card or voting instruction form for the Annual Meeting.

# Why did I receive a one-page notice in the mail regarding the internet availability of proxy materials instead of a full set of proxy materials?

Apple uses the internet as the primary means of furnishing proxy materials to shareholders. We are sending a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") to our shareholders with instructions on how to access the proxy materials online or request a printed copy of the materials.

Shareholders may follow the instructions in the Notice of Internet Availability to elect to receive future proxy materials in print by mail or electronically by email. We encourage shareholders to take advantage of the availability of the proxy materials online to help reduce the environmental impact of our annual meetings, and reduce Apple's printing and mailing costs.

Apple's proxy materials are also available at investor.apple.com.

# I share an address with another shareholder, and we received only one paper copy of the proxy materials. How can I obtain an additional copy of the proxy materials?

Apple has adopted a procedure called "householding." Under this procedure, Apple may deliver a single copy of the Notice of Internet Availability and, if you requested printed versions by mail, this Proxy Statement and the Annual Report to multiple shareholders who share the same address, unless Apple has received contrary instructions from one or more of the shareholders. This procedure reduces the environmental impact of our annual meetings, and reduces Apple's printing and mailing costs. Shareholders who participate in householding will continue to receive separate proxy cards. Upon written or oral request, Apple will deliver promptly a separate copy of the Notice of Internet Availability and, if you requested printed versions by mail, this Proxy Statement and the Annual Report to any shareholder that elects not to participate in householding.

To receive, free of charge, a separate copy of the Notice of Internet Availability and, if you requested printed versions by mail, this Proxy Statement or the Annual Report, or separate copies of any future notice, proxy statement, or annual report, you may write or call Apple at the following email address, physical address, or phone number:

#### investor\_relations@apple.com

Apple Investor Relations 1 Infinite Loop MS: 301-4IR Cupertino, California 95014 (408) 974-3123

If you are receiving more than one copy of the proxy materials at a single address and would like to participate in householding, please contact Apple at the email address, physical address, or phone number above. Shareholders who hold shares in "street name" may contact their brokerage firm, bank, broker-dealer, or other similar organization to request information about householding.

## What is the quorum requirement for the Annual Meeting?

Holders of a majority of the shares entitled to vote at the Annual Meeting must be present at the Annual Meeting in person or by proxy for the transaction of business. This is called a quorum. Your shares will be counted for purposes of determining if there is a quorum if:

- You are entitled to vote and you are present in person at the Annual Meeting; or
- You have properly voted by proxy online, by phone or by submitting a proxy card or voting instruction form by mail.

Broker non-votes and abstentions are counted for purposes of determining whether a quorum is present. If a quorum is not present, we may propose to adjourn the Annual Meeting to solicit additional proxies and reconvene the Annual Meeting at a later date.

#### Who will serve as the inspector of election?

A representative from Apple's transfer agent, Computershare Trust Company, N.A. ("Computershare"), will serve as the inspector of election.

#### Who is paying the costs of this proxy solicitation?

Apple is paying the costs of the solicitation of proxies. Apple has retained Georgeson LLC to assist in the distribution of proxy materials and the solicitation of proxies from brokerage firms, banks, broker-dealers, and other similar organizations representing beneficial owners of shares for the Annual Meeting. We have agreed to pay Georgeson a fee of approximately \$15,000 plus out-of-pocket expenses. You may contact Georgeson at (866) 828-4304.

Apple must also pay brokerage firms, banks, broker-dealers, and other similar organizations representing beneficial owners certain fees associated with:

- Forwarding the Notice of Internet Availability to beneficial owners;
- Forwarding printed proxy materials by mail to beneficial owners who specifically request them; and
- Obtaining beneficial owners' voting instructions.

In addition to solicitations by mail, the proxy solicitor and Apple's directors, officers, and employees, without additional compensation, may solicit proxies on Apple's behalf in person, by phone, or by electronic communication.

## Where are Apple's principal executive offices located and what is Apple's main phone number?

Apple's principal executive offices are located at 1 Infinite Loop, Cupertino, California 95014. Apple's main phone number is (408) 996-1010.

#### What is Apple's fiscal year?

Apple's fiscal year is the 52- or 53-week period that ends on the last Saturday of September. Unless otherwise stated, all information presented in this Proxy Statement is based on Apple's fiscal calendar.

## Voting

## Who may vote at the Annual Meeting?

Each share of Apple's common stock has one vote on each matter. Only "shareholders of record" as of the close of business on the Record Date are entitled to attend and vote at the Annual Meeting. As of the Record Date, there were 5,257,816,000 shares of Apple's common stock issued and outstanding, held by 26,000 shareholders of record. In addition to shareholders of record of Apple's common stock, "beneficial owners of shares held in street name" as of the Record Date can vote using the methods described below.