

[AAPL: Rule 14a-8 Proposal, September 7, 2021
[This line and any line above it – *Not* for publication.]
ITEM 4* — Reincorporate with Deeper Purpose

RESOLVED: Shareholders request our Board of Directors take steps necessary to amend our certificate of incorporation and, if necessary, bylaws (including presenting such amendments to the shareholders for approval) to reincorporate with a deeper social purpose.

SUPPORTING STATEMENT: Apple’s CEO Tim Cook signed the Business Roundtable Statement on the Purpose of a Corporation (the “Statement”).¹

We applaud the Statement, which proclaims “we share a fundamental commitment to all of our stakeholders.... We commit to deliver value to all of them, for the future success of our companies, our communities and our country.”

However, the Company incorporated with an uninspiring purpose: “The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California...”

Rechartering around a deeper social purpose will help Apple align all actions around a common goal. That North Star will motivate shareholders, employees, and other stakeholders, guiding our Company on a more inspiring mission than engaging “in any lawful act or activity.”

Purpose is the most distilled form of strategy. It clarifies how a corporation should spend its time and resources. It aligns all actions around a common goal. And it motivates all stakeholders through a mission that is more inspiring than profit maximization.²

Profit, although necessary for growth, should not be our North Star. Profit is largely a byproduct of meeting our deeper social purpose. As our Company weighs that deeper social purpose, it should also consider reincorporating as a public benefit corporation (PBC). As one Delaware law firm reported to another signatory considering conversion, directors may consider stakeholder interests only if “*any decisions made with respect to such stakeholders are in the best interests of the corporation and its stockholders.*”³ In contrast, directors of a PBC must “balance” the interests of shareholders, stakeholders, and a specified benefit,⁴ giving legal status to the Statement’s empty promise and more flexibility to Apple.

While we believe reincorporating as a PBC would add legal force to adopting a deeper social purpose, even taking the smaller step of simply reincorporating with a deeper social purpose could serve to excite and inspire employees, customers, suppliers, and other stakeholders.

The Company should also explore policies, practices and thinking to embed and amplify worker voice inside corporate decision making and accountability systems.⁵

A recent study determined that listed companies create annual social and environmental costs of \$2.2 trillion.⁶ These costs have many sources, including pollution, climate change and employee stress.⁷ Being guided by a legally adopted North Star would likely lead our Company to further reduce externalized costs and even more fully engage stakeholders.

Please vote for: Reincorporate with Deeper Purpose – Proposal [4*]

¹ <https://s3.amazonaws.com/brt.org/BRT-StatementonthePurposeofaCorporationOctober2020.pdf>

² <https://www.harpercollins.com/products/accountable-michael-olearywarren-valdmanis?variant=32127314755618>

³ <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2020/harringtonwellsfargo021220-14a8.pdf>

⁴ 8 Del C, §365.

⁵ <https://www.aspeninstitute.org/our-people/>

⁶ <https://www.schroders.com/en/sysglobalassets/digital/insights/2019/pdfs/sustainability/sustainex/sustainex-short.pdf>

⁷ Id.



[This line and any below are *not* for publication]
Number 4* to be assigned by the Company

The graphic above is intended to be published with the rule 14a-8 proposal.

The graphic would be the same size as the largest management graphic (and accompanying bold or highlighted management text with a graphic) or any highlighted management executive summary used in conjunction with a management proposal or a rule 14a-8 shareholder proposal in the 2021 proxy.

The proponent is willing to discuss mutual elimination of both shareholder graphic and any management graphic in the proxy in regard to this specific proposal.

Reference SEC Staff Legal Bulletin No. 14I (CF)

[16] Companies should not minimize or otherwise diminish the appearance of a shareholder's graphic. For example, if the company includes its own graphics in its proxy statement, it should give similar prominence to a shareholder's graphics. If a company's proxy statement appears in black and white, however, the shareholder proposal and accompanying graphics may also appear in black and white.

Notes: This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(i)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also Sun Microsystems, Inc. (July 21, 2005)