



Corporate Governance Guidelines

The Board of Directors (the "Board") of Apple Inc. (the "Corporation") has adopted these governance guidelines. The guidelines, in conjunction with the Corporation's articles of incorporation, bylaws, and the charters of the committees of the Board, form the framework of governance of the Corporation. The governance structure of the Corporation is designed to be a flexible working structure for principled actions, effective decision-making and appropriate monitoring of both compliance and performance.

I. The Role of the Board of Directors

The Board oversees the Chief Executive Officer (the "CEO") and other senior management in the competent and ethical operation of the Corporation on a day-to-day basis and seeks to ensure that the long-term interests of shareholders are being served. To satisfy its duties, directors are expected to take a proactive, focused approach to their position to ensure that the Corporation is committed to business success through the maintenance of high standards of responsibility and ethics.

II. Director Qualifications

The Nominating and Corporate Governance Committee is responsible for screening and recommending individuals to be elected by the Board to fill vacancies and newly created directorships, and the nominees to be elected as directors at any meeting of shareholders. Such recommendations shall be based on, among other things, a nominee's independence, character, ability to exercise sound judgment, demonstrated leadership, ability and willingness to commit sufficient time to the Board, and relevant skills and experience in the context of the evolving needs of the Board. The Committee also considers the diversity of the Board composition overall with respect to age, disability, gender identity or expression, ethnicity, military veteran status, national origin, race, religion, sexual orientation, and other backgrounds and experiences. The Committee is committed to actively seeking out, and will instruct any search firm it engages to identify, individuals who will contribute to such diversity to be included in the pool of candidates from which nominees to the Board are selected. The Board should monitor the mix of skills and experience of its directors to help ensure that the Board has the necessary tools to perform its oversight function effectively.

Shareholders may nominate directors for election at the Corporation's annual meeting of shareholders by following the provisions set forth in the Corporation's bylaws, or may recommend candidates to the Nominating and Corporate Governance Committee for consideration for election to the Board. The Nominating and Corporate Governance Committee evaluates candidates recommended by shareholders using the same criteria as for other candidates recommended by its members, other members of the Board, or other persons.

III. Director Independence

It is the policy of the Corporation that the Board must consist of at least a majority of independent directors who meet the independence requirements of The Nasdaq Stock Market LLC ("Nasdaq"). The Board will consider all relevant facts and circumstances in making a

determination of independence for each director and may consider, as appropriate, imposing independence requirements more stringent than those required by Nasdaq.

IV. Director Time Commitments and Service on Other Public Company Boards

Serving on the Corporation's Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. In considering each director's ability to properly discharge their duties, the Nominating and Corporate Governance Committee will annually review each director's various time commitments, including without limitation their primary occupation, service on public company boards and committee memberships, and leadership positions on such boards, as well as service with private company boards and non-profit organizations. A director who also serves as the CEO of the Corporation should not serve on more than two boards of other public companies in addition to the Corporation's Board. Directors other than the CEO of the Corporation should not serve on more than four boards of other public companies in addition to the Corporation's Board.

V. Ethics and Conflicts of Interest

The Board expects its directors, as well as officers and employees, to act ethically. Directors are expected to adhere to the Corporation's Business Conduct Policy and the Guidelines Regarding Director Conflicts of Interest.

VI. Director Orientation and Continuing Education

The Corporation will provide new directors with materials, briefings and additional educational opportunities to permit them to become familiar with the Corporation and to enable them to perform their duties. Directors also are encouraged to visit the Corporation's facilities and meet with Corporation employees throughout their tenure on the Board. In addition, directors are encouraged to attend accredited director education programs at the Corporation's expense.

VII. Term of Office

Directors serve for a one-year term and until their successors are elected. There are no limits on the number of terms that a director may serve. The Board believes the Corporation benefits from the contributions of directors who have developed, over time, increasing insight into the Corporation. The Nominating and Corporate Governance Committee reviews periodically the appropriateness of each director's continued service.

VIII. Retirement Policy

A director may not stand for re-election after age 75, but need not resign until the end of his or her term.

IX. Director Resignations, Retirements and Refusals to Stand for Re-Election

A director who intends to resign or retire or refuses to stand for re-election to the Board must submit written notice to the General Counsel of the Corporation. For resignations and retirements, the director must state the effective date of the resignation or retirement. For resignations, the director also must state that the director has no disagreement with the Corporation's operations, policies or practices or, if the director has such a disagreement, the director must describe the disagreement. For refusals to stand for re-election, the director must state when the election in question will occur.

X. Directors Who Change Their Present Job Responsibilities

Each director who retires or substantially changes his or her principal occupation or business association from the position he or she held when initially elected to the Board shall tender his or her resignation to the Board at the time of such change by sending written notice to the General Counsel of the Corporation. The Board does not believe that a non-employee director in this circumstance necessarily should be required to leave the Board. Instead, the Board believes that the Nominating and Corporate Governance Committee should review each situation and make a recommendation to the Board as to the continued appropriateness of Board membership under the new circumstances.

XI. Director Responsibilities

The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Corporation and its shareholders. In fulfilling that responsibility, directors reasonably may rely on the honesty and integrity of the Corporation's senior management and expert legal, accounting, financial and other advisors.

Annual Meeting Attendance: All directors are expected to attend the Corporation's annual meeting of shareholders.

Scheduling of Board Meetings and Attendance: The Board will meet at least four times per year. Directors are expected to prepare for, attend and participate in all Board and applicable committee meetings, and to spend the time needed to meet as often as necessary to discharge their obligations properly.

Agenda: At the beginning of each year the Board will set, to the extent foreseeable and practicable, a schedule of agenda items to be discussed during the year. Any director may suggest items to be included on the agenda or raise subjects at a Board meeting that are not on the agenda for that meeting. An agenda for each Board meeting, along with information and data that is important to the Board's understanding of the business to be conducted at the Board meeting, should be distributed to directors in advance of the meeting so that Board meeting time may be focused on feedback and questions that the Board has about the materials. Certain matters may be discussed at the meeting without advance distribution of written materials, as appropriate.

XII. Chair of the Board and Chief Executive Officer

The Board regularly evaluates whether the roles of Chair of the Board and CEO should be separate and, if they are to be separate, whether the Chair of the Board should be selected from the non-employee directors or be an employee of the Corporation. The Board believes these issues should be considered as part of the Board's broader oversight and succession planning process.

XIII. Co-Lead Directors and Executive Sessions

The Board expects to hold executive sessions without the presence of management, including the CEO, or other non-independent directors, at least four times per year. In general, the Board reserves time following each regularly scheduled meeting to allow the independent directors to meet in executive session. The executive sessions shall be led by the Chair of the Board if one has been elected. If a Chair of the Board has not been elected, or if the elected Chair of the Board is a non-independent director, the Board will appoint an independent Lead Director or Co-Lead Directors to conduct executive sessions and for such other purposes as the Board finds appropriate. If more than one Lead Director is appointed, the Board may prescribe different responsibilities to each Co-Lead Director.

XIV. Communication with Stakeholders

The Board believes that management speaks for the Corporation. Each director will refer inquiries from investors, customers, analysts, the press, and other constituencies to management for response. Absent unusual circumstances or as contemplated by the committee charters, individual directors will only speak on behalf of the Corporation with investors, analysts, the press, and other constituencies about the Corporation at the request of management or if authorized by the Chair of the Board, the Lead Director (if any), or the Board and in accordance with the Corporation's policies.

Any matter intended for the Board, or for any individual member of the Board, should be directed to the Corporation's Secretary at One Apple Park Way, MS: 927-4GC, Cupertino, CA 95014 USA, with a request to forward the communication to the intended recipient. In general, any shareholder communication delivered to the Corporation for forwarding to Board members will be forwarded in accordance with the shareholder's instructions. The Corporation reserves the right not to forward to Board members any abusive, threatening, or otherwise inappropriate materials.

XV. Board Committees

Standing Committees: The Board currently has a Nominating and Corporate Governance Committee, an Audit and Finance Committee and a Compensation Committee. From time to time, the Board may form new committees as it deems appropriate.

Independence and Qualifications of Standing Committee Members: All of the members of the standing committees will meet the then-effective criteria for independence established by Nasdaq and, in the case of the Audit and Finance Committee, the independence requirements for audit committee members set forth in Rule 10A-3 under the Securities Exchange Act of 1934,

as amended. The members of these committees also will meet the other membership criteria specified in the respective charters for these committees.

Standing Committee Member Assignments and Rotation: The Nominating and Corporate Governance Committee makes recommendations to the Board concerning the size, structure and composition of the Board committees. The Board will designate the committee chair, committee members and, where applicable, alternate standing committee members, by the vote of at least a majority of the directors. From time to time, there will be occasions on which the Board may want to rotate standing committee members, but the Board does not believe that it should establish a formal policy of rotation. At least one member of the Compensation Committee will not serve simultaneously on the Audit and Finance Committee.

Standing Committee Charters: Each standing committee will have its own charter. The charter will set forth the purpose, authority and responsibilities of the standing committee in addition to the qualifications for standing committee membership.

Meeting and Agenda: The chair of each standing committee will determine, in consultation with the appropriate standing committee members and members of management, and in accordance with the standing committee's charter, the frequency and length of standing committee meetings and the standing committee's agenda. Each standing committee will establish, to the extent foreseeable and practical, a schedule of agenda items to be discussed during the year. The schedule for each standing committee will be furnished to the full Board.

XVI. Director Access to Officers and Employees

Directors are encouraged to talk directly with any officer or employee of the Corporation. Directors will use their judgment to ensure that any such contact is not unduly disruptive to management and the business operations of the Corporation. It is the expectation of the Board that directors will keep the CEO informed of any significant communications between a director and an officer or employee of the Corporation, as appropriate. Senior officers are invited to attend Board meetings from time to time to provide additional insight into the items being discussed.

XVII. Director Compensation

The Compensation Committee will review the form and amount of director compensation annually and recommend any changes to the Board. Non-employee directors are expected to receive a substantial portion of their annual retainer in the form of equity. Employee directors are not paid additional compensation for their services as directors.

XVIII. Board Evaluation

The Board should undertake an evaluation of the Board, its Committees and each member at least annually to determine whether it and its members and committees are functioning effectively. The Nominating and Corporate Governance Committee is responsible for coordinating and overseeing the annual Board evaluation process in accordance with its charter.

XIX. Management Review and Succession Planning

The Compensation Committee should conduct, and review with the Board, an annual evaluation of the performance of all executive officers, including the CEO. The Compensation Committee is expected to use this review in the course of its deliberations when considering the compensation of the CEO and other executive officers.

The Board also reviews the CEO performance evaluation to ensure that the CEO is providing effective leadership of the Corporation. As part of the annual evaluation, the Board and the CEO should conduct an annual review of management development and succession planning for executive officers, including the CEO.

XX. Director Confidentiality

To foster open discussions, the proceedings and deliberations of the Board are confidential. A director shall not (a) use confidential information for their own personal benefit or to benefit persons or entities outside the Corporation or (b) disclose confidential information to any person or entity outside the Corporation, either during or after their service as a director of the Corporation, except with authorization of the General Counsel of the Corporation, the Chair of the Board, the Lead Director (if any), the Board or as may be otherwise required by law. "Confidential information" includes all non-public information entrusted to or obtained by a director by reason of their position as a director of the Corporation, whether the information relates to the Corporation or a third party. In addition to information regarding Board meetings, discussions, deliberations and decisions, confidential information includes, but is not limited to: non-public information that might be of use to competitors or harmful to the Corporation, its customers, or other stakeholders, if disclosed; non-public information about the Corporation's financial condition, prospects or plans, its strategic initiatives, entry into new markets, marketing and sales programs and research and development information; information related to mergers and acquisitions, divestitures, stock splits, stock repurchases and dividends and other non-public information about possible transactions with other companies or about any of the Corporation's customers, suppliers, vendors, or service providers; and non-public information about discussions and decisions relating to business issues and decisions that take place between and among employees, officers and directors, including, but not limited to, board and executive succession planning and Board dynamics.