

Apple Shareholder Meeting – Proposal #5
Justin Danhof, Esq., General Counsel and Free Enterprise Project Director
The National Center for Public Policy Research, February 28, 2017

I'm Justin Danhof of the National Center for Public Policy Research. I move proposal number five.

Our proposal requests that the Board of Directors issue a report to shareholders analyzing the company's charitable activities. The report should list the rationale and benefits to society at-large that are produced by the company's charitable contributions. As the Board said in its opposition statement to our Proposal, Apple uses charitable contributions to leave "the world better than we found it." This report would not change any of the company's policies, goals or values or place them in the hands of shareholders instead of management. It would simply tell shareholders if management believes its charitable donations have lived up to Apple's values and goals.

Much of Apple's charity work is laudable. However, the company admits it donates to thousands of organizations. Some of these organizations may use the funds provided by the company in unintended and unwanted ways. Donations to controversial groups – particularly political groups – may also result in harm to Apple's reputation.

For example, the company has donated to the Center for American Progress (CAP). CAP is an extreme political group that has been accused of anti-Semitism. Additionally, in 2010, under the direction of John Podesta – who would later become the chairman of Hillary Clinton's presidential campaign – CAP wrote the blueprint for the Obama Administration's expansion of executive power.¹ According to the *New York Times*, "once Mr. Obama got the taste for it, he pursued his executive power without apology, and in ways that will shape the presidency for decades to come."² Now, with President Donald Trump in office, Apple has lodged complaints about the very same use of executive power that Apple effectively designed and, by implication, endorsed through its funding of CAP.

The Company also donated to the Clinton Foundation, which is reportedly under FBI investigation.³ Media reports strongly imply that parts of the Clinton Foundation operated as a pay-for-play scheme whereby individuals and corporations may have sought preferential treatment from government actors in exchange for donations to the Foundation. Such speculation is further fueled by the closing of some of the Clinton Foundation's operations following Mrs. Clinton's unsuccessful White House bid.⁴

While liberals may cheer donations to CAP and the Clinton Foundation just as conservatives may bemoan them, there is no question that donations to highly politicized organizations are controversial. The report requested by our proposal would increase transparency and accountability, and may help the company avoid unnecessary controversies.

Please join me in supporting proposal five.

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¹ https://cdn.americanprogress.org/wp-content/uploads/issues/2010/11/pdf/executive_orders.pdf

<https://www.americanprogress.org/issues/economy/reports/2010/11/16/8658/the-power-of-the-president/>

² https://www.nytimes.com/2016/08/14/us/politics/obama-era-legacy-regulation.html?_r=1

³ <http://www.weeklystandard.com/clinton-foundation-probe-continues/article/2005261>

<http://dailycaller.com/2016/12/14/exclusive-fbi-new-york-field-office-told-to-continue-clinton-foundation-probe/>

⁴ <http://www.washingtontimes.com/news/2017/jan/16/clinton-global-initiative-lays-off-22-as-donations/>