EXECUTIVE COMPENSATION REVIEW

# Apple, Inc.

Fiscal Year 2025 Executive Compensation Review

Ticker: **AAPL**

Fiscal Year: **FY2025**

Filing Date: **2026-01-08**

Sector: **Tech — Hardware**

| $74.3M | 91.40% | 3.90× | — |
|---|---|---|---|
| CEO TOTAL COMP · FY2025 | SAY-ON-PAY · FY2025 | REALIZABLE / GRANTED | STI PAYOUT · FY2025 |
| Tim Cook · 85th vs. peers | Most recent annual vote | $289.5M realizable | Actual payout not disclosed in CD&A |

## THESIS

The committee must add a financial metric to the PSU design alongside rTSR before the FY2026 grant cycle, disclose explicit PRSU/RSU weightings in the FY2026 CD&A, and reset stock ownership requirements to a fixed-dollar threshold to reduce base-salary dependency. This gives consultants a multi-metric design template, the committee a defensible peer-relative narrative for the February 2027 annual meeting, and investors transparent evidence that operational performance links to long-term pay outcomes.

*Calibration anchors as of July 21, 2026 (stock price $326.59; market cap $4796.7B).*

## PRIORITY ACTIONS

**P1** INCENTIVE DESIGN

The PSU design relies on rTSR as the sole disclosed metric, leaving no operational performance linkage in a program where CEO realizable pay of $295.5M already signals substantial wealth accumulation.

**P2** CD&A ALIGNMENT

The 3.90× realizable-to-granted ratio and 5-year CEO pay CAGR of -6.9% against TSR CAGR of 18.2% produce a diverging directional alignment, where pay compression contrasts with explosive shareholder returns.

**P3** POSITIONING

Four senior vice presidents cluster within approximately $5M of each other, compressing role differentiation in a band tighter than peer CFO dispersion where P75/P25 spread reaches $6.3M across 6 peers.

## TOP FINDINGS

**ELEVATED** POSITIONING

CEO total compensation of $74.3M sits at 2.27x the peer median of $32.8M, with a realizable-to-granted ratio of 3.90× indicating substantial wealth accumulation from prior equity appreciation. The 85th percentile pay positioning against 81st percentile 1-year TSR creates a 4-point pay-performance gap that may draw proxy-advisor attention on PMR (Pay-to-Median Ratio) screens.

**MODERATE** POSITIONING

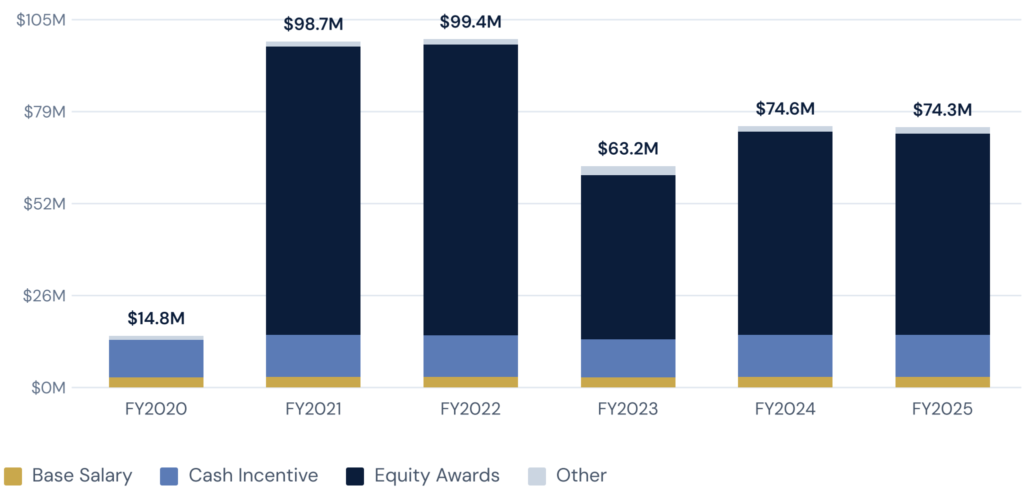
The CFO role shows a transition-year pattern with Kevan Parekh at $22.5M total comp versus predecessor Luca Maestri at $15.5M, reflecting a new-hire equity front-load. Parekh ranks above the CFO peer median of $15.7M and sits between the P50 and P75 of the 6-peer CFO distribution.

**MODERATE** POSITIONING

Four senior vice presidents (O'Brien, Adams, Khan, and Parekh) cluster within $50K of each other at approximately $27M/$22M, suggesting tight internal equity bands that compress role differentiation. This uniformity contrasts with peer CFO dispersion where the P75/P25 spread is $6.3M across 6 peers with available data.

Source: Apple, Inc. annual proxy statement (2026-01-08). Peer compensation data from Velarion universe. Realizable pay reflects current market value of unvested equity. Departed-executive detail appears on the Named Executive Officer Summary page.

## CEO COMPENSATION — HISTORICAL TREND




## PAY ANALYSIS

- Pay at 85th vs. 1y TSR at 81st / 3y at 63rd — granted-pay rank trails TSR rank across both ISS measurement windows, the favorable side of the P4P screen.
- 77% of CEO TDC is equity, — STI payout on Net Sales, Operating Income — variable-pay weight that amplifies TSR alignment.
- Realizable pay at 3.90× SCT indicates equity appreciation has materially widened the gap between granted and earned outcomes — review Realizable Pay page for executive-level detail.

## POSITIONING SUMMARY

| Metric | Rank | Percentile |
|---|---|---|
| CEO Total Comp | #5 of 27 | 85th |
| 1-Year TSR | #6 of 27 | 81st |
| 3-Year TSR | #11 of 27 | 63rd |

TSR calculated from publicly available market data. Peer ranking based on named peers disclosed in most recent proxy. ISS quantitative screen result is directional; formal determination made by ISS at proxy season.

## SHORT-TERM INCENTIVE DESIGN (FY2025)

| Metric | Design / Payout |
|---|---|
| STI Metrics | Net Sales, Operating Income |
| Target Payout (% of salary) | – |
| Maximum Payout (% of target) | – |
| Performance Period | Annual |
| **FY2025 Actual Payout** | **–** |

## REALIZABLE PAY SUMMARY (FY2025)

| Executive | SCT Total | Realizable | Ratio |
|---|---|---|---|
| Tim Cook | $74.3M | $289.5M | 3.90× |
| Deirdre O'Brien | $27.0M | $115.4M | 4.27× |
| Kate Adams | $27.0M | $115.4M | 4.27× |
| Sabih Khan | $27.0M | $115.4M | 4.27× |
| Luca Maestri | $15.5M | $100.8M | 6.51× |
| Kevan Parekh | $22.5M | $43.9M | 1.95× |

## TSR CONTEXT

| Period | TSR | Peer Pctile |
|---|---|---|
| 1-Year | 55.3% | 81st |
| 3-Year Cumulative | 73.7% | 63rd |
| 5-Year Cumulative | 130.4% | n/a[1] |

TSR sourced from Velarion market data (ISS-aligned 1y/3y horizons and 5y cumulative return). Peer percentile based on the 27-company peer cohort. [1] ISS does not publish a 5-year quantitative peer percentile.

STI metrics and payout data sourced from CD&A section of 2026-01-08. Realizable pay reflects current market value of unvested equity at outstanding award grant dates; see Realizable Pay slide for methodology. [1] Partial-year or onboarding executives may show limited realizable data.

CHIEF EXECUTIVE OFFICER · ACTIVE

> Positioned at the 85th percentile versus 27 disclosed peer CEOs (median $32.8M).

## SUMMARY COMPENSATION TABLE (HISTORICAL)

| Year | Salary | Equity Awards | Cash Incentive | All Other Comp | Total |
|---|---|---|---|---|---|
| FY2020 | $3,000,000 | – | $10,731,000 | $1,038,259 | $14,769,259 |
| FY2021 | $3,000,000 | $82,347,835 | $12,000,000 | $1,386,559 | $98,734,394 |
| FY2022 | $3,000,000 | $82,994,164 | $12,000,000 | $1,425,933 | $99,420,097 |
| FY2023 | $3,000,000 | $46,970,283 | $10,713,450 | $2,526,112 | $63,209,845 |
| FY2024 | $3,000,000 | $58,088,946 | $12,000,000 | $1,520,856 | $74,609,802 |
| **FY2025** | **$3,000,000** | **$57,535,293** | **$12,000,000** | **$1,759,518** | **$74,294,811** |

FY2023 equity awards reflect a year-over-year reduction; see the FY2023 proxy CD&A for committee context.

## COMPENSATION MIX (FY2025)

| Component | Amount | % of Total |
|---|---|---|
| Base Salary | $3,000,000 | 4.0% |
| Cash Incentive | $12,000,000 | 16.2% |
| Equity Awards | $57,535,293 | 77.4% |
| All Other Compensation | $1,759,518 | 2.4% |
| **Total** | **$74,294,811** | **100%** |

## YEAR-OVER-YEAR CHANGE

| Item | Prior Year | FY2025 | Change |
|---|---|---|---|
| Base Salary | $3,000,000 | $3,000,000 | +$0 |
| Cash Incentive | $12,000,000 | $12,000,000 | +$0 |
| Equity Awards | $58,088,946 | $57,535,293 | –$553,653 |
| All Other | $1,520,856 | $1,759,518 | +$238,662 |
| **Total** | **$74,609,802** | **$74,294,811** | **–$314,991** |

Source: Apple, Inc. annual proxy statements. SCT columns match proxy disclosure.

SENIOR VICE PRESIDENT, CHIEF FINANCIAL OFFICER · TRANSITION

Positioned at the 88th percentile versus 24 disclosed peer CFOs (median $14.5M). FY2025 package reflects transition-year compensation (first-year equity, partial-period service, or both); the peer comparison is built from steady-state peer compensation — interpret with caution.

First disclosed fiscal year in this role; FY2025 compensation appears to reflect partial-year service. Succeeded Luca Maestri during FY2025.

Former CFO: Luca Maestri (see Named Executive Officer Summary page for departed-executive compensation detail).

## SUMMARY COMPENSATION TABLE (HISTORICAL)

| Year | Salary | Equity Awards | Cash Incentive | All Other Comp | Total |
|---|---|---|---|---|---|
| FY2025 | $891,519 | $18,433,135 | $3,120,317 | $22,338 | $22,467,309 |

## COMPENSATION MIX (FY2025)

| Component | Amount | % of Total |
|---|---|---|
| Base Salary | $891,519 | 4.0% |
| Cash Incentive | $3,120,317 | 13.9% |
| Equity Awards | $18,433,135 | 82.0% |
| All Other Compensation | $22,338 | 0.1% |
| **Total** | **$22,467,309** | **100%** |

Source: Apple, Inc. annual proxy statements. Senior Vice President, Chief Financial Officer — SCT columns match proxy disclosure. Year-over-year comparison suppressed: first disclosed fiscal year in role; prior-year history is not available for comparison.

SENIOR VICE PRESIDENT, RETAIL + PEOPLE · ACTIVE

Peer-relative benchmarking is not available for this role because it does not map consistently to a standard benchmarkable position across the disclosed peer set. Absolute compensation detail is shown below.

## SUMMARY COMPENSATION TABLE (HISTORICAL)

| Year | Salary | Equity Awards | Cash Incentive | All Other Comp | Total |
|---|---|---|---|---|---|
| FY2020 | $1,000,000 | $21,657,687 | $3,577,000 | $37,684 | $26,272,371 |
| FY2021 | $1,000,000 | $21,959,620 | $4,000,000 | $61,191 | $27,020,811 |
| FY2022 | $1,000,000 | $22,132,015 | $4,000,000 | $19,783 | $27,151,798 |
| FY2023 | $1,000,000 | $22,323,641 | $3,571,150 | $42,219 | $26,937,010 |
| FY2024 | $1,000,000 | $22,157,075 | $4,000,000 | $22,182 | $27,179,257 |
| **FY2025** | **$1,000,000** | **$22,009,766** | **$4,000,000** | **$37,867** | **$27,047,633** |

## COMPENSATION MIX (FY2025)

| Component | Amount | % of Total |
|---|---|---|
| Base Salary | $1,000,000 | 3.7% |
| Cash Incentive | $4,000,000 | 14.8% |
| Equity Awards | $22,009,766 | 81.4% |
| All Other Compensation | $37,867 | 0.1% |
| **Total** | **$27,047,633** | **100%** |

## YEAR-OVER-YEAR CHANGE

| Item | Prior Year | FY2025 | Change |
|---|---|---|---|
| Base Salary | $1,000,000 | $1,000,000 | +$0 |
| Cash Incentive | $4,000,000 | $4,000,000 | +$0 |
| Equity Awards | $22,157,075 | $22,009,766 | −$147,309 |
| All Other | $22,182 | $37,867 | +$15,685 |
| **Total** | **$27,179,257** | **$27,047,633** | **−$131,624** |

Source: Apple, Inc. annual proxy statements. Senior Vice President, Retail + People — SCT columns match proxy disclosure.

SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY · ACTIVE

> Positioned at the 93rd percentile versus 14 disclosed peer GCs (median $14.5M).

## SUMMARY COMPENSATION TABLE (HISTORICAL)

| Year | Salary | Equity Awards | Cash Incentive | All Other Comp | Total |
|---|---|---|---|---|---|
| FY2020 | $1,000,000 | $21,657,687 | $3,577,000 | $14,310 | $26,248,995 |
| FY2021 | $1,000,000 | $21,959,620 | $4,000,000 | $14,533 | $26,974,153 |
| FY2022 | $1,000,000 | $22,132,015 | $4,000,000 | $15,208 | $27,147,223 |
| FY2023 | $1,000,000 | $22,323,641 | $3,571,150 | $46,914 | $26,941,705 |
| FY2024 | $1,000,000 | $22,157,075 | $4,000,000 | $22,182 | $27,179,257 |
| **FY2025** | **$1,000,000** | **$22,009,766** | **$4,000,000** | **$22,482** | **$27,032,248** |

## COMPENSATION MIX (FY2025)

| Component | Amount | % of Total |
|---|---|---|
| Base Salary | $1,000,000 | 3.7% |
| Cash Incentive | $4,000,000 | 14.8% |
| Equity Awards | $22,009,766 | 81.4% |
| All Other Compensation | $22,482 | 0.1% |
| **Total** | **$27,032,248** | **100%** |

## YEAR-OVER-YEAR CHANGE

| Item | Prior Year | FY2025 | Change |
|---|---|---|---|
| Base Salary | $1,000,000 | $1,000,000 | +$0 |
| Cash Incentive | $4,000,000 | $4,000,000 | +$0 |
| Equity Awards | $22,157,075 | $22,009,766 | −$147,309 |
| All Other | $22,182 | $22,482 | +$300 |
| **Total** | **$27,179,257** | **$27,032,248** | **−$147,009** |

Source: Apple, Inc. annual proxy statements. Senior Vice President, General Counsel and Secretary — SCT columns match proxy disclosure.

[1] Partial-year service — Luca Maestri (departed mid-year; compensation reflects pro-rata salary and separation payments as disclosed). [2] First-year/transition-year — Sabih Khan, Kevan Parekh. Salary and/or equity may reflect partial-year service or sign-on grants; see individual Executive Detail pages.

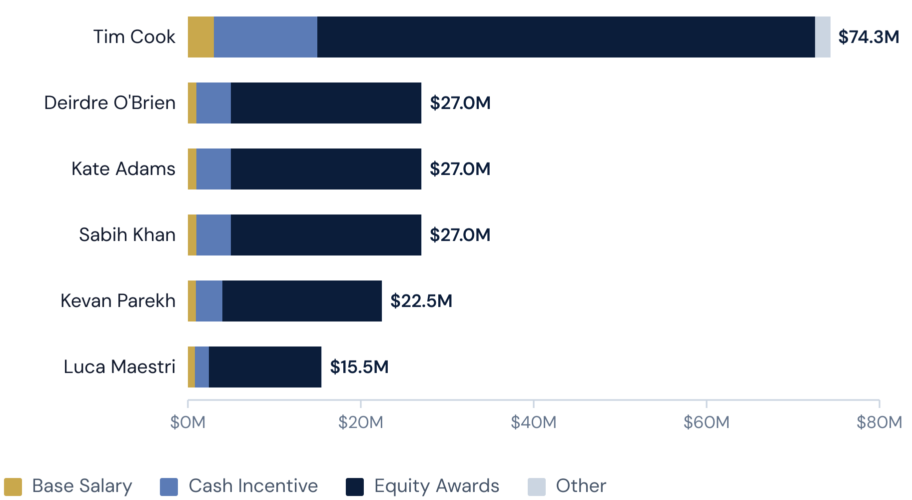
## SUMMARY COMPENSATION TABLE — FY2025

| Name | Title | Salary | Equity Awards (SCT) | Cash Incentive | All Other | Total |
|---|---|---|---|---|---|---|
| Tim Cook | Chief Executive Officer | $3,000,000 | $57,535,293 | $12,000,000 | $1,759,518 | $74,294,811 |
| Deirdre O'Brien | Senior Vice President, Retail + People | $1,000,000 | $22,009,766 | $4,000,000 | $37,867 | $27,047,633 |
| Kate Adams | Senior Vice President, General Counsel and Secretary | $1,000,000 | $22,009,766 | $4,000,000 | $22,482 | $27,032,248 |
| Sabih Khan | Senior Vice President, Chief Operating Officer | $1,000,000 | $22,009,766 | $4,000,000 | $21,905 | $27,031,671 |
| Kevan Parekh | Senior Vice President, Chief Financial Officer | $891,519 | $18,433,135 | $3,120,317 | $22,338 | $22,467,309 |
| Luca Maestri | Former Senior Vice President, Chief Financial Officer | $819,231 | $13,003,031 | $1,638,462 | $22,204 | $15,482,928 |

## AGGREGATE NAMED EXECUTIVE OFFICER COMPENSATION (FY2025)

| Group | Total | Equity % | At-Risk % |
|---|---|---|---|
| CEO | $74.3M | 77% | 93.6% |
| Other Named Executive Officers (total) | $103.6M | 82% | 96.1% |
| **All Active Named Executive Officers** | **$177.9M** | **80%** | **95.1%** |

## TOTAL DIRECT COMPENSATION (FY2025)




Source: Apple, Inc. annual proxy statement dated 2026-01-08. SCT columns match proxy disclosure exactly. Equity awards reflect grant-date fair value as reported in proxy. [1] Departed executives reflect partial-year service. [2] First-year/transition-year incumbents: salary and equity may reflect partial-year service or sign-on grants, not steady-state run-rate. Individual detail pages cover the CFO and the highest-paid remaining active NEOs; all other NEOs are summarized in full on this page.

**3.3×**
CEO : CFO
total compensation

**2.7×**
CEO : MEDIAN OTHER NEO
total compensation

**2.3×**
COHORT-IMPLIED CEO : CFO
peer-median total comp

## UNDERLYING FIGURES — FY2025

| Measure | Basis | Amount |
|---|---|---|
| CEO total compensation | Tim Cook | $74,294,811 |
| CFO total compensation | Kevan Parekh | $22,467,309 |
| Median other-NEO total compensation | 4 active non-CEO NEOs | $27,031,960 |
| CEO same-position peer median | 27 peers | $32,758,111 |
| CFO same-position peer median | 24 peers | $14,494,063 |

Ratios express the CEO's total compensation relative to the CFO and to the median of other active named executive officers, as disclosed in the Summary Compensation Table. The cohort-implied ratio applies the same-position peer medians for the CEO and CFO roles; it is shown only when both roles meet the peer data-count threshold.

## PER-POSITION BENCHMARKING — 27-COMPANY DISCLOSED PEER SET (FY2025)

| Role | Total Comp | Peer Median | Percentile | Gap vs Median | Mix | Peer Coverage |
|---|---|---|---|---|---|---|
| **Tim Cook**<br>Chief Executive Officer | $74.3M | $32.8M | 85th | +$41.5M (+127%) | 93.6% at-risk | n=27 |
| **Kate Adams**<br>Senior Vice President, General Counsel and Secretary | $27.0M | $14.5M | 93rd | +$12.5M (+86%) | 96.2% at-risk | n=14 |
| **Sabih Khan**<br>Senior Vice President, Chief Operating Officer<br>⚠ Transition-year[1] | $27.0M | $11.6M | 89th | +$15.4M (+132%) | 96.2% at-risk | n=9 |
| **Kevan Parekh**<br>Senior Vice President, Chief Financial Officer<br>⚠ Transition-year[1] | $22.5M | $14.5M | 88th | +$8.0M (+55%) | 95.9% at-risk | n=24 |

[1] Transition-year: FY2025 package includes first-year equity awards and/or partial-period base salary that are not steady-state run-rate; the peer comparison reflects disclosed compensation for established incumbents — interpret with caution. Peer median is the unweighted median of the most-recent disclosed total compensation for the same canonical position across the issuer's named peers.

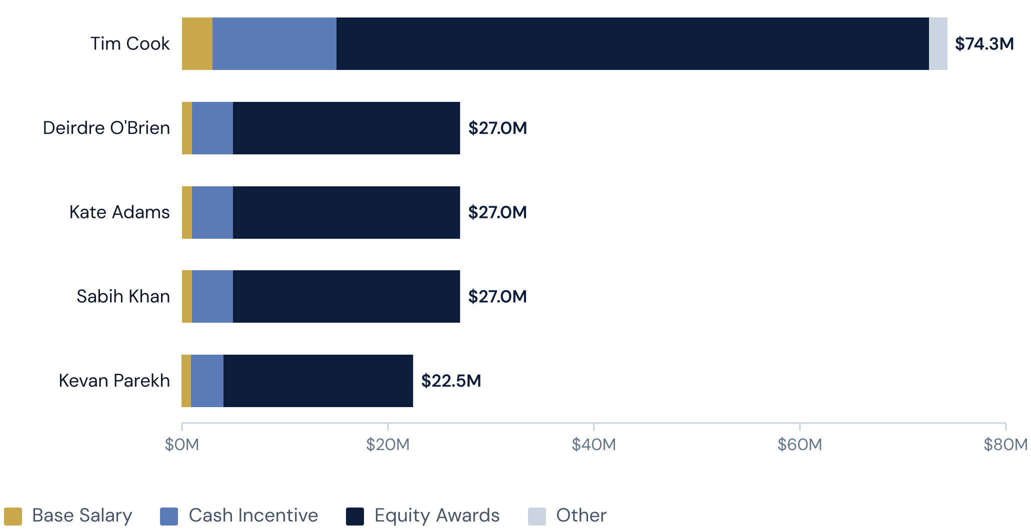
Non-benchmarked executives (role does not map to a canonical benchmarkable position across the disclosed peer set): Deirdre O'Brien (Senior Vice President, Retail + People). Absolute compensation for these executives appears on the Named Executive Officer Summary page.

## ANALYTICAL OBSERVATIONS

- GC Kate Adams sits at the 93rd percentile of the peer set at $27.0M — +$12.5M versus the $14.5M peer median (+86%).
- Internal CFO-to-CEO total-comp ratio at Apple, Inc. is 30% ($22.5M / $74.3M) — 14pp narrower than the peer-median CFO/CEO ratio of 44%.
- Sabih Khan and Kevan Parekh: FY2025 figures include transition-year compensation (first-year equity and/or partial-period salary). FY2026 will be the first steady-state year for direct peer comparison.

Source: Apple, Inc. annual proxy statement dated 2026-01-08 and peer issuer annual proxy statements. Peer compensation for each canonical position reflects the most-recent disclosed fiscal year for established incumbents (departed executives excluded from peer pool). Percentile method matches the report's canonical convention (rank within subject + peer universe).

## TOTAL DIRECT COMPENSATION — ALL ACTIVE NAMED EXECUTIVE OFFICERS (FY2025)




## AT-RISK PAY MIX (CEO FY2025)

| Component | At-Risk? |
|---|---|
| Base Salary | No |
| Cash Incentive | Yes (performance) |
| Equity Awards (LTI) | Yes |

93.6% of CEO compensation is variable (performance- or equity-based). Fixed pay represents 6.4% of total.

**LTI Design:** RSU 100% (derived from grants).

## PEER POSITIONING (CEO TDC)

| Metric | Value |
|---|---|
| Apple, Inc. CEO TDC | $74.3M (85th of peer group) |
| Peer Group Median | $32.8M |
| Percentile Position | 85th |

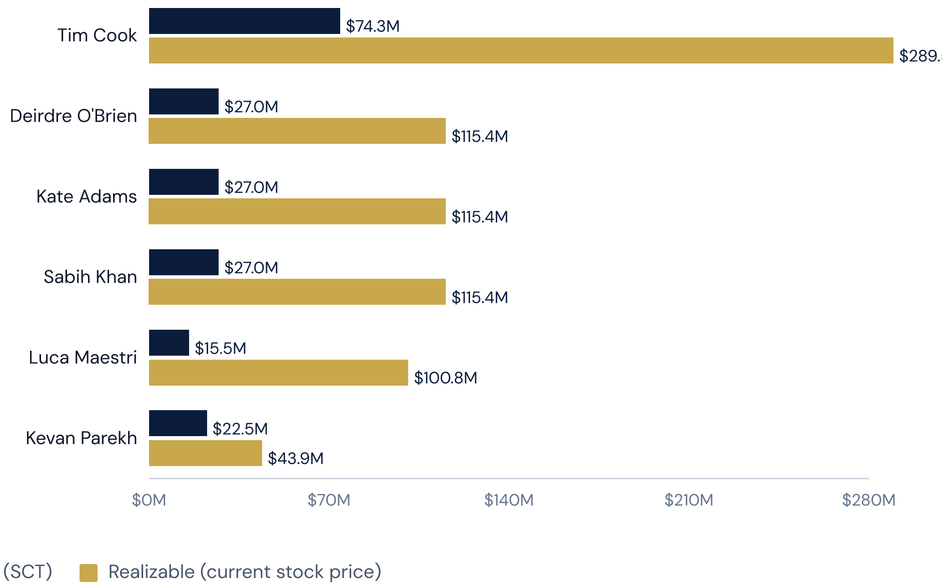
## PAY-MIX TRAJECTORY (CEO, FY2023–FY2025)

| Component | FY2023 | FY2024 | FY2025 |
|---|---|---|---|
| Base Salary | 4.7% | 4.0% | 4.0% |
| STI (Cash Incentive) | 16.9% | 16.1% | 16.2% |
| LTI (Equity) | 74.3% | 77.9% | 77.4% |
| Other | 4.0% | 2.0% | 2.4% |

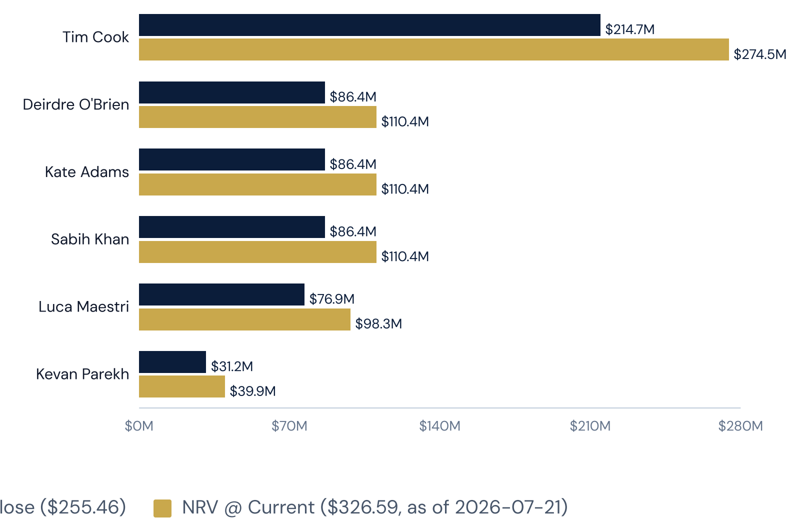
Mix substantially flat across FY2023–FY2025 (no component shifted ≥5pp).

Peer median based on named peers; fiscal years may include prior year data where current year proxy not yet filed. Percentile calculations based on company-disclosed peer group plus subject company.

## GRANTED VS. REALIZABLE COMPENSATION




## EQUITY NRV DRIFT: FY-END VS. CURRENT




## REALIZABLE PAY SUMMARY

| Item | Value |
|---|---|
| CEO FY2025 SCT Total | $74.3M |
| CEO Realizable Pay | $289.5M |
| Realizable-to-Granted Ratio | 3.90× |

[1] Executives without a completed grant cycle may not have realizable pay estimates shown. Realizable pay valued at current stock price ($326.59); FY-end NRV Drift bar uses the fiscal-year-end closing price ($255.46). Realizable pay = cash compensation paid + current intrinsic value of unvested equity. NRV (net realizable value of unvested equity) = shares of unvested equity × stock price; RSU/PSU valued at shares × price, options at intrinsic value (max(0, price − exercise) × shares). The NRV Drift exhibit holds share counts constant at both anchors, so the difference reflects stock-price movement only; the FY-end close is the unadjusted close on the last trading day on or before the company's fiscal year-end date. Realizable data sourced from Velarion benchmarking data; individual executive detail from annual proxy statements.

## CHANGE-IN-CONTROL & TERMINATION PROVISIONS

| Executive | Agreement Type | Severance Multiple | CIC Multiple | Equity Acceleration |
|---|---|---|---|---|
| Tim Cook | Disclosed in CD&A | Plan-based | Plan-based | None |
| Deirdre O'Brien | Disclosed in CD&A | Plan-based | Plan-based | None |
| Kate Adams | Disclosed in CD&A | Plan-based | Plan-based | None |
| Sabih Khan | Disclosed in CD&A | Plan-based | Plan-based | None |
| Kevan Parekh | Disclosed in CD&A | Plan-based | Plan-based | None |

"Plan-based" indicates severance and change-in-control benefits are determined under the company's Other NEO Equity Awards and equity plan change-in-control provisions rather than a stated per-executive multiple; calculated payout amounts are disclosed in the proxy's Potential Payments Upon Termination or Change of Control table. Individually negotiated agreements are labeled by agreement type.

## KEY PROGRAM PROVISIONS

| Governance Feature | Status |
|---|---|
| Clawback Policy | Yes — in place |
| Anti-Hedging Policy | Yes — in place |
| Executive Stock Ownership Guidelines | 10x base salary |

Provisions disclosed in CD&A section of 2026-01-08. Equity vesting governed by plan terms.

## QUANTIFIED TERMINATION & CHANGE-IN-CONTROL ECONOMICS — FY2025

| Executive | Scenario Basis | Cash Severance | Equity Acceleration | Total Estimated |
|---|---|---|---|---|
| Tim Cook | Termination table disclosed, but not for an involuntary or change-in-control scenario | – | – | – |
| Deirdre O'Brien | Termination table disclosed, but not for an involuntary or change-in-control scenario | – | – | – |
| Kate Adams | Termination table disclosed, but not for an involuntary or change-in-control scenario | – | – | – |
| Sabih Khan | Termination table disclosed, but not for an involuntary or change-in-control scenario | – | – | – |
| Kevan Parekh | Termination table disclosed, but not for an involuntary or change-in-control scenario | – | – | – |

Amounts reflect estimated payments upon the stated triggering event as disclosed in the issuer's Potential Payments Upon Termination or Change of Control table; actual amounts depend on the timing and circumstances of any separation.

Source: Apple, Inc. annual proxy statement (2026-01-08). CIC = Change in Control. Cash severance, equity acceleration, and total estimated amounts are shown as disclosed. Total Estimated is the issuer-disclosed total for the scenario.

## GRANTS OF PLAN-BASED AWARDS — FY2025 (CEO)

| Award Type | Grant Date | Threshold Shares | Target Shares | Maximum Shares | Grant Date Fair Value | Vesting |
|---|---|---|---|---|---|---|
| RSU | 2024-09-29 | N/A | 54,876 | N/A | $12,500,204 | Per equity plan terms |
| PSU | 2024-09-29 | 41,157 | 164,626 | 329,252 | $45,035,089 | Per equity plan terms |

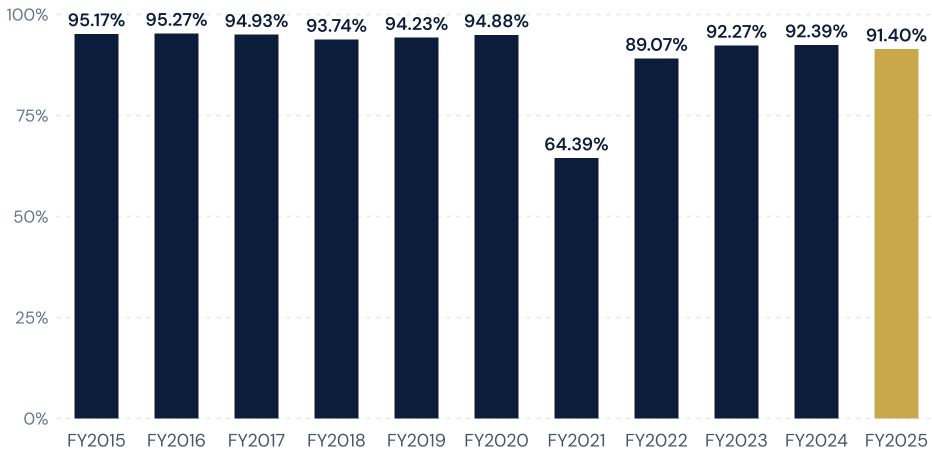
## LTI DESIGN SUMMARY

| Feature | Detail |
|---|---|
| LTI Mix | RSU 100% (derived from grants) |
| Performance Metric | – |
| Vesting Period | – |

Equity grant details are sourced from the Grants of Plan-Based Awards table in the annual proxy statement. Grant date fair values for PSU/RSU awards reflect Monte Carlo simulation and/or closing price on grant date as disclosed. Full vesting schedule and performance conditions appear in the company's annual proxy statement.

Source: Apple, Inc. annual proxy statement dated 2026-01-08, Grants of Plan-Based Awards table. PSU grant date fair value may reflect Monte Carlo simulation. RSU fair value reflects closing price on grant date.

## SAY-ON-PAY APPROVAL TREND (FY2015–FY2025)




## FY2025 VOTE DETAIL

| Category | Votes | % |
|---|---|---|
| For | 8,304,055,118 | 91.40% |
| Against | 781,645,634 | – |

Vote data sourced from 8-K filing or proxy. Vote frequency: annual unless otherwise noted. Source: Apple, Inc. annual proxy statement (2026-01-08).

## NAMED PEER GROUP (FY2025 PROXY) — 27 NAMED PEERS

| # | Company | Ticker | In Group |
|---|---|---|---|
| 1 | Comcast Corp | CMCSA | Yes |
| 2 | Nvidia Corp | NVDA | Yes |
| 3 | Broadcom, Inc. | AVGO | Yes |
| 4 | Mastercard Inc | MA | Yes |
| 5 | Verizon Communications Inc | VZ | Yes |
| 6 | Warner Bros. Discovery, Inc. | WBD | Yes |
| 7 | Amazon.com, Inc. | AMZN | Yes |
| 8 | AT&T Inc. | T | Yes |
| 9 | Cisco Systems, Inc. | CSCO | Yes |
| 10 | Walt Disney Co. | DIS | Yes |
| 11 | Intel Corp | INTC | Yes |
| 12 | Meta Platforms, Inc. | META | Yes |
| 13 | Microsoft Corp | MSFT | Yes |
| 14 | Netflix, Inc. | NFLX | Yes |
| 15 | Oracle Corporation | ORCL | Yes |
| 16 | Qualcomm Incorporated | QCOM | Yes |
| 17 | Salesforce | CRM | Yes |
| 18 | Visa Inc. | V | Yes |
| 19 | Coca-Cola | KO | Yes |
| 20 | Pfizer Inc | PFE | Yes |
| 21 | UnitedHealth Group Inc | UNH | Yes |
| 22 | Johnson & Johnson | JNJ | Yes |
| 23 | PROCTER & GAMBLE Co | PG | Yes |
| 24 | AbbVie Inc. | ABBV | Yes |
| 25 | NIKE, Inc. | NKE | Yes |

Apple, Inc.'s peer group consists of companies that compete for executive talent in the same industry and size range.

### Compensation Consultant

Pay Governance LLC serves as the independent compensation consultant.

### Peer-Set Construction Quality

PEER-SET QUALITY **27/100** Weak

10 of 27 peers reciprocate · size outliers: ABBV, CRM, CSCO

Source: Apple, Inc. annual proxy statement dated 2026-01-08, CD&A section. Peer group reflects disclosure in most recent proxy. Changes noted where disclosed by the company.

## NAMED PEER GROUP — CONTINUED (26–27 OF 27)

| # | Company | Ticker | In Group |
|---|---|---:|---:|
| 26 | Starbucks Corp | SBUX | Yes |
| 27 | Alphabet Inc. | GOOGL | Yes |

Source: Apple, Inc. annual proxy statement dated 2026-01-08, CD&A section. Peer group reflects disclosure in most recent proxy. Changes noted where disclosed by the company.

## PEER SET CONSTRUCTION NOTES

| | | | |
|---|---|---|---|
| **27/100**<br>PSQ SCORE<br>Weak | **37%**<br>RECIPROCITY<br>10 of 27 peers | **1**<br>SECTOR OVERLAP<br>peers share primary sector | **5**<br>SIZE OUTLIERS<br>ABBV, CRM ... |

The 27-company peer group includes 5 size outliers — ABBV, CRM, CSCO and 2 more — with market capitalizations that differ materially from the subject company. These peers may reflect aspirational or strategic benchmarking choices rather than direct comparability.

10 of 27 peers (37%) independently include this company in their own disclosed compensation peer groups, providing bilateral validation of comparability. The remaining 17 peers did not reciprocate, which may reflect one-directional aspirational selection or recent updates to those companies' own peer rosters.

1 of 27 disclosed peers (4%) share the same primary sector classification as the subject company. A below-majority sector alignment may introduce cross-industry compensation distortion when benchmarking total compensation levels.

Year-over-year, the peer group changed by 1 addition and 0 removals from FY2024, yielding a 100% retention rate. Higher retention rates (>70%) indicate stable, intentional peer group construction; lower rates warrant committee discussion of the selection rationale.

PSQ score reflects peer-set comparability across size fit, reciprocity, sector coherence, and peer-of-peer frequency. YoY changes compare the two most recently disclosed annual proxy peer rosters. Source: Velarion Peer Intelligence database.

## EVIDENCE — YEAR-OVER-YEAR PEER SET CHANGES

| +1 | 0 | 26 | 100% |
|---|---|---|---|
| ADDED | DROPPED | RETAINED | RETENTION |
| FY2025 | from FY2024 | carried forward | of prior-year set |

| Added in FY2025 | Dropped from FY2024 |
|---|---|
| + NIKE, Inc. (NKE) | |

### INTERPRETATION

The committee left the peer set largely intact (1 added from the prior-year group of 26 companies), broadening the comparison set.

Added / dropped / retained counts and named changes compare the company's disclosed peer rosters across its two most recent disclosure years.

DISCLOSURE QUALITY **45/100** Limited

## WHAT CHANGED YEAR-OVER-YEAR (FY2024 → FY2025) YEAR-OVER-YEAR DESIGN CHANGES VS FY2024 — CD&A AND PEER-GROUP DISCLOSURES

- **Disclosed Peer Group:** count 26 → 27; +1 (NKE)
- **LTI Vehicle Mix:** no net change.

## INCENTIVE DESIGN — APPLE, INC. VS. NAMED PEERS

| Company | STI Metrics | STI Max | PSU / LTI Metrics |
|---|---|---|---|
| **Apple, Inc. (AAPL)** | **Net Sales, Operating Income** | **–** | **–** |
| Cisco Systems, Inc. (CSCO) | Revenue, Profit Before Taxes, Purpose Factor | – | – |
| Johnson & Johnson (JNJ) | Operational sales growth, Adjusted operational EPS growth, Free cash flow | – | – |

Peer cohort: 27 named peers; full comparison on following page(s).

## LTI DESIGN — APPLE, INC.

| Element | Detail |
|---|---|
| Primary Vehicle | RSU 100% (derived from grants) |
| PSU / Performance Metric | – |
| Performance Period | – |
| Vesting Schedule | – |

**PSU PAYOUT SCALE** Payout scale not disclosed

## STI PAYOUT STRUCTURE

| Level | Payout |
|---|---|
| Threshold | Not disclosed |
| Target Bonus (% of salary) | – |
| Maximum (% of target) | – |
| **FY2025 Actual (% of target)** | **–** |

## INCENTIVE DESIGN — NAMED PEERS (3–14 OF 27)

| Company | STI Metrics | STI Max | PSU / LTI Metrics |
|---|---|---|---|
| Microsoft Corp (MSFT) | Incentive Plan Revenue, Incentive Plan Operating Income, Operational Assessment (Security, Product/Customers/Stakeholders, Culture) | – | – |
| Qualcomm Incorporated (QCOM) | Adjusted Operating Income, Adjusted Revenues, Human Capital Advancements | 200% | Relative Total Stockholder Return (RTSR), Three-Year Average Adjusted EPS |
| Warner Bros. Discovery, Inc. (WBD) | Adjusted EBITDA, Net Revenue, Year-End Global Subscribers | 125% | Free Cash Flow (FCF), Individual Strategic Goals |
| Visa Inc. (V) | Net Revenue Growth, Net Income Growth, EPS Growth plus 7 more | – | – |
| Alphabet Inc. (GOOGL) | – | – | – |
| Starbucks Corp (SBUX) | Adjusted Net Revenue, Adjusted Operating Income, Individual Performance Factor | 200% | Three-year average adjusted EPS, Three-year average global comparable store sales |
| Amazon.com, Inc. (AMZN) | – | – | – |
| Meta Platforms, Inc. (META) | Build awesome things, Make our business successful, Make progress on societal issues related to our business plus 1 more | – | – |
| Netflix, Inc. (NFLX) | F/X Neutral Revenue, F/X Neutral Operating Margin | 200% | Company TSR relative to the TSR of the companies in the S&P 500 |
| Comcast Corp (CMCSA) | Revenue, Adjusted EBITDA, Free Cash Flow | – | – |
| AbbVie Inc. (ABBV) | Platform Revenue, Non-GAAP Income Before Taxes, Non-GAAP Operating Margin plus 2 more | – | – |
| Nvidia Corp (NVDA) | Revenue | – | – |

Apple, Inc. data sourced from annual proxy statement dated 2026-01-08. Peer STI and LTI data based on most recent annual proxy statements available.

## INCENTIVE DESIGN — NAMED PEERS (15–26 OF 27)

| Company | STI Metrics | STI Max | PSU / LTI Metrics |
|---|---|---|---|
| PROCTER & GAMBLE Co (PG) | Organic Sales Growth, Operating Profit Growth, Adjusted Free Cash Flow Productivity plus 4 more | — | — |
| AT&T Inc. (T) | Compensation Adjusted Operating Income, Free Cash Flow, Strategic Component | — | — |
| UnitedHealth Group Inc (UNH) | — | — | — |
| Walt Disney Co. (DIS) | Adjusted Total Segment Operating Income, Adjusted Revenue, Adjusted After-Tax Free Cash Flow plus 1 more | — | — |
| Broadcom, Inc. (AVGO) | Revenue, Adjusted Non-GAAP Operating Income, Division Financial and Strategic Goals plus 1 more | 180% | AI Revenue |
| Intel Corp (INTC) | Revenue, Gross Margin Percentage, Operating Expense plus 1 more | 200% | TSR relative to S&P 500 Index |
| Pfizer Inc (PFE) | Total Revenue, Adjusted Net Income, Cash Flow from Operations plus 1 more | — | — |
| Oracle Corporation (ORCL) | non-GAAP operating income growth | — | $10 billion in non-GAAP total SaaS revenues, non-GAAP PaaS/IaaS gross margins of at least 30%, $20 billion in non-GAAP total cloud revenues plus 1 more |
| Verizon Communications Inc (VZ) | Wireless service revenue, Adjusted operating income, Cash flow from operations plus 1 more | — | Cumulative adjusted EPS, Cumulative free cash flow, Cumulative wireless service revenue plus 1 more |
| Mastercard Inc (MA) | Adjusted net income -- SEAICP, Adjusted net revenue, Strategic performance adjustment plus 1 more | 250% | Adjusted earnings per share (EPS), Adjusted net revenue |
| NIKE, Inc. (NKE) | Adjusted Revenue, Adjusted EBIT, MBOs (non-CEO NEOs only) | — | — |
| KO (KO) | Annual Incentive Plan performance measures | — | — |

Apple, Inc. data sourced from annual proxy statement dated 2026-01-08. Peer STI and LTI data based on most recent annual proxy statements available.

## INCENTIVE DESIGN — NAMED PEERS (27–27 OF 27)

| Company | STI Metrics | STI Max | PSU / LTI Metrics |
|---|---|---|---|
| CRM (CRM) | — | — | — |

Apple, Inc. data sourced from annual proxy statement dated 2026-01-08. Peer STI and LTI data based on most recent annual proxy statements available.

# *Key Observations*

1. CEO total compensation of $74.3M sits at 2.27x the peer median of $32.8M, with a realizable-to-granted ratio of 3.90× indicating substantial wealth accumulation from prior equity appreciation. The 85th percentile pay positioning against 81st percentile 1-year TSR creates a 4-point pay-performance gap that may draw proxy-advisor attention on PMR (Pay-to-Median Ratio) screens. The committee may wish to examine whether the FY2026 grant design preserves performance linkage given the embedded realizable value.

   AVGO WBD MSFT INTC NFLX

2. PSU design carries rTSR as the sole metric per disclosed classes, whereas VZ, QCOM, and SBUX blend rTSR with EPS or revenue metrics at 33-50% weights. A single-metric PSU tied entirely to market-relative returns leaves no operational performance linkage; the committee may want to evaluate introducing a financial metric alongside rTSR.

   VZ QCOM SBUX

3. The CFO role shows a transition-year pattern with Kevan Parekh at $22.5M total comp versus predecessor Luca Maestri at $15.5M, reflecting a new-hire equity front-load. Parekh ranks above the CFO peer median of $15.7M and sits between the P50 and P75 of the 6-peer CFO distribution. The committee may wish to confirm whether this elevation reflects a one-time sign-on structure or a reset to sustained above-median CFO positioning.

   META MSFT

## KEY MONITORING ITEMS FOR THE NEXT PROXY SEASON

- **Board refreshment lag — long-tenured directors** — 4 of 8 directors carry tenure ≥13 years: Tim Cook (14yr), Andrea Jung (17yr), Ron Sugar (15yr), Art Levinson (25yr). While experience supports continuity, proxy-advisor governance screens flag average tenure and long-tenured independent share as governance signals. The committee may wish to evaluate refreshment trajectory ahead of the next proxy cycle.
- **Realizable pay materially above granted** — CEO realizable-to-granted ratio of 3.90× reflects equity appreciation since grant. This is a structurally favorable pay-for-performance outcome but may attract proxy-advisor pay-trend scrutiny (PTA (PTA: low). The committee may wish to ensure CD&A disclosure proactively contextualizes this divergence.
- The PSU design relies on rTSR as the sole disclosed metric, leaving no operational performance linkage in a program where CEO realizable pay of $295.5M already signals substantial wealth accumulation. This single-metric structure diverges from peer practice and creates vulnerability when 1-year TSR at the 81st percentile already outruns the 85th percentile pay positioning.
- **CD&A disclosure: The 3.98x realizable-to-granted ratio and 5-year CEO pay CAGR of -6.9% against** — The 3.90× realizable-to-granted ratio and 5-year CEO pay CAGR of -6.9% against TSR CAGR of 18.2% produce a diverging directional alignment, where pay compression contrasts with explosive shareholder returns. This disconnect between stated philosophy and realized outcomes undermines the committee's ability to defend pay as performance-linked.
- Four senior vice presidents cluster within approximately $5M of each other, compressing role differentiation in a band tighter than peer CFO dispersion where P75/P25 spread reaches $6.3M across 6 peers. This uniformity coincides with CFO Parekh's $22.5M positioning above the $15.7M peer median, raising questions about sustained elevation versus transition-year front-loading.

ISS methodology subject to annual updates; quantitative screen thresholds may change. Monitoring items based on current ISS policy framework. Items reflect Velarion analysis of proxy disclosure and institutional investor priorities. Not investment advice.

## PRIMARY DATA SOURCES

| Data Element | Source | Filing / Date |
|---|---|---|
| Executive compensation (SCT) | Annual proxy statement | Filed 2026-01-08 |
| Say-on-Pay vote result | 8-K / Proxy | Most recent annual meeting |
| CD&A narratives, STI/LTI design | Annual proxy statement | Filed 2026-01-08 |
| Equity grants (plan-based awards table) | Annual proxy statement | Filed 2026-01-08 |
| Peer group composition (27 peers) | Annual proxy statement | FY2025 proxy |
| Peer company compensation data | Velarion Universe (public company filings) | FY2023–FY2025 |
| Stock price & TSR calculations | Public market data | Current |

## METHODOLOGY NOTES

- **Rank denominators:** The 27-peer disclosed cohort is the full set of named peers in this proxy. Per-position rank statements use a coverage subset (denominator varies by role) where peer disclosure data is available — n=27 for CEO total compensation comparisons and n=28 for full-panel charts (subject company plus compensated peers). Peers excluded from a specific analysis due to no compensation data on record are noted in the relevant page footnote (CRM, KO excluded — no executive compensation data on record). Every rank citation names its denominator inline.
- **Realizable pay** = cash compensation paid plus current market value of all unvested equity awards at current stock price.
- **TSR calculations** use ISS-aligned 1-year and 3-year horizons from Velarion market data; 5-year cumulative return reported where available.
- **Peer data currency:** Peers with most recent proxies filed use current data; remaining peers use most recently available fiscal year.
- **Say-on-Pay:** The authoritative figure is as reported in the 8-K or proxy. This figure is used throughout the report.
- **ISS screens:** Quantitative assessment reflects application of public ISS methodology; formal ISS determination is made annually at proxy season.
- **Pay-for-performance horizons:** RDA and PTA screens use the number of CEO compensation history years available. The horizon is shown inline on each metric.

# Important Disclosures



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Realizable pay estimates use a stock price of $326.59 per share as the computation input. Future stock price movements will change the realizable value of unvested equity. Past TSR performance is not indicative of future returns.

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