

# APPLE INC

## **FORM 8-K** (Current report filing)

Filed 03/03/17 for the Period Ending 02/14/17

|             |  |
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| Address     | ONE INFINITE LOOP<br>CUPERTINO, CA 95014 |
| Telephone   | (408) 996-1010                           |
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| Sector      | Technology                               |
| Fiscal Year | 09/30                                    |

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

**February 14, 2017**

Date of Report (date of earliest event reported)

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**Apple Inc.**

(Exact name of Registrant as specified in its charter)

**California**  
(State or other jurisdiction  
of incorporation)

**001-36743**  
(Commission  
File Number)

**94-2404110**  
(IRS. Employer  
Identification No.)

**1 Infinite Loop**  
**Cupertino, California 95014**  
(Address of principal executive offices) (Zip Code)

**(408) 996-1010**  
(Registrant's telephone number, including area code)

**Not applicable**  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events.**

On March 3, 2017 Apple Inc. ("Apple") consummated the issuance and sale of \$1,000,000,000 aggregate principal amount of its 4.300% Notes due 2047 (the "Notes"), pursuant to a subscription agreement dated February 14, 2017, by and between Apple and Deutsche Bank AG, Taipei Branch, as the lead manager.

The Notes are being issued pursuant to an indenture, dated as of April 29, 2013 (the "Indenture"), between Apple and The Bank of New York Mellon Trust Company, N.A., as trustee, together with the officer's certificate dated as of March 3, 2017 issued pursuant to the Indenture establishing the terms of the Notes (the "Officer's Certificate").

The Notes are being issued pursuant to Apple's Registration Statement on Form S-3 filed with the Securities and Exchange Commission on April 28, 2016 (Reg. No. 333-210983) (the "Registration Statement").

Interest on the Notes will be payable semi-annually on March 3 and September 3 of each year, beginning on September 3, 2017 and on the maturity date of March 3, 2047.

The Notes will be Apple's senior unsecured obligations and will rank equally with Apple's other unsecured and unsubordinated debt from time to time outstanding.

The foregoing description of the Notes and related agreements is qualified in its entirety by the terms of the Subscription Agreement, the Indenture and the Officer's Certificate (including the form of the Notes). Apple is furnishing the Subscription Agreement and the Officer's Certificate (including the form of the Notes) attached hereto as Exhibits 1.1, 4.1 and 4.2, respectively, and they are incorporated herein by reference. The Indenture is filed as Exhibit 4.1 to Apple's Registration Statement on Form S-3 filed with the Securities and Exchange Commission on April 29, 2013 (Reg. No. 333-188191). The computation of Apple's ratio of earnings to fixed charges is filed as Exhibit 12.1 to Apple's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2017.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exhibit Number</b> | <b>Exhibit Description</b>  |
|-----------------------|---|
| 1.1                   | Subscription Agreement, dated as of February 14, 2017, by and between Apple Inc. and Deutsche Bank AG, Taipei Branch, as lead manager |
| 4.1                   | Officer's Certificate of Apple Inc., dated March 3, 2017  |
| 4.2                   | Form of Global Note (included in Exhibit 4.1)   |
| 5.1                   | Opinion of Hogan Lovells US LLP   |
| 23.1                  | Consent of Hogan Lovells US LLP (included in the opinion filed as Exhibit 5.1)  |

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 3, 2017

Apple Inc.

By: /s/ Luca Maestri  
\_\_\_\_\_  
Luca Maestri  
Senior Vice President,  
Chief Financial Officer

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**EXHIBIT INDEX**

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## Apple Inc.

4.300% Notes Due 2047

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Subscription AgreementCupertino, California  
February 14, 2017Deutsche Bank AG, Taipei Branch  
No. 296, Sec. 4, Ren-ai Road  
Taipei, Taiwan, R.O.C.

Ladies and Gentlemen:

Apple Inc., a California corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to Deutsche Bank AG, Taipei Branch, as lead manager (the "Lead Manager"), \$1,000,000,000 aggregate principal amount of the Company's 4.300% Notes due 2047 (the "Securities").

The Securities are intended to be listed on the Taipei Exchange (the "TPEX") in the Republic of China (the "ROC" or "Taiwan") and application will be made to the TPEX for listing of, and permission to deal in, the Securities by way of debt issues to professional institutional investors under Paragraph 2 of Article 4 of the Financial Consumer Protection Act of the ROC ("Professional Institutional Investors"), which currently include: overseas or domestic (i) banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more details in Paragraph 3 of Article 2 of the Organization Act of the Financial Supervisory Commission of the ROC (the "FSC"), (ii) fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the Securities Investment Trust and Consulting Act, the Future Trading Act or the Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions recognized by the FSC. Purchasers of the Securities are not permitted to sell or otherwise dispose of the Securities except by transfer to the Professional Institutional Investors.

1. The Company represents and warrants to, and agrees with, the Lead Manager that:

(a) An “automatic shelf registration statement” as defined under Rule 405 under the Securities Act of 1933, as amended (the “Act”) on Form S-3 (File No. 333- 210983) in respect of the Securities has been filed with the Securities and Exchange Commission (the “Commission”) not earlier than three years prior to the date hereof; such registration statement, and any post-effective amendment thereto, became effective on filing; and no stop order suspending the effectiveness of such registration statement or any part thereof has been issued and no proceeding for that purpose has been initiated or, to the knowledge of the Company, threatened by the Commission, and no notice of objection of the Commission to the use of such registration statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act has been received by the Company (the base prospectus filed as part of such registration statement, in the form in which it has most recently been filed with the Commission on or prior to the date of this Agreement, is hereinafter called the “Basic Prospectus”; any preliminary prospectus (including any preliminary prospectus supplement) relating to the Securities filed with the Commission pursuant to Rule 424(b) under the Act is hereinafter called a “Preliminary Prospectus”; the various parts of such registration statement, including all exhibits thereto but excluding Form T-1 and including any prospectus supplement relating to the Securities that is filed with the Commission and deemed by virtue of Rule 430B to be part of such registration statement, each as amended at the time such part of the registration statement became effective, are hereinafter collectively called the “Registration Statement”; the Basic Prospectus, as amended and supplemented immediately prior to the Applicable Time (as defined in Section 1(c) hereof), is hereinafter called the “Pricing Prospectus”; the form of the final prospectus relating to the Securities filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof is hereinafter called the “Prospectus”; any reference herein to the Basic Prospectus, the Pricing Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such prospectus; any reference to any amendment or supplement to the Basic Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any post-effective amendment to the Registration Statement, any prospectus supplement relating to the Securities filed with the Commission pursuant to Rule 424(b) under the Act and any documents filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and incorporated therein, in each case after the date of the Basic Prospectus, such Preliminary Prospectus, or the Prospectus, as the case may be; any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement; and any “issuer free writing prospectus” as defined in Rule 433 under the Act relating to the Securities is hereinafter called an “Issuer Free Writing Prospectus”);

(b) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”) and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by the Lead Manager expressly for use therein;

(c) For the purposes of this Agreement, the “ Applicable Time ” is 8:00 a.m. (New York City time) on February 14, 2017; the Pricing Prospectus as supplemented by the final term sheet prepared and filed pursuant to Section 5(a) hereof, taken together (collectively, the “ Pricing Disclosure Package ”) as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus listed on Schedule II(a) hereto does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus and each such Issuer Free Writing Prospectus, as supplemented by and taken together with the Pricing Disclosure Package as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in an Issuer Free Writing Prospectus in reliance upon and in conformity with information furnished in writing to the Company by the Lead Manager expressly for use therein;

(d) The documents incorporated by reference in the Pricing Prospectus and the Prospectus (including, without limitation, the interactive data in eXtensible Business Reporting Language included or incorporated by reference therein), when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto (including, without limitation, the interactive data in eXtensible Business Reporting Language included or incorporated by reference therein), when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by the Lead Manager expressly for use therein; and no such documents were filed with the Commission since the Commission’s close of business on the business day immediately prior to the date of this Agreement and prior to the execution of this Agreement, except as set forth on Schedule II(b) hereto;

(e) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the Registration Statement and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any (i) statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by the Lead Manager expressly for use therein or (ii) statements in or omissions from the part of the Registration Statement that constitutes the Statement of Eligibility and Qualification on Form T-1 of the Trustee under the Trust Indenture Act;

(f) The Company and its subsidiaries, taken as a whole, (i) have not sustained since the date of the latest audited financial statements included or incorporated by reference in the Pricing Prospectus any material loss or interference with their business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus; and, (ii) since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been any material adverse change in the capital stock or long term debt of the Company and its subsidiaries, taken as a whole, or any Material Adverse Effect, in each case otherwise than as set forth or contemplated in the Pricing Prospectus. For purposes of this Agreement, "Material Adverse Effect" means any material adverse change in or affecting the business of the Company and its subsidiaries, taken as a whole;

(g) The Company has been (i) duly incorporated and is validly existing as a corporation in good standing under the laws of the State of California, with corporate power and authority to own its properties and conduct its business as described in the Pricing Prospectus and, (ii) except to the extent that the failure to be so qualified or be in good standing in such jurisdictions would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification;

(h) All of the issued equity interests of each subsidiary of the Company that is a “significant subsidiary” as defined in Rule 405 of the Act (each such subsidiary, a “Subsidiary” and, collectively, the “Subsidiaries”) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except to the extent that such liens, encumbrances, equities or claims would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(i) Each Subsidiary has been duly incorporated and is validly existing and in good standing under the laws of its jurisdiction of organization, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Prospectus, and has been duly qualified to transact business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except to the extent that the failure to have such power, be so qualified or be in good standing would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(j) The Securities have been duly authorized and, when issued and delivered pursuant to this Agreement, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the indenture, dated as of April 29, 2013 (the “Base Indenture”), between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), which is substantially in the form filed as an exhibit to the Registration Statement, as supplemented by the Officer’s Certificate, to be dated as of March 3, 2017, in respect of the Securities (the “Officer’s Certificate” and, together with the Base Indenture, the “Indenture”), subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors’ rights and to general equity principles; the Base Indenture has been duly authorized, executed and delivered by the Company, has been duly qualified under the Trust Indenture Act and, assuming due authorization, execution and delivery by the Trustee, constitutes a valid and legally binding instrument, enforceable against the Company in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors’ rights and to general equity principles, and the Officer’s Certificate has been duly authorized by the Company and at the Time of Delivery will be duly executed and delivered by the Company, and when the Officer’s Certificate is duly executed and delivered in accordance with its terms and the terms of the Base Indenture, the Indenture will constitute a valid and legally binding instrument enforceable against the Company in accordance with its terms subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors’ rights and to general equity principles; the Securities and the Indenture will conform to the descriptions thereof in the Pricing Disclosure Package and the Prospectus; and at the Time of Delivery, the Indenture will conform in all material respects to the requirements of the Trust Indenture Act and the rules and regulations of the Commission applicable to an indenture that is qualified thereunder;

(k) The issue and sale of the Securities and the compliance by the Company with all of the provisions of the Securities, the Indenture and this Agreement and the consummation of the transactions herein and therein contemplated (i) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, (ii) nor will such action result in any violation of the provisions of the Restated Articles of Incorporation or Amended and Restated Bylaws of the Company, (iii) nor will such action result in any violation of any statute, order, rule or regulation of any court or governmental agency or body or any administrative agency, regulatory body or other authority (hereinafter referred to as a “Governmental Agency”) having jurisdiction over the Company or any of its properties; and (iv) no consent, approval, authorization, order, registration or qualification of or with any such court or Governmental Agency (hereinafter referred to as “Governmental Authorizations”) is required for the issue and sale of the Securities or the consummation by the Company of the transactions contemplated by this Agreement or the Indenture, except such as have been obtained under the Act and the Trust Indenture Act and such Governmental Authorizations as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Lead Manager, and except, with respect to (i), (iii) and (iv), as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(l) There are no legal or governmental proceedings pending or, to the Company’s knowledge, threatened to which the Company or any of its Subsidiaries is a party or to which any of the properties of the Company or any of its Subsidiaries is subject that are required to be described in the Registration Statement or the Pricing Disclosure Package and are not so described or any statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Pricing Disclosure Package or to be filed as exhibits to the Registration Statement that are not described or filed as required;

(m) The Company is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof, will not be an “investment company”, as such term is defined in the Investment Company Act of 1940, as amended (the “Investment Company Act”);

(n) (A) (i) At the time of filing the Registration Statement, (ii) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Exchange Act or form of prospectus), and (iii) at the time the Company or any person acting on its behalf (within the meaning, for this clause only, of Rule 163(c) under the Act) made any offer relating to the Securities in reliance on the exemption of Rule 163 under the Act, the Company was a "well-known seasoned issuer" as defined in Rule 405 under the Act; and (B) at the earliest time after the filing of the Registration Statement that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h) (2) under the Act) of the Securities, the Company was not an "ineligible issuer" as defined in Rule 405 under the Act;

(o) The financial statements and the related notes thereto included or incorporated by reference in the Registration Statement, the Preliminary Prospectus and the Basic Prospectus comply or will comply in all material respects with the applicable requirements of the Act and the Exchange Act, as applicable, and present fairly the financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods covered thereby, and the supporting schedules included or incorporated by reference in the Registration Statement present fairly the information required to be stated therein; and the other financial information included or incorporated by reference in the Registration Statement or Pricing Disclosure Package has been derived from the accounting records of the Company and its subsidiaries and presents fairly the information shown thereby; and

(p) This Agreement has been duly authorized, executed and delivered by the Company.

2. The price to the public of the securities was established on the date hereof, and subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the Lead Manager, and the Lead Manager agrees to purchase from the Company the principal amount of Securities set forth opposite its name in Schedule I hereto at a purchase price of 99.875% of the principal amount of the Securities, plus accrued interest, if any, from March 3, 2017 to the Time of Delivery (as defined below) hereunder. The Company has appointed the Lead Manager as the filing agent for the Company to assist the Company in making the required reporting to the Central Bank of the Republic of China (Taiwan) and the TPEX in connection with the issue and offering of the Securities and filing with the TPEX of the application to list the Securities on the TPEX. The Company has appointed the Lead Manager as its liquidity provider for providing quotations in respect of the Securities in accordance with Article 24-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds (the "TPEX Rules") and the relevant regulations of the ROC.

3. It is understood that the Lead Manager proposes to offer the Securities for sale to Professional Institutional Investors as set forth in the Prospectus.

4. (a) The Securities to be purchased by the Lead Manager hereunder will be represented by one or more definitive global Securities in book-entry form which will be registered in the name of a nominee of Clearstream Banking, *société anonyme* and Euroclear Bank SA/NV. Payment of the purchase price shall be made by the Lead Manager in (same day) funds in U.S. dollars by wire transfer through a common depository (“Common Depository”) to the account specified by the Company against delivery of the Securities, with any transfer taxes payable in connection with the initial sale of the Securities duly paid by the Company except to the extent that such taxes were imposed due to the failure of the Lead Manager, upon the request of the Company, to use its reasonable efforts to provide any form, certificate, document or other information that would have reduced or eliminated the withholding or deduction of such taxes. The Company will cause the certificates representing the Securities to be made available to the Lead Manager for review at least twenty-four hours prior to the Time of Delivery (as defined below). The time and date of such delivery and payment shall be 3:00 a.m., New York City time, on March 3, 2017 or such other time and date as the Lead Manager and the Company may agree upon in writing. Such time and date are herein called the “Time of Delivery”.

(b) The documents to be delivered at the Time of Delivery by the parties hereto pursuant to Section 8 hereof, including the cross-receipt for the Securities and any additional documents requested by the Lead Manager, will be delivered at the offices of Simpson Thacher & Bartlett LLP, 2475 Hanover Street, Palo Alto, CA 94304 (the “Closing Location”), and the Securities will be delivered at the office of the Common Depository, all at the Time of Delivery. Final drafts of the documents to be delivered pursuant to the preceding sentence will be made available for review by the parties hereto on the Business Day next preceding the Time of Delivery. “Business Day” shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions in The City of New York, London, United Kingdom or Taipei, Taiwan, are authorized or required by law, regulation or executive order to close.

5. The Company agrees with the Lead Manager:

(a) To prepare the Prospectus in a form in accordance with TPEX Rules and accepted by the Lead Manager and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission’s close of business on the second business day following the date of this Agreement; to make no further amendment or any supplement to the Registration Statement, the Basic Prospectus or the Prospectus prior to the Time of Delivery which shall be reasonably disapproved by the Lead Manager promptly after reasonable notice thereof; to advise the Lead Manager, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish the Lead Manager with copies thereof; to prepare a final term sheet, containing solely a description of the Securities, in a form approved by the Lead Manager and to file such term sheet pursuant to Rule 433(d) under the Act within the time required by such Rule; to file promptly all other material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required in connection with the offering or sale of the Securities; to advise the Lead Manager, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Securities, of any notice of objection of the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus or suspending any such qualification, to promptly use its reasonable best efforts to obtain the withdrawal of such order; and in the event of any such issuance of a notice of objection, promptly to take such steps including, without limitation, amending the Registration Statement or filing a new registration statement, at its own expense, as may be necessary to permit offers and sales of the Securities by the Lead Manager (references herein to the Registration Statement shall include any such amendment or new registration statement);

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(b) If required by Rule 430B(h) under the Act, to prepare a form of prospectus in a form accepted by the Lead Manager and to file such form of prospectus pursuant to Rule 424(b) under the Act not later than may be required by Rule 424(b) under the Act; and to make no further amendment or supplement to such form of prospectus which shall be reasonably disapproved by the Lead Manager promptly after reasonable notice thereof;

(c) Promptly from time to time to take such action as the Lead Manager may reasonably request to qualify the Securities for offering and sale under the securities laws of such jurisdictions as the Lead Manager may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Securities, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation, to file a general consent to service of process in any jurisdiction or to subject itself to taxation in any jurisdiction in which it is not so subject;

(d) On the Business Day next succeeding the date of this Agreement, to furnish the Lead Manager with electronic copies of the Prospectus and, from time to time during any period when the Prospectus is required to be delivered in connection with the offering and sale of the Securities, to furnish the Lead Manager with written copies of the Prospectus in New York City and Taipei City in such quantities as the Lead Manager may reasonably request, if any, (excluding any documents incorporated by reference therein to the extent available through the Commission's EDGAR system), and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time after the time of issue of the Prospectus in connection with the offering or sale of the Securities and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify the Lead Manager and upon the Lead Manager's request to file such document and to prepare and furnish without charge to the Lead Manager and to any dealer in securities as many written and electronic copies as the Lead Manager may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance;

(e) To make generally available to its securityholders as soon as practicable, but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(f) During the period beginning from the date hereof and continuing to and including the later of the Time of Delivery and such earlier time as the Lead Manager may notify the Company, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to any securities of the Company that are substantially similar to the Securities, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing;

(g) To pay the required Commission filing fees relating to the Securities within the time required by Rule 456(b)(1) under the Act without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) under the Act;

(h) To use its commercially reasonable efforts to list, subject to notice of issuance if applicable, the Securities on the TPEX for trading on such exchange as promptly as practicable after the date hereof; and

(i) In connection with the application to the TPEX for the listing of, and permission to deal in, the Securities, the Company agrees that it will use its commercially reasonable efforts to furnish from time to time any and all documents, instruments, information and undertakings and publish all advertisements or other material that may be necessary in order to effect such listing and will maintain such listing until none of the Securities is outstanding or until such time as payment of principal, premium, if any, and interest in respect of the Securities has been duly provided for, whichever is earlier; *provided, however*, that if the Company can no longer reasonably maintain such listing, including, but not limited to, in circumstances where obtaining or the maintenance of such listing would require preparation of financial statements in accordance with accounting standards other than U.S. GAAP in a manner that, in the Company's judgment, is burdensome, or such listing is otherwise, in the Company's judgment, burdensome, it will consider obtaining and maintaining the quotation for, or listing of, the Securities by such other listing authority, stock exchange and/or quotation system as the Lead Manager shall reasonably request. However, if such an alternative listing is not available to the Company or is, in the Company's judgment, burdensome, an alternative listing for the Securities need not be considered by the Company. In addition, for so long as the Securities are admitted to listing, trading and/or quotation by a listing authority, stock exchange and/or quotation system, and such listing authority, stock exchange and/or quotation system requires the existence of a paying agent in a particular location, the Company will maintain a paying agent as required.

6.

(a) (i) The Company represents and agrees that, other than the final term sheet prepared and filed pursuant to Section 5(a) hereof, without the prior consent of the Lead Manager, it has not made and will not make any offer relating to the Securities that would constitute a "free writing prospectus" as defined in Rule 405 under the Act;

(ii) the Lead Manager represents and agrees that, without the prior consent of the Company, other than the term sheet relating to the Securities containing customary information and conveyed to purchasers of Securities, the Lead Manager has not made and will not make any offer relating to the Securities that would constitute a free writing prospectus; and

(iii) any such free writing prospectus the use of which has been consented to by the Company and the Lead Manager (other than the final term sheet prepared and filed pursuant to Section 5(a) hereof) is listed on Schedule II(a) hereto;

(b) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; and

(c) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus any event occurred or occurs as a result of which such Issuer Free Writing Prospectus would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Lead Manager and, if requested by the Lead Manager, will prepare and furnish without charge to the Lead Manager an Issuer Free Writing Prospectus or other document which will correct such conflict, statement or omission; provided, however, that this representation and warranty shall not apply to any statements or omissions in an Issuer Free Writing Prospectus made in reliance upon and in conformity with information furnished in writing to the Company by the Lead Manager expressly for use therein.

7. The Company covenants and agrees with the Lead Manager that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Securities under the Act and all other expenses in connection with the preparation, printing, reproduction and filing of the Basic Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Lead Manager and any dealers; (ii) any fees charged by securities rating services for rating the Securities (if applicable); (iii) the cost of preparing the Securities; (iv) the fees and expenses of the Trustee and any paying agent (the "Paying Agent") and any agent of the Trustee or the Paying Agent and the fees and disbursements of counsel for the Trustee and the Paying Agent in connection with the Indenture and the Securities; (v) all expenses and application fees in connection with listing the Securities on the TPEX; and (vi) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 9 and 15 hereof, the Lead Manager will pay all of its own costs and expenses, including the fees of its counsel, any stamp duty that may be imposed on this Agreement under the ROC Stamp Tax law, if being executed in the ROC, any transfer taxes on resale of any of the Securities by it, and any advertising expenses connected with any offers it may make.

8. The obligations of the Lead Manager hereunder shall be subject, in its discretion, to the condition that all representations and warranties and other statements of the Company herein are, at and as of the Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; the final term sheet contemplated by Section 5(a) hereof, and any other material required to be filed by the Company pursuant to Rule 433(d) under the Act, shall have been filed with the Commission within the applicable time periods prescribed for such filings by Rule 433; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission and no notice of objection of the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Act shall have been received; no stop order suspending or preventing the use of the Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Lead Manager's reasonable satisfaction;

(b) Simpson Thacher & Bartlett LLP, counsel for the Lead Manager, shall have furnished to the Lead Manager such written opinion or opinions, dated the Time of Delivery, in form and substance satisfactory to the Lead Manager, with respect to the issuance and sale of the Securities, the Indenture, the Registration Statement, the Pricing Disclosure Package, the Prospectus (together with any supplement thereto) and such other related matters as the Lead Manager may reasonably request, and such counsel shall have received such papers and information as it may reasonably request to enable it to pass upon such matters;

(c) Hogan Lovells US LLP, counsel for the Company, shall have furnished to the Lead Manager its written opinion and negative assurance letter, each dated the Time of Delivery, in form and substance satisfactory to the Lead Manager, substantially in the forms attached hereto as Annex II(a) and Annex II(b), respectively.

(d) Lee and Li, Attorneys-at-Law, special Taiwanese counsel to the Company, shall have furnished to the Lead Manager its written opinion dated the Time of Delivery, in form and substance satisfactory to the Lead Manager, substantially in the form attached hereto as Annex III.

(e) On the date of the Prospectus at a time prior to the execution of this Agreement, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at the Time of Delivery, Ernst & Young LLP shall have furnished to the Lead Manager a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to the Lead Manager, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in the Pricing Disclosure Package and the Prospectus;

(f) (i) The Company and its subsidiaries, taken as a whole, shall not have sustained since the date of the latest audited financial statements included or incorporated by reference in the Pricing Prospectus any loss or interference with their business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, and (ii) since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any material adverse change in the capital stock or long term debt of the Company and its subsidiaries, taken as a whole, or any Material Adverse Effect, in each case otherwise than as set forth or contemplated in the Pricing Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the Lead Manager's reasonable judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in the Prospectus;

(g) On or after the Applicable Time (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 3(a)(62) under the Exchange Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities;

(h) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange or on NASDAQ; (ii) a suspension or material limitation in trading in the Company's securities on NASDAQ; (iii) a general moratorium on commercial banking activities declared by Federal, New York State or the ROC authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, European Union or ROC; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States, ROC or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the Lead Manager's reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in the Prospectus;

(i) The Company shall have complied with the provisions of Section 5(d) hereof with respect to the furnishing of prospectuses;

(j) The Company shall have furnished or caused to be furnished to the Lead Manager at the Time of Delivery certificates of officers of the Company satisfactory to the Lead Manager as to the accuracy of the representations and warranties of the Company herein at and as of such time, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to such time, as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as the Lead Manager may reasonably request;

(k) The Securities will be eligible for clearance and settlement through the Euroclear and Clearstream;

(l) The Taiwan Securities Association (the "TSA") shall have granted its consent to record registration of this Agreement; and

(m) The TPEX shall have agreed to list the Securities on or prior to the Closing Date (or the Lead Manager has been reasonably satisfied that this approval shall be granted).

The documents required to be delivered by this Section 8 shall be delivered at the office of Simpson Thacher & Bartlett LLP, counsel for the Lead Manager, at 2475 Hanover Street, Palo Alto, California 94043, on the Closing Date.

(a) The Company will indemnify and hold harmless the Lead Manager against any losses, claims, damages or liabilities, joint or several, to which the Lead Manager may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) an untrue statement or alleged untrue statement of a material fact contained in the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and will reimburse the Lead Manager for any legal or other expenses reasonably incurred by the Lead Manager in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in (I) the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Lead Manager expressly for use therein or (II) that portion of the Registration Statement that constitutes the Statement of Eligibility and Qualification on Form T-1 of the Trustee under the Trust Indenture Act.

(b) The Lead Manager will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) an untrue statement or alleged untrue statement of a material fact contained in the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus or any such amendment or supplement thereto, or any Issuer Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Lead Manager expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of the indemnified party.

(d) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Lead Manager on the other from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Lead Manager on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Lead Manager on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total discounts and commissions received by the Lead Manager, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Lead Manager on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Lead Manager agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), the maximum amount the Lead Manager may be required to contribute shall be an amount equal to the total price at which the Securities underwritten by the Lead Manager and distributed to the public were offered to the public less the amount of any damages which the Lead Manager has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

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(e) The obligations of the Company under this Section 9 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Lead Manager within the meaning of the Act and each broker-dealer affiliate of the Lead Manager; and the obligations of the Lead Manager under this Section 9 shall be in addition to any liability which the Lead Manager may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

10.

(a) If the Lead Manager shall default in its obligation to purchase the Securities which it has agreed to purchase hereunder, the Company shall be entitled to a period of thirty-six hours within which to procure another party or other parties to purchase such Securities on such terms and the Company shall have the right to take any necessary actions in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus. The term "Lead Manager" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Securities.

(b) If the Company is unable to make an arrangement for the purchase of all of the Securities of the defaulting Lead Manager by the Company as provided in subsection (a) above, then this Agreement shall thereupon terminate, without liability on the part of the Company, except for the expenses to be borne by the Company as provided in Section 7 hereof and the indemnity and contribution agreements in Section 9 hereof; but nothing herein shall relieve the defaulting Lead Manager from liability for its default.

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11. Certain Agreements of the Lead Manager. The Lead Manager hereby represents and warrants as of the Applicable Time that:

(a) All licenses, consents, approvals, authorizations, orders and clearances of all regulatory authorities required by the Lead Manager, including without limitation the TSA, for or in connection with the subscription and/or distribution of the Securities and the compliance by the Lead Manager with the terms of any of the foregoing have been obtained and are in full force and effect;

(b) It has complied with and will comply with all applicable ROC laws and regulations in the purchase or distribution of the Securities;

(c) It has not, and will not, offer, sell or re-sell, directly or indirectly, the Securities to investors other than Professional Institutional Investors and the Securities shall only be re-sold by it to Professional Institutional Investors; and

(d) The underwriting commissions described in Schedule I hereto payable to it may not be repaid or refunded by it by any means or in any form to the Company or its related parties or their designated persons.

12. The Lead Manager hereby undertakes that it shall:

(a) Act as the filing agent for the Company and assist the Company in making the required reporting to the Central Bank of the Republic of China (Taiwan) and the TPEX in connection with the issue and offering of the Securities and making an application to the TPEX for the listing and trading of the Securities on the TPEX;

(b) Act as the liquidity provider for providing quotations for the Company in respect of the Securities in accordance with Article 24-1 of the TPEX Rules and the relevant regulations, and shall further confirm that all licenses, consents, approvals, authorizations, orders and clearances of all regulatory authorities required for it to provide such services shall have been obtained or will be obtained before the Closing Date (as the case may be) and be in full force and effect;

(c) Submit a photocopy of this Agreement being executed by all the parties hereto, together with other documents as required by the applicable laws and regulations to the TSA on or about the day as separately agreed by the Company and the Lead Manager but in no event later than four Business Days before the Closing Date; and

(d) Complete an announcement in connection with the issue and offering of the Securities in form and substance as required by the applicable laws and regulations on the website of the TSA on or about the day as separately agreed by the Company and the Lead Manager.

13. Reserved.

14. The respective indemnities, agreements, representations, warranties and other statements of the Company and the Lead Manager, as set forth in this Agreement or made by them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by the Lead Manager or any controlling person of the Lead Manager, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Securities.

15. If this Agreement shall be terminated pursuant to Section 10 hereof, the Company shall not then be under any liability to the Lead Manager except as provided in Sections 7 and 9 hereof; but, if for any other reason, the Securities are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Lead Manager for all out-of-pocket expenses approved in writing by the Lead Manager, including fees and disbursements of counsel, reasonably incurred by the Lead Manager in making preparations for the purchase, sale and delivery of the Securities, but the Company shall then be under no further liability to the Lead Manager except as provided in Sections 7 and 9 hereof.

16. All statements, requests, notices and agreements hereunder shall be in writing, and if to the Lead Manager shall be delivered or sent by electronic communication, mail or facsimile transmission to the Lead Manager in care of Deutsche Bank AG, Taipei Branch, 10F, 296 Ren-Ai Rd., Sec. 4, Taipei, Taiwan, R.O.C., Attention: Bryan-MC Kuo, telephone: +886(2)2192 4136, facsimile: +886(2)2192 4180 or by emailing bryan-mc.kuo@db.com and if to the Company shall be delivered or sent by electronic communication, mail, or facsimile transmission to the address of the Company set forth in the Registration Statement: 1 Infinite Loop, Cupertino CA 95014, the United States of America, Attention: Secretary; provided, however, that any notice to the Lead Manager pursuant to Section 9(c) hereof shall be delivered or sent by electronic communication, mail, or facsimile transmission to the Lead Manager at its address set forth in its Managers' Questionnaire, or electronic communication constituting such Questionnaire, which address will be supplied to the Company by the Lead Manager upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Lead Manager is required to obtain, verify and record information that identifies its clients, including the Company, which information may include the name and address of such clients, as well as other information that will allow the Lead Manager to properly identify its clients.

17. This Agreement shall be binding upon, and inure solely to the benefit of, the Lead Manager, the Company and, to the extent provided in Sections 9 and 14 hereof, the officers and directors of the Company and each person who controls the Company or the Lead Manager, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Securities from the Lead Manager shall be deemed a successor or assign by reason merely of such purchase.

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18. Time shall be of the essence of this Agreement.

19. The Company acknowledges and agrees that (i) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the Lead Manager, on the other, (ii) in connection therewith and with the process leading to such transaction the Lead Manager is acting solely as a principal and not the agent or fiduciary of the Company, (iii) the Lead Manager has not assumed an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether the Lead Manager has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement and (iv) the Company has consulted its own legal and financial advisors to the extent it deemed appropriate. The Company agrees that it will not claim that the Lead Manager has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

20. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Lead Manager with respect to the subject matter hereof.

**21. THIS AGREEMENT AND ANY MATTERS RELATED TO THIS TRANSACTION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAWS OF THE STATE OF NEW YORK.**

22. The Company and the Lead Manager hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

23. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America located in the City and County of New York, Borough of Manhattan, or the courts of the State of New York in each case located in the City and County of New York, Borough of Manhattan (collectively, the "Specified Courts"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court, as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum.

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24. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts (which may include counterparts delivered by any standard form of telecommunications), each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the Lead Manager.

Very truly yours,

**APPLE INC.**

By: /s/ Gary Wipfler

Name: Gary Wipfler

Title: Vice President and Corporate Treasurer

[Signature Page to Subscription Agreement]

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The foregoing Agreement is  
hereby confirmed and accepted  
as of the date hereof.

By: **DEUTSCHE BANK AG, TAIPEI BRANCH**

By: /s/ James Wu

\_\_\_\_\_  
Name: James Wu

Title: Managing Director

By: /s/ Cynthia Chan

\_\_\_\_\_  
Name: Cynthia Chan

Title: Managing Director

**SCHEDULE I**

| <u>Lead Manager</u>             | <u>Principal<br/>Amount of 2047<br/>Securities to<br/>be Purchased</u> | <u>Underwriting<br/>Commission</u> |
|---------------------------------|--|------------------------------------|
| Deutsche Bank AG, Taipei Branch | US\$1,000,000,000  | US\$1,250,000                      |
| Total                           | <u>US\$1,000,000,000</u>   | <u>US\$1,250,000</u>               |

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**SCHEDULE II**

(a) Issuer Free Writing Prospectuses not included in the Pricing Disclosure Package:

None

(b) Additional Documents Incorporated by Reference:

None

**FORM OF OPINION OF HOGAN LOVELLS US LLP**

(a) The Company is validly existing as a corporation and in good standing as of the date of the Good Standing Certificate and as of the date of the Good Standing Confirmation under the laws of the State of California.

(b) The Company has the corporate power to execute, deliver and perform its obligations under the Indenture, the Notes, and the Agreement and to own, lease and operate its current properties and to conduct its business as described in the Pricing Disclosure Package taken as a whole and the Prospectus.

(i) The Notes have been duly authorized by the Company.

(ii) The Notes have been duly executed, issued and delivered by the Company and, when authenticated by the Trustee in the manner provided for in the Indenture, against payment therefor in accordance with the Agreement, will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms.

(c) The Agreement has been duly authorized, executed and delivered by the Company.

(d) The Indenture (i) has been duly qualified under the Trust Indenture Act, (ii) has been duly authorized, executed and delivered on behalf of the Company, and (iii) constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(e) The Paying Agent Agreement (i) has been duly authorized, executed and delivered on behalf of the Company, and (ii) constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(f) The Notes and the Indenture conform as to legal matters in all material respects to the descriptions thereof set forth in the Pricing Disclosure Package taken as a whole and the Prospectus under the captions "Description of the Notes" and "Description of the Debt Securities."

(g) The information in the Pricing Disclosure Package taken as a whole and the Prospectus under the captions "Description of the Notes" and "Description of the Debt Securities," to the extent that such information constitutes descriptions of the terms of the Notes or the Indenture, has been reviewed by us and is accurate in all material respects.

(h) The information in the Pricing Disclosure Package taken as a whole and the Prospectus under the caption "Certain U.S. Federal Income Tax Considerations," to the extent that such information constitutes matters of law or legal conclusions, has been reviewed by us and is correct in all material respects.

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(i) At the time the Registration Statement became effective and at the date hereof, the Registration Statement and the Prospectus (except for the financial statements and schedules included therein, as to which we express no opinion) comply as to form in all material respects with the requirements of the Trust Indenture Act and the Securities Act and the applicable rules and regulations thereunder.

(j) The documents incorporated by reference in the Prospectus pursuant to Item 12 of Form S-3 under the Securities Act (other than the financial statements and schedules and financial information and data derived from such financial statements included therein or omitted therefrom, as to which we express no opinion), at the time they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act and the applicable rules and regulations thereunder.

(k) The issuance and sale of the Notes to the Manager and the execution, delivery and performance by the Company of the Agreement, the Structuring Fee Agreement, the Indenture and the Notes do not (i) violate the California Corporation Act or the Articles or the Bylaws, (ii) constitute a violation by the Company of any provision of Applicable Federal Law or any provision of Applicable State Law, (iii) violate any of the Company Orders, or (iv) breach or constitute a default under any of the Company Contracts (except that we express no opinion with respect to any matters that would require a mathematical calculation or a financial or accounting determination).

(l) No approval or consent of, or registration or filing with, any federal governmental agency or state governmental agency is required to be obtained or made by the Company under Applicable Federal Law or Applicable State Law or under the California Corporation Act in connection with the issuance and sale of the Notes to the Manager and the execution, delivery and performance by the Company of the Agreement, the Structuring Fee Agreement, the Indenture and the Notes, except such as have been obtained and made by the Company and are in full force and effect under the Securities Act and such as may be required under state securities or blue sky laws.

(m) Based solely upon our review of the information regarding the Company provided through the EDGAR System on the Commission's website, the Registration Statement became effective under the Securities Act. To our knowledge, based upon a review of the Stop Orders page of the Commission's website (<http://www.sec.gov/litigation/stoporders.shtml>), no stop order suspending the effectiveness of the Registration Statement has been issued under the Securities Act and no proceedings for that purpose have been instituted or threatened by the Commission.

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(n) The Structuring Fee Agreement has been duly authorized, executed and delivered on behalf of the Company.

(o) The Company is not, and immediately following the issuance and sale of the Notes and the application of the proceeds thereof as described in the Prospectus will not be, an "investment company" within the meaning of the 1940 Act.

**FORM OF NEGATIVE ASSURANCE LETTER OF HOGAN LOVELLS US LLP**

No facts have come to our attention that cause us to believe that:

(i) the Registration Statement, as of the date of the Agreement, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(ii) the Prospectus, as of its date and as of the date hereof, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(iii) the Pricing Disclosure Package, as of 8:00 a.m. on February 14, 2017 (which you have informed us is a time prior to the time of the first sale of the Notes by the Manager), contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(iv) there are any legal or governmental proceedings pending or threatened against the Company that are required to be disclosed in the Registration Statement, the Pricing Disclosure Package, or the Prospectus, other than those disclosed therein; or

(v) there are any contracts or documents of a character required to be described in the Registration Statement, the Pricing Disclosure Package, or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or referred to therein or so filed.

**FORM OF OPINION OF LEE & LI, ATTORNEYS-AT-LAW**

1. Under the ROC laws, no offer and sale of securities by foreign issuers in the ROC can be made unless it is exempted or is made with prior approval or post registration with the relevant governmental authorities pursuant to the relevant ROC laws and regulations. Pursuant to a ruling issued by the Financial Supervisory Commission (the "FSC") dated December 28, 2016 (Ref. No.: Jin-Guan-Zheng-Fa-1050042349), the straight bonds denominated in foreign currency issued by foreign issuers in the ROC which will be offered, sold and issued to professional investors as defined under the Taipei Exchange Securities Market Rules Governing Management of Foreign Currency Denominated International Bonds (the "TPEX Rules") are exempted from the requirement to obtain prior approval from the FSC. On such basis, no consents, approvals or authorizations of, or registration or filing with, any governmental authority or agency in the ROC are required by the laws of the ROC for the offer, sale and issue of the Securities by the Issuer in the ROC or the performance by the Issuer of its obligations under the Transaction Documents and the Securities, except for: (A) the reporting to the CBC (with a copy to the TPEX) and the listing application to and approval from the TPEX as required pursuant to the relevant ROC laws and regulations, which have been satisfied by the CBC Reporting Letter and the TPEX Listing Approval, respectively; (B) the reporting to the TSA for the Subscription Agreement and approval of the TSA for recordation of the Subscription Agreement, which has been satisfied by the TSA Approval Letter; and (C) the filings and approvals required under the TPEX Rules, Taipei Exchange Rules Governing Securities Trading on the TPEX, the Operating Rules of the Taiwan Depository & Clearing Corporation, the Taiwan Depository & Clearing Corporation Guidelines for Book-Entry Operations of Foreign Currency Denominated International Bonds and the Securities and Exchange Act of the ROC and as required by the CBC, the FSC, the TPEX and the TDCC from time to time; *provided that* the failure to comply with sub-clause (C) will not affect the validity of the Securities.
2. The issuance, offer and sale of the Securities pursuant to the Transaction Documents by the Issuer will not violate any applicable laws and regulations in the ROC.
3. The statements relating to the laws and regulations of the ROC under the captions "ROC Taxation", "Description of the Securities – ROC Trading" and "Selling— Sales Outside the United States— Republic of China" in the Prospectus Supplement, insofar as such statements constitute a summary of relevant ROC laws and regulations, are true and accurate in all material respects.
4. No stamp tax, registration or similar taxes or charges are payable under the laws of the ROC in connection with the execution and delivery of the Transaction Documents, except for any stamp tax that may be imposed on the Subscription Agreement under the ROC Stamp Tax Act, if being executed in the ROC.
5. The Issuer will not be deemed to be resident, domiciled or carrying on business in the ROC solely by reason of the execution, delivery, consummation or enforcement of the Transaction Documents.

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6. The choice of the laws of the State of New York as set forth in the Transaction Documents is a valid choice of law and will be recognized by the courts of the ROC; *provided that* the relevant provisions of the laws of the State of New York will not be applied to the extent such courts hold that (i) the application of such provisions would be contrary to the public order or good morals of the ROC or (ii) such provisions would have the effect of circumventing mandatory and/or prohibitive provisions of ROC law.
  7. Any final judgment obtained in a foreign court arising out of or in relation to the obligations of the Issuer under the Transaction Documents would be recognized by the courts of the ROC without review of the merits, *provided that* the court of the ROC in which the enforcement is sought is satisfied that:
    - (a) the court rendering the judgment had jurisdiction over the subject matter according to the laws of the ROC;
    - (b) the judgment and the court procedure resulting in the judgment were not contrary to the public order or good morals of the ROC;
    - (c) if the judgment was rendered by default by the court rendering the judgment, process was duly served on the Issuer within a reasonable period of time within the jurisdiction of such court in accordance with the laws and regulations of such jurisdiction or process was served on the Issuer with judicial assistance of the ROC; and
    - (d) judgments of the courts of the ROC would be recognized in the jurisdiction of the court rendering the judgment on a reciprocal basis.

## APPLE INC.

**Officer's Certificate**

Pursuant to Sections 102 and 301 of the Indenture, dated as of April 29, 2013 (the "**Indenture**"), by and between Apple Inc., a corporation duly organized and existing under the laws of the State of California (the "**Issuer**"), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States, as trustee (the "**Trustee**"), the undersigned officer does hereby certify, in connection with the issuance of \$1,000,000,000 aggregate principal amount of 4.300% notes due 2047 (the "**Notes**"), that the terms of the Notes are as follows:

Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Indenture.

**4.300% Notes due 2047**

|  |  |
|--|--|
| <i>Title:</i>  | 4.300% Notes due 2047  |
| <i>Issuer:</i>   | Apple Inc.   |
| <i>Trustee, Security Registrar and Authenticating Agent:</i> | The Bank of New York Mellon Trust Company, N.A.  |
| <i>Paying Agent:</i>   | The Bank of New York Mellon, London Branch   |
| <i>Aggregate Principal Amount.</i>                           | \$1,000,000,000  |
| <i>Original Issue Date:</i>                                  | March 3, 2017  |
| <i>Maturity Date:</i>  | March 3, 2047  |
| <i>Interest:</i>   | 4.300% per annum   |
| <i>Date from which Interest will Accrue:</i>                 | March 3, 2017  |
| <i>Interest Payment Dates:</i>                               | Semi-annually in arrears on March 3 and September 3 of each year, commencing September 3, 2017   |
| <i>Conversion:</i>   | None   |
| <i>Sinking Fund:</i>   | None   |
| <i>Optional Redemption:</i>                                  | The Notes are redeemable at the option of the Company, in whole but not in part, on each March 3 on or after March 3, 2020, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest to the redemption date. |

*Redemption for tax purposes:*

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any political subdivision or taxing authority of or in the United States), or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after February 14, 2017 the Issuer becomes, or based upon a written opinion of independent counsel selected by the Issuer, will become obligated to pay additional amounts as described under Section 7 of Exhibit A hereto, then the Issuer may at its option redeem, in whole, but not in part, the Notes on not less than 30 nor more than 60 days prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued but unpaid on the Notes to the date fixed for redemption.

*Denominations:*

\$100,000 and any integral multiple of \$1,000 in excess thereof.

*Miscellaneous:*

The terms of the Notes shall include such other terms as are set forth in the form of Note attached hereto as **Exhibit A** and in the Indenture. In addition, the global notes for the Notes shall include the following language: "To the extent the terms of the Indenture and this Note are inconsistent, the terms of the Indenture shall govern."

"**Depository**" means

"EUROCLEAR/CLEARSTREAM" (as defined in the Note)

Solely with respect to the Notes, Section 305(2) of the Indenture shall be amended and restated as follows:

"Notwithstanding any other provision in this Indenture, and subject to such applicable provisions, if any, as may be specified as contemplated by Section 301, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depository for such Global Security or a nominee thereof unless (A) such Depository has notified the Company that it is unwilling or unable to continue as Depository for such Global Security and the Company does not appoint a successor Depository within 90 days, (B) the Depository ceases to be eligible under the Indenture and the Company does not appoint a successor Depository within 90 days (C) there shall have occurred and be continuing an Event of Default with respect to such Global Security, (D) the Company so directs the Trustee by a Company Order or (E) there shall exist such circumstances, if any, in addition to or in lieu of the foregoing as have been specified for this purpose as contemplated by Section 301."

*Common Code/ISIN:*

156896667 / XS1568966672

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To the extent permitted by applicable Republic of China laws and regulations and subject to the receipt of all necessary regulatory and listing approvals from the relevant authorities, including but not limited to the Taipei Exchange and the Taiwan Securities Association and subject to the covenants described in the Indenture, as amended or supplemented from time to time, the Issuer shall be entitled, subject to authorization by the Board of Directors of the Issuer and an Officer's Certificate, to issue additional notes from time to time under the series of notes issued hereby. Any such additional notes of a series shall have identical terms as the Notes issued on the issue date, other than with respect to the date of issuance, the issue price, the date interest begins to accrue and, in certain circumstances, the first interest payment date (the " **Additional Notes** "); *provided* that the Additional Notes will have a separate ISIN number unless the Additional Notes are fungible with the Outstanding Notes for U.S. federal income tax purposes. Any Additional Notes will be issued in accordance with Section 301 of the Indenture.

The Officer has read and understands the provisions of the Indenture and the definitions relating thereto. The statements made in this Officer's Certificate are based upon the examination of the provisions of the Indenture and upon the relevant books and records of the Issuer. In such Officer's opinion, they have made such examination or investigation as is necessary to enable such Officer to express an informed opinion as to whether or not the covenants and conditions precedent of such Indenture relating to the issuance, authentication and delivery of the Notes have been complied with. In such Officer's opinion, such covenants and conditions precedent have been complied with.

*[Signature Page Follows]*

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IN WITNESS WHEREOF, I have signed this certificate as of date first written above.

**APPLE INC.**

By: /s/ Gary Wipfler

Name: Gary Wipfler

Title: Vice President and Corporate Treasurer

[Signature Page to Officer's Certificate pursuant to Indenture]

## FORM OF NOTE DUE 2047

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE REFERRED TO HEREIN. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR BANK, SA/NV, AS OPERATOR OF THE EUROCLEAR SYSTEM ("EUROCLEAR") AND CLEARSTREAM BANKING, SOCIÉTÉ ANONYME, LUXEMBOURG ("CLEARSTREAM, LUXEMBOURG" AND, TOGETHER WITH EUROCLEAR, "EUROCLEAR/CLEARSTREAM"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THE BANK OF NEW YORK DEPOSITORY (NOMINEES) LIMITED OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR/CLEARSTREAM (AND ANY PAYMENT IS MADE TO THE BANK OF NEW YORK DEPOSITORY (NOMINEES) LIMITED OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF EUROCLEAR/CLEARSTREAM), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE BANK OF NEW YORK DEPOSITORY (NOMINEES) LIMITED, HAS AN INTEREST HEREIN.

**APPLE INC.**  
**4.300% Note due 2047**

No. 1

Common Code: 156896667  
ISIN No.: XS1568966672

\$1,000,000,000

APPLE INC., a California corporation (the “**Issuer**”), for value received promises to pay to The Bank of New York Depository (Nominees) Limited or registered assigns the principal sum listed on the Schedule of Exchanges of Notes on March 3, 2047.

Interest Payment Dates: Semi-annually on March 3 and September 3, beginning on September 3, 2017 and on the maturity date (each, an “**Interest Payment Date**”).

Interest Record Dates: February 17 and August 20 preceding the relevant Interest Payment Date (each, an “**Interest Record Date**”).

All payment dates, whether at maturity, upon earlier redemption or on any Interest Payment Date, shall be determined in accordance with the time zone applicable to The City of New York.

Reference is made to the further provisions of this Note contained herein, which will for all purposes have the same effect as if set forth at this place.

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IN WITNESS WHEREOF, the Issuer has caused this Note to be signed manually or by facsimile by its duly authorized officer.

**APPLE INC.**

By: \_\_\_\_\_

Name:

Title:

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This is one of the Securities of the series designated therein and referred to in the within-mentioned Indenture.

Dated: March 3, 2017

The Bank of New York Mellon Trust Company, N.A., as  
Trustee

By: \_\_\_\_\_  
Authorized Signatory

(REVERSE OF NOTE)

APPLE INC.  
4.300% Note due 2047

1. Interest

Apple Inc. (the “**Issuer**”) promises to pay interest on the principal amount of this Note at the rate per annum described above. Cash interest on the Notes will accrue from the most recent Interest Payment Date to which payment has been paid or provided for; or, if no interest has been paid, from March 3, 2017. Interest on this Note will be paid to, but excluding, the relevant Interest Payment Date. The Issuer will pay interest semi-annually in arrears on each Interest Payment Date, commencing September 3, 2017, to holders of the Notes (the “**Holders**”) of record on the immediately preceding Interest Record Date. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months in a manner consistent with Rule 11620(b) of the FINRA Uniform Practice Code.

The Issuer shall pay interest on overdue principal from time to time on demand at the rate borne by the Notes and on overdue installments of interest (without regard to any applicable grace periods) to the extent lawful.

2. Paying Agent and Security Registrar.

Initially, The Bank of New York Mellon, London Branch, will act as Paying Agent. The Bank of New York Mellon Trust Company, N.A. (the “**Trustee**”) will initially act as Security Registrar for the Notes. The Issuer may change any Paying Agent or Security Registrar upon notice to the Trustee.

3. Indenture; Defined Terms.

This Note is one of the 4.300% Notes due 2047 (the “**Notes**”) issued under an indenture, dated as of April 29, 2013 (the “**Base Indenture**”), by and between the Issuer and the Trustee, as supplemented by an Officer’s Certificate, dated March 3, 2017, issued pursuant to Section 301 of the Indenture (together with the Base Indenture, the “**Indenture**”). This Note is a “Security” and the Notes are “Securities” under the Indenture.

“Business Day” means, solely with respect to the Notes, any day, other than a Saturday or Sunday, which is not a day on which banking institutions in The City of New York or Taipei are authorized or required by law, regulation or executive order to close.

For purposes of this Note, unless otherwise defined herein, capitalized terms herein are used as defined in the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act as in effect on the date on which the Indenture was qualified under the Trust Indenture Act. Notwithstanding anything to the contrary herein, the Notes are subject to all such terms, and Holders are referred to the Indenture and the Trust Indenture Act for a statement of them.

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4. Denominations; Transfer; Exchange.

The Notes are in registered form, without coupons, in denominations of \$100,000 and any integral multiple of \$1,000 in excess thereof. A Holder shall register the transfer or exchange of Notes in accordance with the Indenture. The Issuer may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay certain transfer taxes or similar governmental charges payable in connection therewith as permitted by the Indenture. The Issuer need not issue, authenticate, register the transfer of or exchange any Notes or portions thereof for a period of fifteen (15) days before the mailing of a notice of redemption, nor need the Issuer register the transfer or exchange of any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

5. Amendment; Supplement; Waiver.

Subject to certain exceptions, the Notes and the provisions of the Indenture relating to the Notes may be amended or supplemented and any existing default or Event of Default or compliance with certain provisions may be waived with the written consent of the Holders (as defined in the Indenture) of at least a majority in aggregate principal amount of each series of Outstanding Securities (including the Notes) under the Indenture that is affected by such amendment, supplement or waiver (voting as a single class). Without notice to or consent of any Holder, the parties thereto may amend or supplement the Indenture and the Notes to, among other things, cure any ambiguity, defect or inconsistency or comply with any requirements of the Commission in connection with the qualification of the Indenture under the Trust Indenture Act, or make any other change that does not adversely affect the rights of any Holder in any material respect.

6. Optional Redemption.

The Issuer has the option to redeem the Notes, in whole but not in part, on each March 3 on or after March 3, 2020 at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest, if any, to but excluding the redemption date.

Notwithstanding the foregoing, installments of interest on the Notes that are due and payable on Interest Payment Dates falling on or prior to a redemption date will be payable on the Interest Payment Date to the registered Holders as of the close of business on the Interest Record Date according to the Notes and the Indenture.

The provisions of Article XI of the Indenture shall apply to any redemption of the Notes.

Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes at the redemption date.

7. Payment of Additional Amounts

All payments of principal and interest in respect of the Notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature required to be deducted or withheld by the United States or any political subdivision or taxing authority of or in the United States, unless such withholding or deduction is required by law.

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In the event any withholding or deduction on payments in respect of the Notes for or on account of any present or future tax, assessment or other governmental charge is required to be deducted or withheld by the United States or any taxing authority thereof or therein, the Issuer will pay such additional amounts on the Notes as will result in receipt by each beneficial owner of a Note that is not a U.S. Person (as defined below) of such amounts (after all such withholding or deduction, including on any additional amounts) as would have been received by such beneficial owner had no such withholding or deduction been required. The Issuer will not be required, however, to make any payment of additional amounts for or on account of:

- A. any tax, assessment or other governmental charge that would not have been imposed but for (1) the existence of any present or former connection (other than a connection arising solely from the ownership of those Notes or the receipt of payments in respect of those Notes) between that Holder (or the beneficial owner for whose benefit such Holder holds such Note), or between a fiduciary, settlor, beneficiary of, member or shareholder of, or possessor of a power over, that Holder or beneficial owner (if that Holder or beneficial owner is an estate, trust, partnership or corporation) and the United States, including that Holder or beneficial owner, or that fiduciary, settlor, beneficiary, member, shareholder or possessor, being or having been a citizen or resident or treated as a resident of the United States or being or having been engaged in trade or business or present in the United States or having had a permanent establishment in the United States or (2) the presentation of a Note for payment on a date more than 30 days after the later of the date on which that payment becomes due and payable and the date on which payment is duly provided for;
- B. any estate, inheritance, gift, sales, transfer, capital gains, excise, personal property, wealth or similar tax, assessment or other governmental charge;
- C. any tax, assessment or other governmental charge imposed on foreign personal holding company income or by reason of the beneficial owner's past or present status as a passive foreign investment company, a controlled foreign corporation, a foreign tax exempt organization or a personal holding company with respect to the United States or as a corporation that accumulates earnings to avoid U.S. federal income tax;
- D. any tax, assessment or other governmental charge which is payable otherwise than by withholding or deducting from payment of principal or premium, if any, or interest on such Notes;
- E. any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal or premium, if any, or interest on any Note if that payment can be made without withholding by any other paying agent;

- F. any tax, assessment or other governmental charge which would not have been imposed but for the failure of a beneficial owner or any Holder to comply with the Issuer's request or a request of the Issuer's agent to satisfy certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the United States of the beneficial owner or any Holder that such beneficial owner or Holder is legally able to deliver (including, but not limited to, the requirement to provide Internal Revenue Service Forms W-8BEN, W-8BEN-E, Forms W-8ECI, or any subsequent versions thereof or successor thereto, and including, without limitation, any documentation requirement under an applicable income tax treaty);
- G. any tax, assessment or other governmental charge imposed on interest received by (1) a 10% shareholder (as defined in Section 871(h)(3)(B) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), and the regulations that may be promulgated thereunder) of the Issuer or (2) a controlled foreign corporation that is related to the Issuer within the meaning of Section 864(d)(4) of the Code, or (3) a bank receiving interest described in Section 881(c)(3)(A) of the Code, to the extent such tax, assessment or other governmental charge would not have been imposed but for the beneficial owner's status as described in clauses (1) through (3) of this paragraph (G);
- H. to any withholding or deduction that is required to be made pursuant to any law implementing or complying with, or introduced in order to conform to, any European Union Directive on the taxation of savings;
- I. any tax, assessment or other governmental charge required to be withheld or deducted under Sections 1471 through 1474 of the Code (or any amended or successor version of such Sections) ("**FATCA**"), any regulations or other guidance thereunder, or any agreement (including any intergovernmental agreement) entered into in connection therewith; or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement in respect of FATCA; or
- J. any combination of items (A), (B), (C), (D), (E), (F), (G), (H) and (I);

nor will the Issuer pay any additional amounts to any beneficial owner or Holder who is a fiduciary or partnership to the extent that a beneficiary or settlor with respect to that fiduciary or a member of that partnership or a beneficial owner thereof would not have been entitled to the payment of those additional amounts had that beneficiary, settlor, member or beneficial owner been the beneficial owner of those Notes.

As used in this Section 7, "**U.S. Person**" means any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, a corporation, partnership or other entity created or organized in or under the laws of the United States, any state of the United States or the District of Columbia (other than a partnership that is not treated as a United States person under any applicable U.S. Treasury regulations), or any estate or trust the income of which is subject to United States federal income taxation regardless of its source.

#### 8. Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any political subdivision or taxing authority of or in the United States), or any change in, or amendments to, an official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after February 14, 2017, the Issuer becomes, or based upon a written opinion of independent counsel selected by the Issuer, will become obligated to pay additional amounts as described under Section 7 hereof with respect to the Notes, then the Issuer may at its option redeem, in whole, but not in part, the Notes on not less than 30 nor more than 60 days prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued but unpaid on the Notes to the date fixed for redemption.

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9. Defaults and Remedies.

If an Event of Default (other than certain bankruptcy Events of Default with respect to the Issuer) under the Indenture occurs with respect to the Notes and is continuing, then the Trustee may and, at the direction of the Holders of at least 25% in principal amount of the Outstanding Notes, shall by written notice, require the Issuer to repay immediately the entire principal amount of the Outstanding Notes, together with all accrued and unpaid interest and premium, if any. If a bankruptcy Event of Default with respect to the Issuer occurs and is continuing, then the entire principal amount of the Outstanding Notes together with all accrued and unpaid interest and premium, if any, will automatically become due immediately and payable without any declaration or other act on the part of the Trustee or any Holder. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee is not obligated to enforce the Indenture or the Notes unless it has received indemnity as it reasonably requires. The Indenture permits, subject to certain limitations therein provided, Holders of a majority in aggregate principal amount of the Notes then Outstanding to direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of certain continuing defaults or Events of Default if it determines that withholding notice is not opposed to their interest.

10. Authentication.

This Note shall not be valid until the Trustee manually signs the certificate of authentication on this Note.

11. Abbreviations and Defined Terms.

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

12. Common Code/ ISIN Numbers.

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused Common Code/ISIN numbers to be printed on the Notes as a convenience to the Holders. No representation is made as to the accuracy of such numbers as printed on the Notes and reliance may be placed only on the other identification numbers printed hereon.

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13. Governing Law.

The Indenture and the Notes shall be governed by, and construed in accordance with, the law of the State of New York.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint  
act for him.

agent to transfer this Note on the books of the Issuer. The agent may substitute another to

Date: \_\_\_\_\_

Your Signature: \_\_\_\_\_

Sign exactly as your name appears on the other side of this Note.

\_\_\_\_\_  
Signature

Signature Guarantee:

\_\_\_\_\_  
Signature must be guaranteed

\_\_\_\_\_  
Signature

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (" **STAMP** ") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the United States Securities Exchange Act of 1934, as amended.

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**SCHEDULE OF EXCHANGES OF NOTES**

The initial principal amount of this Global Note is \$1,000,000,000.

The following exchanges of a part of this Global Note for physical Notes or a part of another Global Note have been made:

| <u>Date of Exchange</u> | <u>Amount of decrease in<br/>principal amount of this<br/>Global Note</u> | <u>Amount of increase in<br/>principal amount of this<br/>Global Note</u> | <u>Principal amount of this<br/>Global Note following such<br/>decrease (or increase)</u> | <u>Signature of authorized<br/>officer of Trustee</u> |
|-------------------------|---|---|---|---|
|-------------------------|---|---|---|---|



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March 3, 2017

Board of Directors  
Apple Inc.  
1 Infinite Loop  
Cupertino, California 95014

Ladies and Gentlemen:

We are acting as counsel to Apple Inc., a California corporation (the “**Company**”), in connection with the Subscription Agreement, dated February 14, 2017 (the “**Subscription Agreement**”) by and between the Company and Deutsche Bank AG, Taipei Branch, relating to the proposed public offering of \$1,000,000,000 aggregate principal amount of the Company’s 4.300% Notes due 2047 (the “**Securities**”) pursuant to the Company’s automatic shelf registration statement on Form S-3ASR (Reg. No. 333-210983) (the “**Registration Statement**”), filed with the Securities and Exchange Commission (the “**Commission**”) under the Securities Act of 1933, as amended (the “**Act**”), on April 28, 2016. This opinion letter is furnished to you at your request to enable you to fulfill the requirements of Item 601(b)(5) of Regulation S-K, 17 C.F.R. § 229.601(b)(5), in connection with the Registration Statement.

For purposes of this opinion letter, we have examined copies of such agreements, instruments and documents as we have deemed an appropriate basis on which to render the opinions hereinafter expressed. In our examination of the aforesaid documents, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents, and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). As to all matters of fact, we have relied on the representations and statements of fact made in the documents so reviewed, and we have not independently established the facts so relied on. This opinion letter is given, and all statements herein are made, in the context of the foregoing.

This opinion letter is based as to matters of law solely on the applicable provisions of the following, as currently in effect: (i) the General Corporation Law of the State of California, as amended, and (ii) the laws of the State of New York (but not including any laws, statutes, ordinances, administrative decisions, rules or regulations of any political subdivision below the state level). We express no opinion herein as to any other laws, statutes, ordinances, rules, or regulations (and in particular, we express no opinion as to any effect that such other laws, statutes, ordinances, rules, or regulations may have on the opinions expressed herein).

For purposes of this opinion letter, we have assumed that (i) The Bank of New York Mellon Trust Company, N.A., as trustee (the “ **Trustee** ”) under the Indenture, dated as of April 29, 2013, between the Company and the Trustee, filed as Exhibit 4.1 to the Registration Statement (the “ **Base Indenture** ”), as supplemented by the Officer’s Certificate, dated March 3, 2017, filed as Exhibit 4.1 to the Company’s Form 8-K filed with the Commission on March 3, 2017 (the “ **Officer’s Certificate** ” and, together with the Base Indenture, the “ **Indenture** ”) has all requisite power and authority under all applicable laws, regulations and governing documents to execute, deliver and perform its obligations under the Indenture and has complied with all legal requirements pertaining to its status as such status relates to the Trustee’s right to enforce the Indenture against the Company, (ii) the Trustee has duly authorized, executed and delivered the Indenture, (iii) the Trustee is validly existing and in good standing in all necessary jurisdictions, (iv) the Indenture constitutes a valid and binding obligation, enforceable against the Trustee in accordance with its terms, (v) there has been no mutual mistake of fact or misunderstanding or fraud, duress or undue influence in connection with the negotiation, execution or delivery of the Indenture, and the conduct of all parties to the Indenture has complied with any requirements of good faith, fair dealing and conscionability, (vi) at the time of offer, issuance and sale of any Securities, the Registration Statement will have been declared effective under the Act and no stop order suspending its effectiveness will have been issued and remain in effect and (vii) there are and have been no agreements or understandings among the parties, written or oral, and there is and has been no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Indenture. We also have assumed the validity and constitutionality of each relevant statute, rule, regulation and agency action covered by this opinion letter.

Based upon, subject to and limited by the foregoing, we are of the opinion that the Securities have been duly authorized on behalf of the Company and that, following (i) receipt by the Company of the consideration for the Securities specified in the Subscription Agreement and (ii) the due execution, authentication, issuance and delivery of the Securities pursuant to the terms of the Indenture, the Securities will constitute valid and binding obligations of the Company.

The opinion expressed above with respect to the valid and binding nature of obligations may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors’ rights (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers) and by the exercise of judicial discretion and the application of principles of equity, good faith, fair dealing, reasonableness, conscionability and materiality (regardless of whether the Securities are considered in a proceeding in equity or at law).

This opinion letter has been prepared for use in connection with the filing by the Company of a Current Report on Form 8-K on the date hereof, which Form 8-K will be incorporated by reference into the Registration Statement and speaks as of the date hereof. We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion letter.

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Board of Directors  
Apple Inc.  
March 3, 2017  
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We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the above-described Form 8-K and to the reference to this firm under the caption "Legal Matters" in the preliminary prospectus supplement dated February 14, 2017 and prospectus supplement dated February 14, 2017, each of which constitute a part of the Registration Statement. In giving this consent, we do not thereby admit that we are an "expert" within the meaning of the Act.

Very truly yours,

/s/ HOGAN LOVELLS US LLP

HOGAN LOVELLS US LLP