

## Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

### **2,100,000 European Style Cash Settled Short Certificates**

**relating to the Common Stock of Apple Inc.**

**with a Daily Leverage of -3x**

**issued by**

**SG Issuer**

**(Incorporated in Luxembourg with limited liability)**

**unconditionally and irrevocably guaranteed by**

**Société Générale**

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**Issue Price: US\$5.00 per Certificate**

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This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 14 June 2024 including such further base listing documents as may be issued from time to time, as supplemented by an addendum dated 30 September 2024 (the “**Base Listing Document**”), for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see “Placing and Sale” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products<sup>1</sup> and Specified Investment Products (SIPs)<sup>2</sup>, and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 14 June 2024 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 10 December 2024.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

9 December 2024

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<sup>1</sup> As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

<sup>2</sup> As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended and the Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed “Placing and Sale” contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market

prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the “**Conditions**” shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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## RISK FACTORS

The following are risk factors relating to the Certificates:

- (a) in respect of certain corporate adjustment events on the Underlying Stock, trading in the Certificates may be suspended on the relevant ex-date of the Underlying Stock and trading in the Certificates will resume on the next immediate trading day on the SGX-ST. Please note that trading in the Certificates on the SGX-ST may be suspended for more than one trading day in certain circumstances;
- (b) circuit breakers are automatic mechanisms adopted in the U.S. stock market. Circuit breakers are invoked if the stock markets experience extreme broad-based declines or extreme volatility within a single stock, which are designed to slow the effects of extreme price movement through coordinated trading halts across securities markets in the U.S. stock market when severe price declines reach levels that may exhaust market liquidity.

Circuit breakers implemented by the Relevant Stock Exchange for the Underlying Stock may result in a temporary trading halt of the Underlying Stock on the Relevant Stock Exchange for the Underlying Stock, or under extreme circumstances, closure of the U.S. stock market (including all trading on the Relevant Stock Exchange for the Underlying Stock) before normal close of the trading session in the U.S. stock market.

Investors should be aware of the risk of potential high volatility in the trading prices of the Certificates upon commencement and throughout the trading hours of the SGX-ST on a trading day in Singapore in response to any overnight trigger of circuit breakers resulting in temporary trading halt of the Underlying Stock during the trading day of the Relevant Stock Exchange for the Underlying Stock immediately prior to such Singapore trading day;

- (c) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (d) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;
- (e) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;
- (f) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as

it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry and the creditworthiness of the Issuer and the Guarantor;

- (g) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period.

The suspension may be lifted and trading in the Underlying Stock may resume outside or during the trading hours of the SGX-ST. If trading in the Underlying Stock resumes, trading in the Certificates will resume either in accordance with the scheduled trading resumption timing (if any) as specified in the announcement(s) to be published in respect of the resumption of trading in the Underlying Stock. Please note that the price of the Certificates may be highly volatile following the resumption of trading in the Certificates;

- (h) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (i) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (j) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 32 to 37 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section of this document for more information;
- (k) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (l) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (m) investors holding their position beyond market close of the SGX-ST should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below). Due to the difference in trading hours of the SGX-ST and the Relevant Stock Exchange for the Underlying Stock, unless investors exit their position within the same SGX-ST trading day, they would bear the annualised costs;
- (n) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

- (o) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous trading day. This process, referred to as compounding, may lead to a performance difference from 3 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (p) the Underlying Stock to which the Certificates relate are only quoted during US trading hours. This means that the Air Bag Mechanism (as defined below) can only be triggered when the SGX-ST is not open for trading. There is therefore a specific risk that overnight, investors in the Certificates incur a significant or even entire loss of the amounts invested in the Certificates, without being able to exit their investments in the Certificates;
- (q) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (r) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is an approximately 33% or greater gap between the previous trading day closing price and the opening price of the Underlying Stock the following trading day, as the Air Bag Mechanism will only be triggered when market opens the following trading day or (ii) a sharp intraday increase in the price of the Underlying Stock of approximately 33% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors should note that the Air Bag Mechanism may only be triggered during the trading of the Relevant Stock Exchange for the Underlying Stock. Investors may refer to pages 54 to 55 of this document for more information;
- (s) investors should note that the Certificates are issued over an Underlying Stock which is listed on an exchange with different trading hours from the SGX-ST. There may be a risk arising from the time difference between the trading hours of the Relevant Stock Exchange for the Underlying Stock (based on New York time) and the trading hours of the SGX-ST. As such, (i) the price of the Underlying Stock may not be available during the trading hours of the Certificates on SGX-ST; (ii) Air Bag Mechanism may be triggered during the trading hours of the Relevant Stock Exchange for the Underlying Stock, which would not be during SGX-ST trading hours; (iii) the trigger of an Air Bag Mechanism, when the Certificates are not open for trading, will lead to a different Leverage Inverse Strategy Closing Level, i.e. the value of the Certificates subsequently during the SGX-ST trading hours will be based on a different Leverage Inverse Strategy Closing Level reference for the purpose of the Leveraged Return calculation compared to a case where no Air Bag Mechanism would have been triggered; and (iv) given the Relevant Stock Exchange for the Underlying Stock is not open for trading during the SGX-ST trading hours, the market price of the Certificates may be affected by the derived spot price of the Underlying Stock on the Related Exchange during SGX-ST trading hours (which may deviate from the published price of the Underlying Stock), consequentially the market price of the Certificates during SGX-ST trading hours may deviate from the published price of the Underlying Stock during the US trading hours on the same day. There is therefore a specific risk that investors in the Certificates may incur a significant or even



entire loss of the amounts invested in the Certificates, without being able to exit their investments in the Certificates.

In particular, please note that the trading price of the Underlying Stock may be volatile during a time in which the SGX-ST is not open for trading of the Certificates. Outside the trading hours of the SGX-ST, investors will not be able to sell or trade in the Certificates even if the trading price of the Underlying Stock is highly volatile.

Market news and/or corporate announcements relating to the Underlying Stock (including corporate event announcements or other price sensitive information) may be released outside the trading hours of the Relevant Stock Exchange for the Underlying Stock (based on New York time), but during the trading hours of the SGX-ST (based on Singapore time). The trading price of the Certificates may become highly volatile during the relevant trading hours of the SGX-ST in response to such market/corporate news pending opening of the Underlying Stock. The market and investors may not have sufficient time to digest fully, and/or assess the potential impact of, such corporate news on the Underlying Stock and hence the Certificates.

Investors may refer to pages 54 to 55 of this document for more information;

- (t) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Certificates may be terminated prior to its Expiry Date for the following reasons which are not exhaustive: Illegality and force majeure, occurrence of a Holding Limit Event (as defined in the Conditions of the Certificates) or Hedging Disruption (as defined in the Conditions of the Certificates). For more detailed examples of when early termination may occur, please refer to the FAQ section under the “Education” tab on the website at [dlc.socgen.com](http://dlc.socgen.com).

The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be substantially less than the amount initially invested, and at the worst case, be zero. Investors may refer to the Condition 13 on pages 39 to 42 of this document for more information;

- (u) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;
- (v) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker’s market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or

more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

- (w) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (x) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

- (y) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

- (z) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:

- Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and
- The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

- (aa) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;
- (bb) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (cc) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited (“CDP”):
  - (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
  - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
  - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
  - (iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (dd) U.S. withholding tax

The Issuer has determined that these Certificates are not “delta-one” instruments for the purposes of IRS Notice 2024-44 and are therefore not Specified Warrants for purposes of the Section 871(m) Regulations as discussed in the accompanying Base Listing Document under “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986”. Investors are advised that the Issuer’s determination is binding on all Non-U.S. Holders of the Certificates, but it is not binding on the United States Internal Revenue Service (the “IRS”) and the IRS may therefore disagree with the Issuer’s determination. In addition, if any Holder of Certificates also holds an offsetting derivative position in the Underlying Stock that when combined with the Certificates provide “delta-one” exposure to the Underlying Stock, such Holder may have liability under Section 871(m). Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates, including with respect to any other positions the Certificate Holder holds in the Underlying Stock.

**Potential investors are advised to consider the discussion in the accompanying Base Listing Document under “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986” and “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Foreign Account Tax Compliance Act Withholding” and to consult their own tax adviser on the tax impacts of the acquisition, holding, disposal and redemption of the Certificates. The requirement to pay such taxes may reduce the effective yield on the Certificates and may also have an adverse impact on their value;**

(ee) risks arising from the taxation of securities

Tax law and practice are subject to change, possibly with retroactive effect. This may have a negative impact on the value of the Certificates and/or the market price of the Certificates. For example, the specific tax assessment of the Certificates may change compared to its assessment at the time of purchase of the Certificates. This is especially true with regard to derivative Certificates and their tax treatment. Holders of Certificates therefore bear the risk that they may misjudge the taxation of the income from the purchase of the Certificates. However, there is also the possibility that the taxation of the income from the purchase of the Certificates will change to the detriment of the holders.

Holders of the Certificates bear the risk that the specific tax assessment of the Certificates will change. This can have a negative impact on the value of the Certificates and the investor may incur a corresponding loss. The stronger this negative effect, the greater the loss may be; and

(ff) risk factors relating to the BRRD

*French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.*

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”) entered into force on 2 July 2014. The BRRD, as amended, has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the “**BRR Act 2015**”). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

In April 2023, the EU Commission released a proposal to amend, in particular, the BRRD according to which senior preferred debt instruments would no longer rank pari passu with any non covered non preferred deposits of the Issuer; instead, senior preferred debt instruments would rank junior in right of payment to the claims of all depositors.

This proposal has been discussed and amended by the European Parliament and the European Council. Council and Parliament reached agreement on 6 December 2023 to make the proposal final and applicable. If the final agreement was adopted as is, there may be an increased risk of an investor in senior preferred debt instruments losing all or some of their investment in the context of the exercise of the Bail-in Power. The final agreement may also lead to a rating downgrade for senior preferred debt instruments.

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (“**SRM**”) and a Single Resolution Framework (the “**SRM Regulation**”) has established a centralised power of resolution entrusted to a Single Resolution Board (the “**SRB**”) in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank (“**ECB**”) has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism (“**SSM**”). In addition, the SRM has been put in place to ensure

that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been, and continues to be, designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD and the SRM Regulation provide the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

The BRRD, the BRR Act 2015 and the SRM Regulation however also state that, under exceptional circumstances, if the bail-in instrument is applied, the SRB, in cooperation with the CSSF, may completely or partially exclude certain liabilities from the application of the impairment or conversion powers under certain conditions.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The regime has evolved as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts were published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms ("**BRRD II**"); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the

**“SRM II Regulation”** and, together with the BRRD II, the **“EU Banking Package Reforms”**).

The EU Banking Package Reforms introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet (**“FSB TLAC Term Sheet”**), by adapting, among other things, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC has been implemented in accordance with the FSB TLAC Term Sheet, which impose a level of **“Minimum TLAC”** that will be determined individually for each global systemically important bank (**“G-SIB”**), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets since January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator since January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the **“CRR”**), as amended notably by Regulation (EU) 2019/876 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the **“CRR II”**) and Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 amending Regulation (EU) No 575/2013 and Directive 2014/59/EU as regards the prudential treatment of global systemically important institutions with a multiple-point-of-entry resolution strategy and methods for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities, EU G-SIBs, such as Societe Generale, have to comply with TLAC requirements, on top of the MREL requirements, since the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale have to comply with both the TLAC and MREL requirements.

Consequently, the criteria for MREL-eligible liabilities have been closely aligned with the criteria for TLAC-eligible liabilities under CRR II, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance with only an additional return permitted to be linked to that derivative component and dependent on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL is set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance and may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining term of at least one year and, they recognise contractually the Resolution Authority's power to write down or convert the liabilities governed by non-EU law.

The scope of liabilities used to meet MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in BRRD, as amended notably by BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that MREL be met with own funds and other subordinated

liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail-in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks, including Societe Generale).



## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.*

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	2,100,000 European Style Cash Settled Short Certificates relating to the Common Stock of Apple Inc. (the “ <b>Underlying Stock</b> ”)
ISIN:	LU2517564147
Company:	Apple Inc. (RIC: AAPL.OQ)
Underlying Price and Source:	The closing price of the Underlying Stock on 9 December 2024 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-3x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	USD 5.00
Management Fee (p.a.) <sup>3</sup> :	0.40%
Gap Premium (p.a.) <sup>4</sup> :	11.50%, is a hedging cost against extreme market movements beyond US market close on the same trading day.
Stock Borrowing Cost <sup>5</sup> :	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost <sup>5</sup> :	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	3 December 2024
Closing Date:	9 December 2024
Expected Listing Date:	10 December 2024

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<sup>3</sup> Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

<sup>4</sup> Please note that the Gap Premium is calculated on a 360-day basis.

<sup>5</sup> These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days’ notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 27 November 2026
Expiry Date:	The Business Day immediately following the Valuation Date, currently being 4 December 2026
Board Lot:	100 Certificates
Valuation Date:	3 December 2026 or if such day is not an Underlying Stock Business Day, the immediately following Underlying Stock Business Day and subject to the Market Disruption Event provisions.
Settlement Date:	No later than five Settlement Business Days following the Expiry Date, currently being 11 December 2026.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:  Closing Level multiplied by the Notional Amount per Certificate  Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 46 to 60 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$

Where:

“t” refers to “**Observation Date**” which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (such Underlying Stock Business Day being noted “t-1”) (included) and the Observation Date “t” (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Underlying Stock Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Underlying Stock Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Underlying Stock Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Underlying Stock Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 46 to 60 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left( \frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the “Specific Definitions relating to the Leverage Inverse Strategy” section on pages 22 to 26 below.

Initial Exchange Rate: 1

Final Exchange Rate:	1
Air Bag Mechanism:	<p>The “<b>Air Bag Mechanism</b>” refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 20% or more (“<b>Air Bag Trigger Price</b>”) during the trading day of the Relevant Stock Exchange for the Underlying Stock (which represents an approximately 60% loss after a 3 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day during the trading hours of the Relevant Stock Exchange for the Underlying Stock. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.</p> <p>The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero.</p> <p>Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 24 to 26 below and the “Description of Air Bag Mechanism” section on pages 52 to 53 of this document for further information of the Air Bag Mechanism.</p>
Adjustments and Extraordinary Events:	<p>The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.</p>
Underlying Stock Currency:	United States Dollar (“ <b>USD</b> ”)
Settlement Currency:	USD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (“ <b>SGX-ST</b> ”)
Relevant Stock Exchange for the Underlying Stock:	NASDAQ
Related Exchange:	Each exchange or quotation system, or alternative trading system, where trading has a material effect (as determined by the Calculation Agent) on the overall market for the Underlying Stock when the Relevant Stock Exchange for the Underlying Stock is not

open for trading

Underlying Stock Business Day, Business Day or Settlement Business Day: An “**Underlying Stock Business Day**” means a day on which NASDAQ is open for dealings in the United States during its normal trading hours and banks are open for business in the United States.

A “**Business Day**” is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

A “**Settlement Business Day**” is a Business Day on which the banks are open for business in the United States.

Warrant Agent: The Central Depository (Pte) Limited (“**CDP**”)

Clearing System: CDP

Fees and Charges: Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Investors holding position beyond market close of the SGX-ST would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET. Due to the difference in trading hours of the SGX-ST and the Relevant Stock Exchange for the Underlying Stock, unless investors exit their position within the same SGX-ST trading day, they would bear such annualised costs.

Further Information: Please refer to the website at [dlc.socgen.com](http://dlc.socgen.com) for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

## Specific Definitions relating to the Leverage Inverse Strategy

### Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 3 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 3 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

### Leverage Inverse Strategy Formula

**LSL<sub>t</sub>** means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

$$LSL_t = \text{Max}[LSL_{t-1} \times (1 + LR_{t-1,t} - FC_{t-1,t} - SB_{t-1,t} - RC_{t-1,t}), 0]$$

**LR<sub>t-1,t</sub>** means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times R_{factor_t}} - 1 \right)$$

**FC<sub>t-1,t</sub>** means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$FC_{t-1,t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{t-1} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

**SB<sub>t-1,t</sub>** means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$SB_{t-1,t} = -\text{Leverage} \times \frac{\text{CB} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

**CB** means the Cost of Borrowing applicable that is equal to 3.00%.

**RC<sub>t-1,t</sub>** means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows:

$$RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left( \left| \frac{S_t}{S_{t-1} \times R_{factor_t}} - 1 \right| \right) \times \text{TC}$$

<b>TC</b>	means the Transaction Costs applicable (including brokerage fees and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:  0.20%
<b>Leverage</b>	-3
<b>S<sub>t</sub></b>	means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.
<b>Rate<sub>t</sub></b>	means, in respect of each Observation Date(t), the US SOFR Secured Overnight Financing Rate, as published on Bloomberg Screen SOFRRATE Index page or any successor page, being the rate as of such Observation Date (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Bloomberg page.
<b>Rfactor<sub>t</sub></b>	means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula:  $Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$ <p>where</p> <p><i>Div<sub>t</sub></i> is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.</p>
<b>ACT(t-1,t)</b>	ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (such Underlying Stock Business Day being noted "t-1") (included) and the Observation Date "t" (excluded).
<b>DayCountBasis Rate</b>	365
<b>Benchmark Fallback</b>	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
<b>Reference Rate Event</b>	means, in respect of the Reference Rate any of the following has occurred or will occur:  (i) a Reference Rate Cessation;  (ii) an Administrator/Benchmark Event; or  (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide

development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.

**Reference Rate Cessation** means, for a Reference Rate, the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

**Administrator/Benchmark Event** means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.

**Reference Rate(s)** means the rate(s) used in the Leverage Inverse Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

**Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")**

**Extraordinary Strategy Adjustment for** If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date**, noted



**Performance Reasons** hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse Strategy Closing Level on the Intraday Restrike Date ( $LSL_{IRD}$ ) should be computed as follows:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)} \times (1 + ILR_{IR(n),IR(C)} - IRC_{IR(n),IR(C)}), 0]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)}, 0]$$

**$ILSL_{IR(k)}$**  means, in respect of  $IR(k)$ , the Intraday Leverage Inverse Strategy Level in accordance with the following provisions:

(1) for  $k = 1$ :

$$ILSL_{IR(1)} = \text{Max}[LSL_{IRD-1} \times (1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - SB_{IRD-1,IRD} - IRC_{IR(0),IR(1)}), 0]$$

(2) for  $k > 1$ :

$$ILSL_{IR(k)} = \text{Max}[ILSL_{IR(k-1)} \times (1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}), 0]$$

**$ILR_{IR(k-1),IR(k)}$**  means the Intraday Leveraged Return between  $IR(k-1)$  and  $IR(k)$ , calculated as follows:

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left( \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$$

**$IRC_{IR(k-1),IR(k)}$**  means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of  $IR(k)$  on a given Intraday Restrike Date, calculated as follows:

$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left( \left| \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right| \right) \times TC$$

**$IS_{IR(k)}$**  means the Underlying Stock Price in respect of  $IR(k)$  computed as follows:

(1) for  $k=0$

$$IS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$$

(2) for  $k=1$  to  $n$

means in respect of  $IR(k)$ , the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to  $IR(C)$

$$IS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

**$IR(k)$**  For  $k=0$ , means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;

	For $k=1$ to $n$ , means the $k^{\text{th}}$ Intraday Restrike Event on the relevant Intraday Restrike Date.
<b>IR(C)</b>	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
<b>n</b>	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
<b>Intraday Restrike Event</b>	means in respect of an Observation Date(t): (1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 20% or more compared with the relevant Underlying Stock Price $IS_{IR(0)}$ as of such Calculation Time. (2) if $k$ Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 20% or more compared with the relevant Underlying Stock Price $IS_{IR(k)}$ as of such Calculation Time.
<b>Calculation Time</b>	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
<b>TimeReferenceOpening</b>	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
<b>TimeReferenceClosing</b>	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
<b>Intraday Restrike Event Observation Period</b>	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
<b>Intraday Restrike Event Time</b>	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

## TERMS AND CONDITIONS OF

### THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

#### 1. Form, Status and Guarantee, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of: -
- (i) a master instrument by way of deed poll (the “**Master Instrument**”) dated 14 June 2024, made by SG Issuer (the “**Issuer**”) and Société Générale (the “**Guarantor**”); and
  - (ii) a warrant agent agreement (the “**Master Warrant Agent Agreement**” or “**Warrant Agent Agreement**”) dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the “**Certificate Holders**”) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status and Guarantee.* The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a “**Guarantee Obligation**”).

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the “**Code**”).

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

- (i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the “**Law**”) on 11 December 2016;
- (ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;
- (iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and
- (iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

- (c) **Transfer.** The Certificates are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) **Title.** Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression “**Certificate Holder**” shall be construed accordingly.
- (e) **Bail-In.** By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:
  - (i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer’s liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:
    - (A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;
    - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other

securities or other obligations of the Issuer or the Guarantor or another person;

- (C) the cancellation of the Certificates; and/or
- (D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the “**Statutory Bail-In**”);

- (ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the “**Code**”):

- (A) ranking:
  - (1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the Code;
  - (2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the Code; and
  - (3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the Code; and
- (B) which are not *titres non structurés* as defined under Article R.613-28 of the Code, and
- (C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer’s obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself and any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the “**Contractual Bail-in**”).

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

**“Amounts Due”** means any amounts due by the Issuer under the Certificates.

**“Bail-In Power”** means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, varied or otherwise modified in any way and/or converted into shares or other securities or obligations of the obligor or any other person.

**“MREL”** means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15

May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

“**Relevant Resolution Authority**” means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

## 2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The “**Closing Level**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left( \frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case: -

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

“**Market Disruption Event**” means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the “**Exercise Expenses**”). An

amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

- (c) **No Rights.** The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

### **3. Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

### **4. Exercise of Certificates**

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document and subject to extension upon the occurrence of a Settlement Disruption Event (as defined below)) following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.



If the Issuer determines, in its sole discretion, that on any Settlement Business Day during the period of five Settlement Business Days following the Expiry Date a Settlement Disruption Event has occurred, such Settlement Business Day shall be postponed to the next Settlement Business Day on which the Issuer determines that the Settlement Disruption Event is no longer subsisting and such period shall be extended accordingly, provided that the Issuer and/or the Guarantor shall make their best endeavours to implement remedies as soon as reasonably practicable to eliminate the impact of the Settlement Disruption Event on its/their payment obligations under the Certificates and/or the Guarantee.

**“Settlement Disruption Event”** means the occurrence or existence of any malicious action or attempt initiated to steal, expose, alter, disable or destroy information through unauthorised access to, or maintenance or use of, the Computer Systems of the Issuer, the Guarantor, the Calculation Agent, their respective affiliates (the “SG Group”), their IT service providers, by (and without limitation) the use of malware, ransomware, phishing, denial or disruption of service or cryptojacking or any unauthorized entry, removal, reproduction, transmission, deletion, disclosure or modification preventing the Issuer, the Guarantor and/or the Calculation Agent to perform their obligations under the Certificates, and notwithstanding the implementation of processes, required, as the case may be, by the laws and regulations applicable to the Issuer, the Guarantor, the Calculation Agent and their affiliates, or their IT service providers to improve their resilience to these actions and attempts.

**“Computer System”** means all the computer resources including, in particular: hardware, software packages, software, databases and peripherals, equipment, networks, electronic installations for storing computer data, including Data. The Computer System shall be understood to be that which (i) belongs to the SG Group and/or (ii) is rented, operated or legally held by the SG Group under a contract with the holder of the rights to the said system and/or (iii) is operated on behalf of the SG Group by a third party within the scope of a contractual relationship and/or (iv) is made available to the SG Group under a contract within the framework of a shared system (in particular cloud computing).

**“Data”** means any digital information, stored or used by the Computer System, including confidential data.

- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a **“Business Day”** shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

## 5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the

specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

## 6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
- (iii) an extraordinary dividend;
- (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
- (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

- (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
  - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or
  - (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Subdivision or Consolidation of the Certificates.* The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction) and subject to the approval of the SGX-ST.
- (f) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it

believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

- (g) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

#### **6A. US withholding tax implications on the Payment**

Notwithstanding any other provision of these Conditions, in no event will the Issuer or the Guarantor be required to pay any additional amounts in respect of the Certificates for, or on account of, any withholding or deduction (i) required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**US Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the US Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto, (ii) imposed pursuant to the Section 871(m) Regulations (“**Section 871(m) Withholding**”) or (iii) imposed by any other law of the United States. In addition, in determining the amount of Section 871(m) Withholding imposed on any payments on the Certificates, the Issuer shall be entitled to withhold on any “dividend equivalent” (as defined for purposes of Section 871(m) of the US Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

With respect to Specified Warrants that provide for net dividend reinvestment in respect of either an underlying U.S. security (i.e. a security that pays U.S. source dividends) or an index that includes U.S. securities, all payments on Certificates that reference such U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer or the Guarantor will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer or the Guarantor will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

For the purpose of this Condition:

“**Section 871(m) Regulations**” means the U.S. Treasury regulations issued under Section 871(m) of the Code.

“**Specified Warrants**” means, subject to special rules from 2017 through 2026 set out in Notice 2024-44 (the **Notice**), Warrants issued on or after 1 January 2017 that substantially replicate the economic performance of one or more U.S. underlying equities as determined by the Issuer on the date for such Warrants as of which the expected delta of the product is determined by the Issuer, based on tests set out in the applicable Section 871(m) Regulations, such that the Warrants are subject to withholding under the Section 871(m) Regulations.

## 7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

## 8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

## 9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

## **10. Liquidation**

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

## **11. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

## **12. Delisting**

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

## **13. Early Termination**

- (a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may

in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(e).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

**“Regulatory Event”** means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the **“Relevant Affiliates”** and each of the Issuer, Société Générale and the Relevant Affiliates, a **“Relevant Entity”**) that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer’s obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer’s obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer’s obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer’s obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer’s capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

**“Change in law”** means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising



executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for Holding Limit Event.* The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(e) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

**“Holding Limit Event”** means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

- (c) *Early Termination for Hedging Disruption.* If the Issuer or any of its affiliates is, following commercially reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any Hedge Positions (as defined below) or (ii) to freely realize, recover, receive, repatriate, remit, regain or transfer the proceeds of any Hedge Position (where either (i) or (ii) shall constitute a **“Hedging Disruption”**), the Issuer may terminate the Certificates early in accordance with Condition 13(e) provided that the intrinsic value on the previous trading day of the relevant Certificate is at or above the Issue Price. The Issuer’s decision on whether a Hedging Disruption has occurred is final and conclusive. For the avoidance of doubt, Hedging Disruptions shall include the scenario where any Hedge Position cannot be maintained up to the amount necessary to cover all of the Issuer’s obligations under the Certificates.

For the purposes hereof, **“Hedge Positions”** means any one or more commercially reasonable (i) positions (including long or short positions) or contracts in, or relating to, securities, options, futures, other derivatives contracts or foreign exchange, (ii) stock loan or borrowing transactions or (iii) other instruments, contracts, transactions or arrangements (howsoever described) that the Issuer or any of its affiliates determines necessary to hedge, individually or on a portfolio basis, any risk (including, without limitation, market risk, price risk, foreign exchange risk and interest rate risk) in relation to the assumption and fulfilment of the Issuer’s obligations under the Certificates.

- (d) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(e) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without

considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

- (e) *Termination.* If the Issuer terminates the Certificates early, the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The determination of the fair market value may deviate from the determination of the Cash Settlement Amount under different scenarios, including but not limited to, where (i) the Daily Reset (as defined in the relevant Supplemental Listing Document) mechanism is suspended and/or (ii) the Final Reference Level is determined based on the closing price of the Underlying Stock on multiple Underlying Stock Business Days or Exchange Business Days, as the case may be. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

#### **14. Substitution of the Issuer**

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the “**Substituted Obligor**”), it shall give at least 90 days’ notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

#### **15. Governing Law**

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

**16. Prescription**

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

**17. Contracts (Rights of Third Parties) Act 2001 of Singapore**

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

## SUMMARY OF THE ISSUE

*The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.*

Issuer:	SG Issuer
Company:	Apple Inc.
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	2,100,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 14 June 2024 (the “ <b>Master Instrument</b> ”) and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the “ <b>Master Warrant Agent Agreement</b> ”) and made between the Issuer, the Guarantor and the Warrant Agent (as amended and/or supplemented from time to time).
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to:  Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	USD
Board Lot:	100 Certificates

- Transfers of Certificates: Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
- Listing: Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 10 December 2024.
- Governing Law: The laws of Singapore
- Warrant Agent: The Central Depository (Pte) Limited  
4 Shenton Way  
#02-01 SGX Centre 2  
Singapore 068807
- Further Issues: Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

## INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

### What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

#### **A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry**

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will fall and are seeking short-term leveraged inverse exposure to the Underlying Stock.

#### **B) Trading the Certificates before Expiry**

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates beyond market close of the SGX-ST: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. Due to the difference in trading hours of the SGX-ST and the Relevant Stock Exchange for the Underlying Stock, unless investors exit their position within the same SGX-ST trading day, they would bear the annualised costs.

### Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	<b>Daily Management Fee Adjustment</b>
		1 – Management Fee x ACT (t-1;t) / 360
		x
		<b>Daily Gap Premium Adjustment</b>
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

### Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	t <sup>0</sup> =0	x	t=1	x	t=2	x ...	t=i			
		Notional Amount		Leverage Inverse Strategy daily performance <sup>7</sup>		Daily Fees		Leverage Inverse Strategy daily performance	Daily Fees	Leverage Inverse Strategy Daily performance	Daily Fees

Value of Certificates	=	t=0	x	<b>Product of the daily Leverage Inverse Strategy Performance</b>	x	<b>Product of the Daily Fees (Hedging Fee Factor)</b>
		Notional Amount		Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance		Daily Fees x Daily Fees

Final Value of Certificates	=	t=0	x	Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor
		Notional Amount						

### Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday within SGX-ST trading hours, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

<sup>6</sup> "t" refers to "Observation Date" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date on which no Market Disruption Event occurs.

<sup>7</sup> Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

## Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you **MUST NOT** rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Common Stock of Apple Inc.
Expected Listing Date:	03/07/2018
Expiry Date:	18/07/2018
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	5.00 USD
Notional Amount per Certificate:	5.00 USD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	11.50%
Strike Level:	Zero

### Hedging Fee Factor

Hedging Fee Factor on the  $n^{\text{th}}$  Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 11.50\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9681\% \approx 99.9669\%$$



Assuming 2<sup>nd</sup> Underlying Stock Business Day falls 3 Calendar Days after 1<sup>st</sup> Underlying Stock Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

$$\text{HFF (2)} = 99.9669\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 11.50\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9669\% \times 99.9967\% \times 99.9042\% \approx 99.8678\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\text{HFF (n)} = \text{HFF (n-1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.5053% as illustrated below:

Date	HFF
03/07/2018	100.0000%
04/07/2018	99.9669%
05/07/2018	99.9339%
06/07/2018	99.9009%
09/07/2018	99.8018%
10/07/2018	99.7688%
11/07/2018	99.7358%
12/07/2018	99.7029%
13/07/2018	99.6699%
16/07/2018	99.5711%
17/07/2018	99.5382%
18/07/2018	99.5053%

### Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

$$= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.5053\%$$

$$= 119.41\%$$

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

$$= 119.41\% \times 5.00 \text{ USD}$$

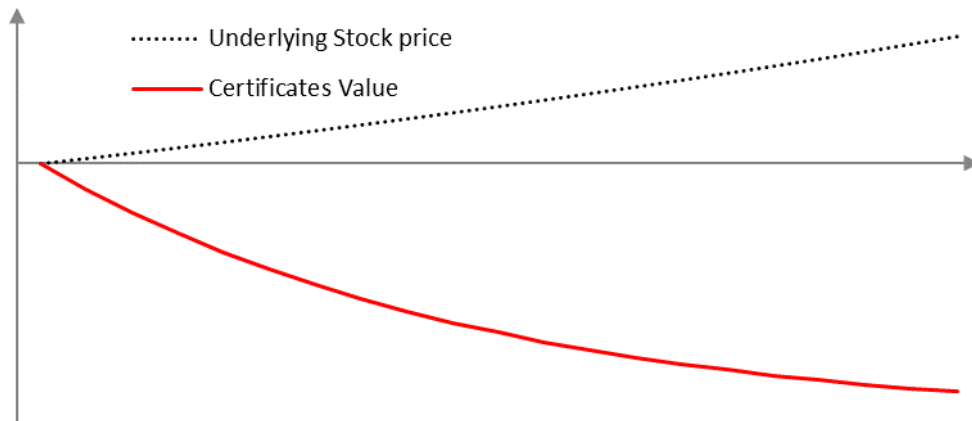
$$= 5.970 \text{ USD}$$

### Illustration on how returns and losses can occur under different scenarios

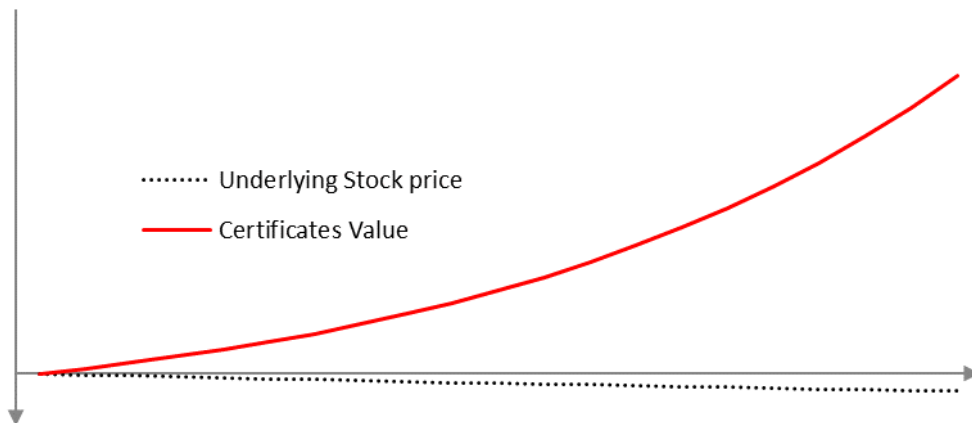
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees or any other market parameters.

#### 1. Illustrative examples

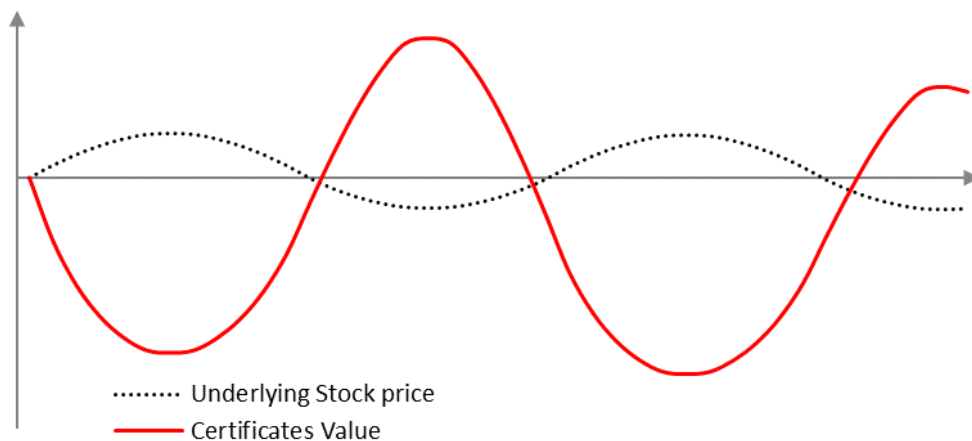
Scenario 1 – Upward Trend (during US trading hours)



Scenario 2 – Downward Trend (during US trading hours)



Scenario 3 – Volatile Market (during US trading hours)



## 2. Numerical Examples

### Scenario 1 – Upward Trend

<b>Underlying Stock</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of US trading day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return	0.00%	2.00%	4.04%	6.12%	8.24%	10.41%

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-6.0%	-6.0%	-6.0%	-6.0%	-6.0%
Value at end of US trading day	5.00	4.70	4.42	4.15	3.90	3.67
Accumulated Return	0.00%	-6.00%	-11.64%	-16.94%	-21.93%	-26.61%

### Scenario 2 – Downward Trend

<b>Underlying Stock</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of US trading day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return	0.00%	-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		6.0%	6.0%	6.0%	6.0%	6.0%
Value at end of US trading day	5.00	5.30	5.62	5.96	6.31	6.69
Accumulated Return	0.00%	6.00%	12.36%	19.10%	26.25%	33.82%

### Scenario 3 – Volatile Market

<b>Underlying Stock</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of US trading day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return	0.00%	2.00%	-0.04%	1.96%	-0.08%	1.92%

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-6.0%	6.0%	-6.0%	6.0%	-6.0%
Value at end of US trading day	5.00	4.70	4.98	4.68	4.96	4.67
Accumulated Return	0.00%	-6.00%	-0.36%	-6.34%	-0.72%	-6.68%

## Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, the following events occur:

- **Observation Period:** the price of the Underlying Stock is observed and its maximum price is recorded (i) during 15 minutes of continuous trading after the Air Bag is triggered, or (ii) until Market Close if there is less than 15 minutes of continuous trading until Market Close when the Air Bag Mechanism is triggered; and thereafter
- **Reset Period:** the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy after the reset.

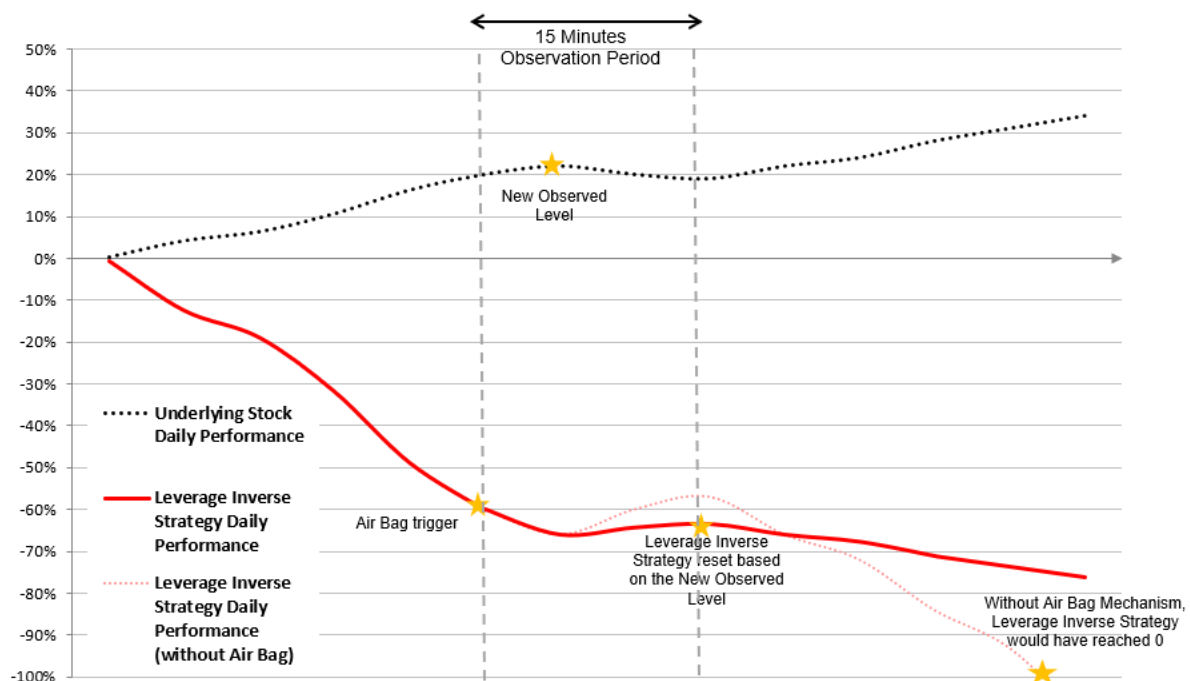
With **Market Close** defined as:

- the Underlying Stock closing time with respect to the Observation Period

The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

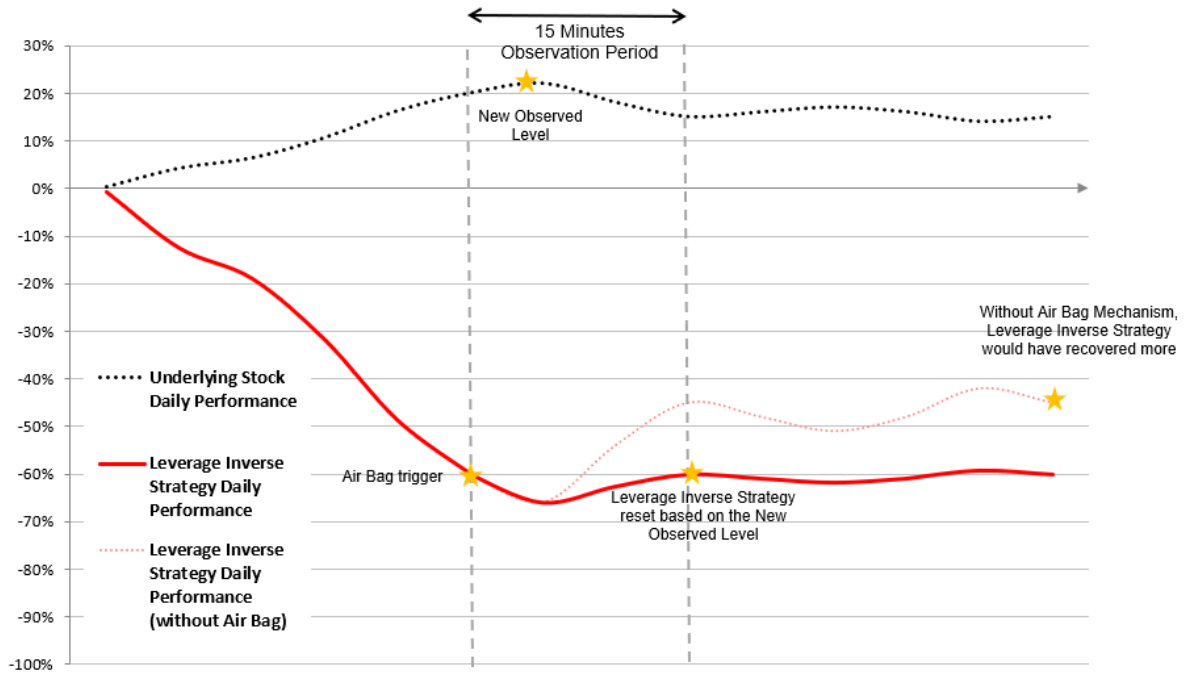
### Illustrative examples of the Air Bag Mechanism<sup>8</sup>

#### Scenario 1 – Upward Trend after Air Bag trigger (during US trading hours)

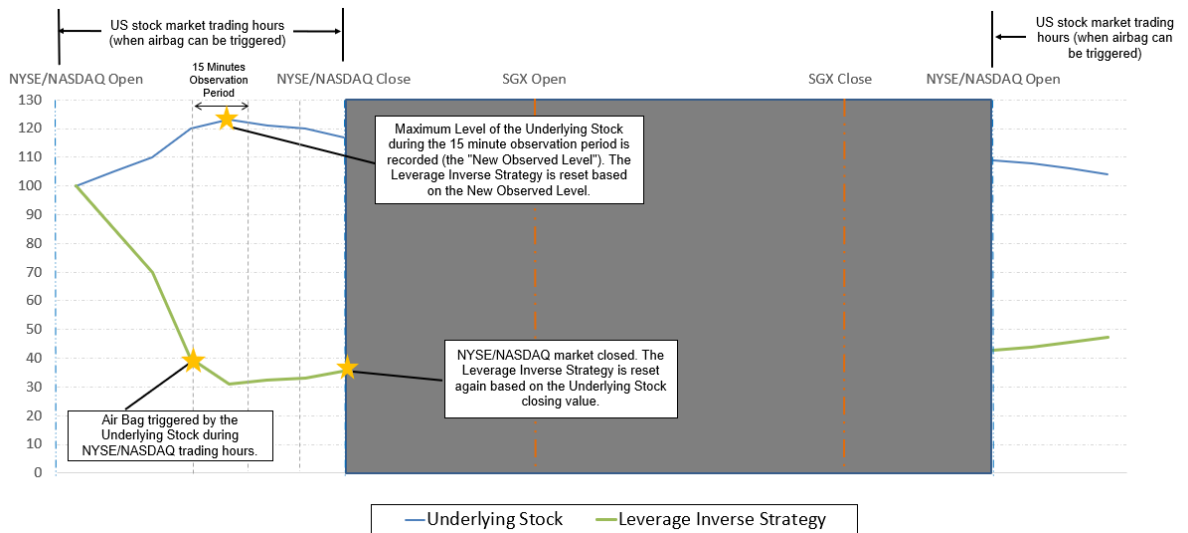


<sup>8</sup> The illustrative examples are not exhaustive. The illustrative examples above are designed to illustrate the impact of the Air Bag Mechanism on the assumption that there will be a residual value in the Certificates following the Air Bag triggers. Please refer to “Scenarios where the investor may lose the entire value of the investment” on pages 54 to 55 on hypothetical scenarios when investors may lose their entire value of the investment.

Scenario 2 – Downward Trend after Air Bag trigger (during US trading hours)



- **The Air Bag Mechanism can only be triggered during trading hours of the Relevant Stock Exchange for the Underlying Stock**

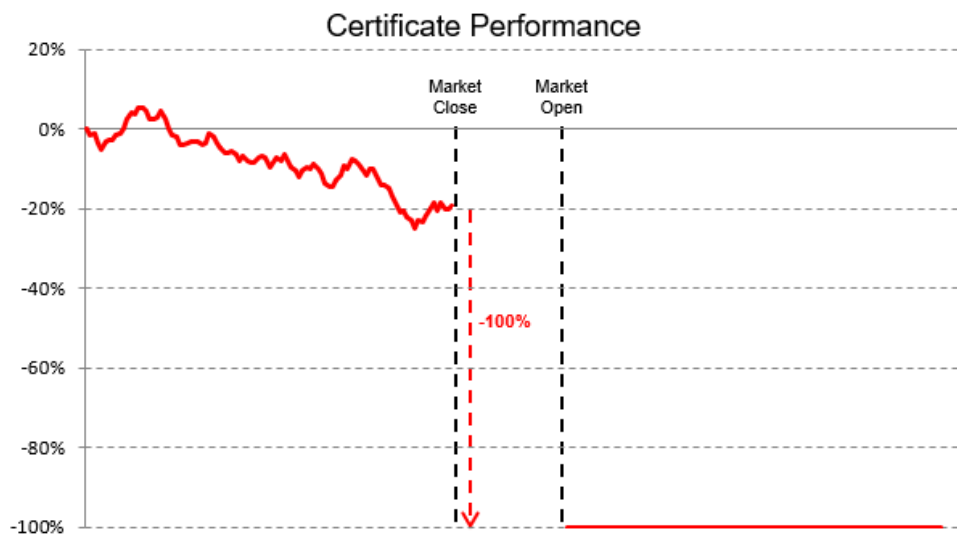
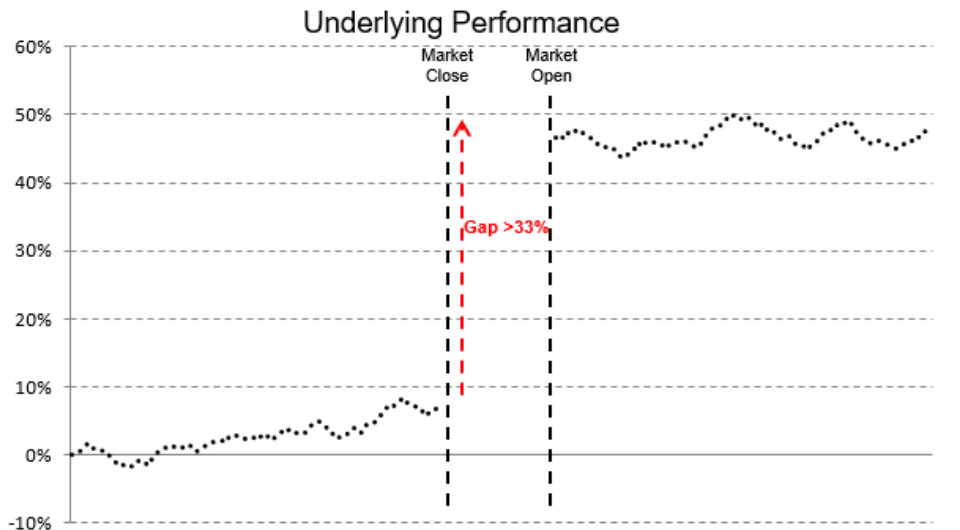


## Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

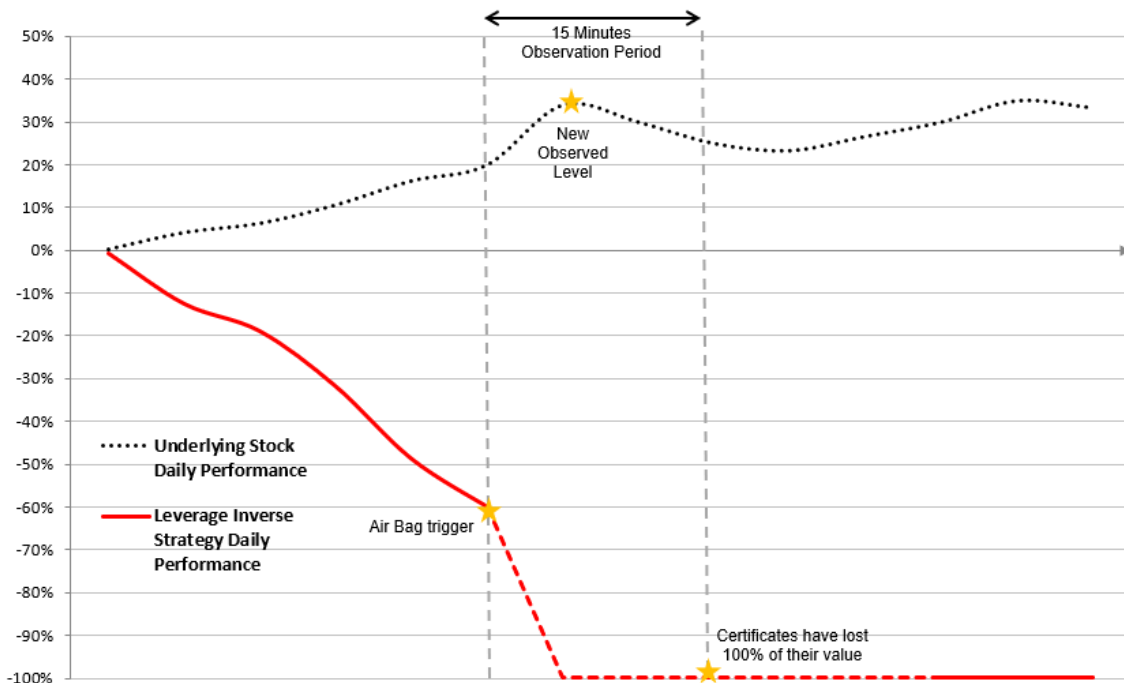
### Scenario 1 – Rise of the Underlying Stock outside of US trading hours

On any Underlying Stock Business Day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous trading day of the Relevant Stock Exchange for the Underlying Stock. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is approximately 33% or more above the closing price on the previous trading day of the Relevant Stock Exchange for the Underlying Stock, the Air Bag Mechanism may only be triggered during the trading hours of the Relevant Stock Exchange for the Underlying Stock, and the Certificates would lose their entire value in such event. In such case, as the Certificates became valueless during the US trading hours, at subsequent SGX-ST open, the DMM may not provide any quotation on the Certificates and the Issuer may apply to suspend trading of the Certificates.



Scenario 2 – Sharp intraday rise of the Underlying Stock during US trading hours

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificates can lose 100% of their value in the event the price of the Underlying Stock rises by approximately 33% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event. In such case, as the Certificates became valueless during the US trading hours, at subsequent SGX-ST open, the DMM may not provide any quotation on the Certificates and the Issuer may apply to suspend trading of the Certificates.



## Examples and illustrations of adjustments due to certain corporate actions

*The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.*

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the  $Rfactor_t$  with respect to such Observation Date (t) by an amount computed according to the following generic formula:

$$Rfactor_t = \left[ 1 - \frac{Div_t + DivExc_t - M \times R}{S_{t-1}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of  $Rfactor_t$  would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag Mechanism would not be triggered if the stock price rises by 20% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$  is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

**M** is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

**R** is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

### 1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{t-1} = \$100$$

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$



M = 1 (i.e. 1 new Shares for 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{51}{100 \times 50\%} - 1 \right) = -6\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
5.00	4.70	-6%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$60, which is 20% above \$50, the Underlying Stock Reference Price.

## 2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{t-1} = \$100$$

$$S_t = \$202$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{202}{100 \times 200\%} - 1 \right) = -3\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
5.00	4.85	-3%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$240, which is 20% above \$200, the Underlying Stock Reference Price.

### 3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{84}{100 \times 80\%} - 1 \right) = -15\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
5.00	4.25	-15%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$96, which is 20% above \$80, the Underlying Stock Reference Price.

#### 4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{t-1} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$M = 0.2$  (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{85}{100 \times 83.33\%} - 1 \right) = -6\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
5.00	4.70	-6%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$100, which is 20% above \$83.33, the Underlying Stock Reference Price.

#### 5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[ 1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{84}{100 \times 80\%} - 1 \right) = -15\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
5.00	4.25	-15%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$96, which is 20% above \$80, the Underlying Stock Reference Price.

## INFORMATION RELATING TO THE COMPANY

*All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of NASDAQ at [www.nasdaq.com](http://www.nasdaq.com) and/or the Company's web-site at <https://investor.apple.com/investor-relations/>. The Issuer has not independently verified any of such information.*

Apple Inc. (the “**Company**”) designs, manufactures, and markets smartphones, personal computers, tablets, wearables and accessories, and sells a variety of related accessories. The Company also offers payment, digital content, cloud and advertising services. Apple Inc.'s customers are primarily in consumer, small & mid-sized business, education, enterprise and government markets worldwide.

The information set out in Appendix I of this document relates to the annual report of the Company and its subsidiaries for the fiscal year ended 28 September 2024 and has been extracted and reproduced from an announcement by the Company dated 1 November 2024 in relation to the same. Further information relating to the Company may be located on the web-site of NASDAQ at [www.nasdaq.com](http://www.nasdaq.com).

## INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker (“**DMM**”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is US\$10 and below: 10 ticks or US\$0.20 whichever is greater; and  
(ii) when the best bid price of the Certificate is above US\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide quotations in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) when trading in the Underlying Stock is suspended or limited in a material way for any reason (including price quote limits activated by the Relevant Stock Exchange for the Underlying Stock or otherwise<sup>9</sup>), for the avoidance of doubt, the DMM is not obliged to provide quotation for the Certificate at any time when the Underlying Stock is not negotiated/traded for any reason during the last trading session of the Relevant Stock Exchange for the Underlying Stock;
- (iv) when trading of the Underlying Stock on any Related Exchange, or access to pricing information of the Underlying Stock on any Related Exchange is suspended, not available, or limited in a material way for any reason (including price quote limits activated by the Related Exchange on such Underlying Stock or otherwise);
- (v) where the Certificates are suspended from trading for any reason including, but without limitation, as a result of trading in the Underlying Stock on any Related Exchange being suspended, or trading generally on any Related Exchange being suspended;
- (vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or the Relevant Stock Exchange for the Underlying Stock<sup>9</sup> or any Related Exchange for the Underlying Stock, or

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<sup>9</sup> Price quote limits activated by the Relevant Stock Exchange for the Underlying Stock are not applicable to the market making of the Certificates (as defined herein).

any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock, or in trading of the Underlying Stock on any Related Exchange;

- (vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide bid quotations. The DMM may provide intermittent offer quotations when it has inventory of the Certificates;
- (x) if the SGX-ST, the Relevant Stock Exchange for the Underlying Stock or any Related Exchange experiences exceptional price movement and volatility;
- (xi) when any Related Exchange(s) relating to the trading of the Underlying Stock and the Relevant Stock Exchange for the Underlying Stock are not open for dealings concurrently;
- (xii) when it is a public holiday in Singapore and the SGX-ST is not open for dealings; and
- (xiii) during trading hours of the SGX-ST on any Business Day when it is a public holiday in the United States and the Relevant Stock Exchange for the Underlying Stock is not open for dealings.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

## **SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR**

The information set out in Appendix II of this document is a reproduction of the press release dated 31 October 2024 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2024.

On 23 September 2024, the share capital of Société Générale stands at EUR 1,000,395,971.25 and comprises 800,316,777 shares with a nominal value of EUR 1.25 per share.



## SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with the information set out in the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.
2. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in United States Dollar. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2024 or the Guarantor since 30 September 2024, in the context of the issuance of Certificates hereunder.
5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:
  - (a) the Guarantee;
  - (b) the Master Instrument; and
  - (c) the Master Warrant Agent Agreement.

None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The reports of the Auditors of the Issuer and the Guarantor were not prepared exclusively for incorporation into this document.

The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.
7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.
9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale,

Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:

- (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;
- (b) the latest financial reports (including the notes thereto) of the Issuer;
- (c) the latest financial reports (including the notes thereto) of the Guarantor;
- (d) the Base Listing Document (which can also be viewed at: <https://www.sgx.com/securities/prospectus-circulars-offer-documents>);
- (e) this document; and
- (f) the Guarantee.

## PLACING AND SALE

### General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

### Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

### Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("SFO")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("CWUMPO") or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made

available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

### **United Kingdom**

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

- (a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or

dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

### **United States**

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”) and the Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it is not a U.S. Person, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (iii) it is not purchasing any Certificates, directly or indirectly, in the United States or for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S.

person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term “**United States**” includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term “**U.S. person**” means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986 (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the “**CEA**”) or any rules thereunder of the CFTC (the “**CFTC Rules**”), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person), or (iv) a U.S. Person for purposes of the final rules implementing the credit risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended.

## **APPENDIX I**

### **REPRODUCTION OF THE ANNUAL REPORT FOR THE FISCAL YEAR ENDED 28 SEPTEMBER 2024 OF APPLE INC. AND ITS SUBSIDIARIES**

The information set out below is a reproduction of the annual report of the Company and its subsidiaries for the fiscal year ended 28 September 2024 and has been extracted and reproduced from an announcement by the Company dated 1 November 2024 in relation to the same.

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 28, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number: 001-36743



Apple Inc.

(Exact name of Registrant as specified in its charter)

California

(State or other jurisdiction  
of incorporation or organization)

94-2404110

(I.R.S. Employer Identification No.)

One Apple Park Way  
Cupertino, California

(Address of principal executive offices)

95014

(Zip Code)

(408) 996-1010

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00001 par value per share	AAPL	The Nasdaq Stock Market LLC
0.000% Notes due 2025	—	The Nasdaq Stock Market LLC
0.875% Notes due 2025	—	The Nasdaq Stock Market LLC
1.625% Notes due 2026	—	The Nasdaq Stock Market LLC
2.000% Notes due 2027	—	The Nasdaq Stock Market LLC
1.375% Notes due 2029	—	The Nasdaq Stock Market LLC
3.050% Notes due 2029	—	The Nasdaq Stock Market LLC
0.500% Notes due 2031	—	The Nasdaq Stock Market LLC
3.600% Notes due 2042	—	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company



If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

The aggregate market value of the voting and non-voting stock held by non-affiliates of the Registrant, as of March 29, 2024, the last business day of the Registrant's most recently completed second fiscal quarter, was approximately \$2,628,553,000,000. Solely for purposes of this disclosure, shares of common stock held by executive officers and directors of the Registrant as of such date have been excluded because such persons may be deemed to be affiliates. This determination of executive officers and directors as affiliates is not necessarily a conclusive determination for any other purposes.

15,115,823,000 shares of common stock were issued and outstanding as of October 18, 2024.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the Registrant's definitive proxy statement relating to its 2025 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The Registrant's definitive proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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Apple Inc.

Form 10-K

For the Fiscal Year Ended September 28, 2024

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*This Annual Report on Form 10-K (“Form 10-K”) contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Many of the forward-looking statements are located in Part I, Item 1 of this Form 10-K under the heading “Business” and Part II, Item 7 of this Form 10-K under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. For example, statements in this Form 10-K regarding the potential future impact of macroeconomic conditions on the Company’s business and results of operations are forward-looking statements. Forward-looking statements can also be identified by words such as “future,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “will,” “would,” “could,” “can,” “may,” and similar terms. Forward-looking statements are not guarantees of future performance and the Company’s actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A of this Form 10-K under the heading “Risk Factors.” The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.*

*Unless otherwise stated, all information presented herein is based on the Company’s fiscal calendar, and references to particular years, quarters, months or periods refer to the Company’s fiscal years ended in September and the associated quarters, months and periods of those fiscal years. Each of the terms the “Company” and “Apple” as used herein refers collectively to Apple Inc. and its wholly owned subsidiaries, unless otherwise stated.*

## **PART I**

### **Item 1. Business**

#### **Company Background**

The Company designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories, and sells a variety of related services. The Company’s fiscal year is the 52- or 53-week period that ends on the last Saturday of September.

#### **Products**

##### *iPhone*

iPhone® is the Company’s line of smartphones based on its iOS operating system. The iPhone line includes iPhone 16 Pro, iPhone 16, iPhone 15, iPhone 14 and iPhone SE®.

##### *Mac*

Mac® is the Company’s line of personal computers based on its macOS® operating system. The Mac line includes laptops MacBook Air® and MacBook Pro®, as well as desktops iMac®, Mac mini®, Mac Studio® and Mac Pro®.

##### *iPad*

iPad® is the Company’s line of multipurpose tablets based on its iPadOS® operating system. The iPad line includes iPad Pro®, iPad Air®, iPad and iPad mini®.

##### *Wearables, Home and Accessories*

Wearables includes smartwatches, wireless headphones and spatial computers. The Company’s line of smartwatches, based on its watchOS® operating system, includes Apple Watch Ultra® 2, Apple Watch® Series 10 and Apple Watch SE®. The Company’s line of wireless headphones includes AirPods®, AirPods Pro®, AirPods Max® and Beats® products. Apple Vision Pro™ is the Company’s first spatial computer based on its visionOS™ operating system.

Home includes Apple TV®, the Company’s media streaming and gaming device based on its tvOS® operating system, and HomePod® and HomePod mini®, high-fidelity wireless smart speakers.

Accessories includes Apple-branded and third-party accessories.

## Services

### *Advertising*

The Company's advertising services include third-party licensing arrangements and the Company's own advertising platforms.

### *AppleCare*

The Company offers a portfolio of fee-based service and support products under the AppleCare® brand. The offerings provide priority access to Apple technical support, access to the global Apple authorized service network for repair and replacement services, and in many cases additional coverage for instances of accidental damage or theft and loss, depending on the country and type of product.

### *Cloud Services*

The Company's cloud services store and keep customers' content up-to-date and available across multiple Apple devices and Windows personal computers.

### *Digital Content*

The Company operates various platforms, including the App Store®, that allow customers to discover and download applications and digital content, such as books, music, video, games and podcasts.

The Company also offers digital content through subscription-based services, including Apple Arcade®, a game subscription service; Apple Fitness+<sup>SM</sup>, a personalized fitness service; Apple Music®, which offers users a curated listening experience with on-demand radio stations; Apple News+®, a subscription news and magazine service; and Apple TV+®, which offers exclusive original content and live sports.

### *Payment Services*

The Company offers payment services, including Apple Card®, a co-branded credit card, and Apple Pay®, a cashless payment service.

## Segments

The Company manages its business primarily on a geographic basis. The Company's reportable segments consist of the Americas, Europe, Greater China, Japan and Rest of Asia Pacific. Americas includes both North and South America. Europe includes European countries, as well as India, the Middle East and Africa. Greater China includes China mainland, Hong Kong and Taiwan. Rest of Asia Pacific includes Australia and those Asian countries not included in the Company's other reportable segments. Although the reportable segments provide similar hardware and software products and similar services, each one is managed separately to better align with the location of the Company's customers and distribution partners and the unique market dynamics of each geographic region.

## Markets and Distribution

The Company's customers are primarily in the consumer, small and mid-sized business, education, enterprise and government markets. The Company sells its products and resells third-party products in most of its major markets directly to customers through its retail and online stores and its direct sales force. The Company also employs a variety of indirect distribution channels, such as third-party cellular network carriers, wholesalers, retailers and resellers. During 2024, the Company's net sales through its direct and indirect distribution channels accounted for 38% and 62%, respectively, of total net sales.

## Competition

The markets for the Company's products and services are highly competitive, and are characterized by aggressive price competition and resulting downward pressure on gross margins, frequent introduction of new products and services, short product life cycles, evolving industry standards, continual improvement in product price and performance characteristics, rapid adoption of technological advancements by competitors, and price sensitivity on the part of consumers and businesses. Many of the Company's competitors seek to compete primarily through aggressive pricing and very low cost structures, and by imitating the Company's products and infringing on its intellectual property.

The Company's ability to compete successfully depends heavily on ensuring the continuing and timely introduction of innovative new products, services and technologies to the marketplace. The Company designs and develops nearly the entire solution for its products, including the hardware, operating system, numerous software applications and related services. Principal competitive factors important to the Company include price, product and service features (including security features), relative price and performance, product and service quality and reliability, design innovation, a strong third-party software and accessories ecosystem, marketing and distribution capability, service and support, and corporate reputation.

The Company is focused on expanding its market opportunities related to smartphones, personal computers, tablets, wearables and accessories, and services. The Company faces substantial competition in these markets from companies that have significant technical, marketing, distribution and other resources, as well as established hardware, software, and service offerings with large customer bases. In addition, some of the Company's competitors have broader product lines, lower-priced products and a larger installed base of active devices. Competition has been particularly intense as competitors have aggressively cut prices and lowered product margins. Certain competitors have the resources, experience or cost structures to provide products at little or no profit or even at a loss. The Company's services compete with business models that provide content to users for free and use illegitimate means to obtain third-party digital content and applications. The Company faces significant competition as competitors imitate the Company's product features and applications within their products, or collaborate to offer integrated solutions that are more competitive than those they currently offer.

### **Supply of Components**

Although most components essential to the Company's business are generally available from multiple sources, certain components are currently obtained from single or limited sources. The Company also competes for various components with other participants in the markets for smartphones, personal computers, tablets, wearables and accessories. Therefore, many components used by the Company, including those that are available from multiple sources, are at times subject to industry-wide shortage and significant commodity pricing fluctuations.

The Company uses some custom components that are not commonly used by its competitors, and new products introduced by the Company often utilize custom components available from only one source. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or their manufacturing capacities have increased. The continued availability of these components at acceptable prices, or at all, may be affected if suppliers decide to concentrate on the production of common components instead of components customized to meet the Company's requirements.

The Company has entered into agreements for the supply of many components; however, there can be no guarantee that the Company will be able to extend or renew these agreements on similar terms, or at all.

### **Research and Development**

Because the industries in which the Company competes are characterized by rapid technological advances, the Company's ability to compete successfully depends heavily upon its ability to ensure a continual and timely flow of competitive products, services and technologies to the marketplace. The Company continues to develop new technologies to enhance existing products and services, and to expand the range of its offerings through research and development ("R&D"), licensing of intellectual property and acquisition of third-party businesses and technology.

### **Intellectual Property**

The Company currently holds a broad collection of intellectual property rights relating to certain aspects of its hardware, accessories, software and services. This includes patents, designs, copyrights, trademarks, trade secrets and other forms of intellectual property rights in the U.S. and various foreign countries. Although the Company believes the ownership of such intellectual property rights is an important factor in differentiating its business and that its success does depend in part on such ownership, the Company relies primarily on the innovative skills, technical competence and marketing abilities of its personnel.

The Company regularly files patent, design, copyright and trademark applications to protect innovations arising from its research, development, design and marketing, and is currently pursuing thousands of applications around the world. Over time, the Company has accumulated a large portfolio of issued and registered intellectual property rights around the world. No single intellectual property right is solely responsible for protecting the Company's products and services. The Company believes the duration of its intellectual property rights is adequate relative to the expected lives of its products and services.

In addition to Company-owned intellectual property, many of the Company's products and services are designed to include intellectual property owned by third parties. It may be necessary in the future to seek or renew licenses relating to various aspects of the Company's products, processes and services. While the Company has generally been able to obtain such licenses on commercially reasonable terms in the past, there is no guarantee that such licenses could be obtained in the future on reasonable terms or at all.

## **Business Seasonality and Product Introductions**

The Company has historically experienced higher net sales in its first quarter compared to other quarters in its fiscal year due in part to seasonal holiday demand. Additionally, new product and service introductions can significantly impact net sales, cost of sales and operating expenses. The timing of product introductions can also impact the Company's net sales to its indirect distribution channels as these channels are filled with new inventory following a product launch, and channel inventory of an older product often declines as the launch of a newer product approaches. Net sales can also be affected when consumers and distributors anticipate a product introduction.

## **Human Capital**

The Company believes that its people play an important role in its success, and strives to attract, develop and retain the best talent. The Company works to create an inclusive, safe and supportive environment for all of its team members, so that its people can do the best work of their lives. As of September 28, 2024, the Company had approximately 164,000 full-time equivalent employees.

### *Compensation and Benefits*

The Company believes that compensation should be competitive and equitable, and should enable employees to share in the Company's success. The Company recognizes its people are most likely to thrive when they have the resources to meet their needs and the time and support to succeed in their professional and personal lives. In support of this, the Company offers a wide variety of benefits for employees around the world, including health, wellness and time away.

### *Growth and Development*

The Company invests in resources to help its people develop and achieve their career goals. The Company offers programs through Apple University on leadership, management and influence, as well as Apple culture and values. Team members can also take advantage of online classes for business, technical and personal development, as well as learning opportunities to support their well-being.

### *Workplace Practices and Policies*

The Company is an equal opportunity employer committed to inclusion and diversity and to providing a workplace free of harassment or discrimination.

### *Inclusion and Diversity*

The Company is committed to its vision to build and sustain a more inclusive workforce that is representative of the communities it serves. The Company continues to work to increase diverse representation at every level, foster an inclusive culture, and support equitable pay and access to opportunity for all employees.

### *Engagement*

The Company believes that open and honest communication among team members, managers and leaders helps create an open, collaborative work environment where everyone can contribute, grow and succeed. Team members are encouraged to come to their managers with questions, feedback or concerns, and the Company conducts surveys that gauge employee sentiment in areas like career development, manager performance and inclusivity.

### *Health and Safety*

The Company is committed to protecting its team members everywhere it operates. The Company identifies potential workplace risks in order to develop measures to mitigate possible hazards. The Company supports employees with general safety, security and crisis management training, and by putting specific programs in place for those working in potentially high-hazard environments. Additionally, the Company works to protect the safety and security of its team members, visitors and customers through its global security team.

## Available Information

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are filed with the U.S. Securities and Exchange Commission (the "SEC"). Such reports and other information filed by the Company with the SEC are available free of charge at [investor.apple.com/investor-relations/sec-filings/default.aspx](https://investor.apple.com/investor-relations/sec-filings/default.aspx) when such reports are available on the SEC's website. The Company periodically provides certain information for investors on its corporate website, [www.apple.com](https://www.apple.com), and its investor relations website, [investor.apple.com](https://investor.apple.com). This includes press releases and other information about financial performance, information on environmental, social and governance matters, and details related to the Company's annual meeting of shareholders. The information contained on the websites referenced in this Form 10-K is not incorporated by reference into this filing. Further, the Company's references to website URLs are intended to be inactive textual references only.

## Item 1A. Risk Factors

The Company's business, reputation, results of operations, financial condition and stock price can be affected by a number of factors, whether currently known or unknown, including those described below. When any one or more of these risks materialize from time to time, the Company's business, reputation, results of operations, financial condition and stock price can be materially and adversely affected.

Because of the following factors, as well as other factors affecting the Company's results of operations and financial condition, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods. This discussion of risk factors contains forward-looking statements.

This section should be read in conjunction with Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and accompanying notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Form 10-K.

### Macroeconomic and Industry Risks

***The Company's operations and performance depend significantly on global and regional economic conditions and adverse economic conditions can materially adversely affect the Company's business, results of operations and financial condition.***

The Company has international operations with sales outside the U.S. representing a majority of the Company's total net sales. In addition, the Company's global supply chain is large and complex and a majority of the Company's supplier facilities, including manufacturing and assembly sites, are located outside the U.S. As a result, the Company's operations and performance depend significantly on global and regional economic conditions.

Adverse macroeconomic conditions, including slow growth or recession, high unemployment, inflation, tighter credit, higher interest rates, and currency fluctuations, can adversely impact consumer confidence and spending and materially adversely affect demand for the Company's products and services. In addition, consumer confidence and spending can be materially adversely affected in response to changes in fiscal and monetary policy, financial market volatility, declines in income or asset values, and other economic factors.

In addition to an adverse impact on demand for the Company's products and services, uncertainty about, or a decline in, global or regional economic conditions can have a significant impact on the Company's suppliers, contract manufacturers, logistics providers, distributors, cellular network carriers and other channel partners, and developers. Potential outcomes include financial instability; inability to obtain credit to finance business operations; and insolvency.

Adverse economic conditions can also lead to increased credit and collectibility risk on the Company's trade receivables; the failure of derivative counterparties and other financial institutions; limitations on the Company's ability to issue new debt; reduced liquidity; and declines in the fair values of the Company's financial instruments. These and other impacts can materially adversely affect the Company's business, results of operations, financial condition and stock price.

***The Company's business can be impacted by political events, trade and other international disputes, geopolitical tensions, conflict, terrorism, natural disasters, public health issues, industrial accidents and other business interruptions.***

Political events, trade and other international disputes, geopolitical tensions, conflict, terrorism, natural disasters, public health issues, industrial accidents and other business interruptions can have a material adverse effect on the Company and its customers, employees, suppliers, contract manufacturers, logistics providers, distributors, cellular network carriers and other channel partners.

The Company has a large, global business with sales outside the U.S. representing a majority of the Company's total net sales, and the Company believes that it generally benefits from growth in international trade. Substantially all of the Company's manufacturing is performed in whole or in part by outsourcing partners located primarily in China mainland, India, Japan, South Korea, Taiwan and Vietnam. Restrictions on international trade, such as tariffs and other controls on imports or exports of goods, technology or data, can materially adversely affect the Company's business and supply chain. The impact can be particularly significant if these restrictive measures apply to countries and regions where the Company derives a significant portion of its revenues and/or has significant supply chain operations. Restrictive measures can increase the cost of the Company's products and the components and raw materials that go into them, and can require the Company to take various actions, including changing suppliers, restructuring business relationships and operations, and ceasing to offer and distribute affected products, services and third-party applications to its customers. Changing the Company's business and supply chain in accordance with new or changed restrictions on international trade can be expensive, time-consuming and disruptive to the Company's operations. Such restrictions can be announced with little or no advance notice, which can create uncertainty, and the Company may not be able to effectively mitigate all adverse impacts from such measures. For example, tensions between governments, including the U.S. and China, have in the past led to tariffs and other restrictions affecting the Company's business. If disputes and conflicts further escalate in the future, actions by governments in response could be significantly more severe and restrictive and could materially adversely affect the Company's business.

Many of the Company's operations and facilities, as well as critical business operations of the Company's suppliers and contract manufacturers, are in locations that are prone to earthquakes and other natural disasters. Global climate change is resulting in certain types of natural disasters and extreme weather occurring more frequently or with more intense effects. In addition, the Company's and its suppliers' operations and facilities are subject to the risk of interruption by fire, power shortages, nuclear power plant accidents and other industrial accidents, terrorist attacks and other hostile acts, ransomware and other cybersecurity attacks, labor disputes, public health issues and other events beyond the Company's control. For example, global supply chains can be highly concentrated and geopolitical tensions or conflict could result in significant disruptions.

Such events can make it difficult or impossible for the Company to manufacture and deliver products to its customers, create delays and inefficiencies in the Company's supply and manufacturing chain, result in slowdowns and outages to the Company's service offerings, increase the Company's costs, and negatively impact consumer spending and demand in affected areas.

The Company's operations are also subject to the risks of industrial accidents at its suppliers and contract manufacturers. While the Company's suppliers are required to maintain safe working environments and operations, an industrial accident could occur and could result in serious injuries or loss of life, disruption to the Company's business, and harm to the Company's reputation. Major public health issues, including pandemics such as the COVID-19 pandemic, have adversely affected, and could in the future materially adversely affect, the Company due to their impact on the global economy and demand for consumer products; the imposition of protective public safety measures, such as stringent employee travel restrictions and limitations on freight services and the movement of products between regions; and disruptions in the Company's operations, supply chain and sales and distribution channels, resulting in interruptions to the supply of current products and offering of existing services, and delays in production ramps of new products and development of new services.

Following any interruption to its business, the Company can require substantial recovery time, experience significant expenditures to resume operations, and lose significant sales. Because the Company relies on single or limited sources for the supply and manufacture of many critical components, a business interruption affecting such sources would exacerbate any negative consequences to the Company. While the Company maintains insurance coverage for certain types of losses, such insurance coverage may be insufficient to cover all losses that may arise.



***Global markets for the Company's products and services are highly competitive and subject to rapid technological change, and the Company may be unable to compete effectively in these markets.***

The Company's products and services are offered in highly competitive global markets characterized by aggressive price competition and resulting downward pressure on gross margins, frequent introduction of new products and services, short product life cycles, evolving industry standards, continual improvement in product price and performance characteristics, rapid adoption of technological advancements by competitors, and price sensitivity on the part of consumers and businesses.

The Company's ability to compete successfully depends heavily on ensuring the continuing and timely introduction of innovative new products, services and technologies to the marketplace. The Company designs and develops nearly the entire solution for its products, including the hardware, operating system, numerous software applications and related services. As a result, the Company must make significant investments in R&D. There can be no assurance these investments will achieve expected returns, and the Company may not be able to develop and market new products and services successfully.

The Company currently holds a significant number of patents, trademarks and copyrights and has registered, and applied to register, additional patents, trademarks and copyrights. In contrast, many of the Company's competitors seek to compete primarily through aggressive pricing and very low cost structures, and by imitating the Company's products and infringing on its intellectual property. Effective intellectual property protection is not consistently available in every country in which the Company operates. If the Company is unable to continue to develop and sell innovative new products with attractive margins or if competitors infringe on the Company's intellectual property, the Company's ability to maintain a competitive advantage could be materially adversely affected.

The Company has a minority market share in the global smartphone, personal computer and tablet markets. The Company faces substantial competition in these markets from companies that have significant technical, marketing, distribution and other resources, as well as established hardware, software and digital content supplier relationships. In addition, some of the Company's competitors have broader product lines, lower-priced products and a larger installed base of active devices. Competition has been particularly intense as competitors have aggressively cut prices and lowered product margins. Certain competitors have the resources, experience or cost structures to provide products at little or no profit or even at a loss. Some of the markets in which the Company competes have from time to time experienced little to no growth or contracted overall.

Additionally, the Company faces significant competition as competitors imitate the Company's product features and applications within their products or collaborate to offer solutions that are more competitive than those they currently offer. The Company also expects competition to intensify as competitors imitate the Company's approach to providing components seamlessly within their offerings or work collaboratively to offer integrated solutions.

The Company's services also face substantial competition, including from companies that have significant resources and experience and have established service offerings with large customer bases. The Company competes with business models that provide content to users for free. The Company also competes with illegitimate means to obtain third-party digital content and applications.

The Company's business, results of operations and financial condition depend substantially on the Company's ability to continually improve its products and services to maintain their functional and design advantages. There can be no assurance the Company will be able to continue to provide products and services that compete effectively.

## **Business Risks**

***To remain competitive and stimulate customer demand, the Company must successfully manage frequent introductions and transitions of products and services.***

Due to the highly volatile and competitive nature of the markets and industries in which the Company competes, the Company must continually introduce new products, services and technologies, enhance existing products and services, effectively stimulate customer demand for new and upgraded products and services, and successfully manage the transition to these new and upgraded products and services. The success of new product and service introductions depends on a number of factors, including timely and successful development, market acceptance, the Company's ability to manage the risks associated with new technologies and production ramp-up issues, the availability of application software or other third-party support for the Company's products and services, the effective management of purchase commitments and inventory levels in line with anticipated product demand, the availability of products in appropriate quantities and at expected costs to meet anticipated demand, and the risk that new products and services may have quality or other defects or deficiencies. New products, services and technologies may replace or supersede existing offerings and may produce lower revenues and lower profit margins, which can materially adversely impact the Company's business, results of operations and financial condition. There can be no assurance the Company will successfully manage future introductions and transitions of products and services.

***The Company depends on component and product manufacturing and logistical services provided by outsourcing partners, many of which are located outside of the U.S.***

Substantially all of the Company's manufacturing is performed in whole or in part by outsourcing partners located primarily in China mainland, India, Japan, South Korea, Taiwan and Vietnam, and a significant concentration of this manufacturing is currently performed by a small number of outsourcing partners, often in single locations. The Company has also outsourced much of its transportation and logistics management. While these arrangements can lower operating costs, they also reduce the Company's direct control over production and distribution. Such diminished control has from time to time and may in the future have an adverse effect on the quality or quantity of products manufactured or services provided, or adversely affect the Company's flexibility to respond to changing conditions. Although arrangements with these partners may contain provisions for product defect expense reimbursement, the Company generally remains responsible to the consumer for warranty and out-of-warranty service in the event of product defects and experiences unanticipated product defect liabilities from time to time. While the Company relies on its partners to adhere to its supplier code of conduct, violations of the supplier code of conduct occur from time to time and can materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company relies on single-source outsourcing partners in the U.S., Asia and Europe to supply and manufacture many components, and on outsourcing partners primarily located in Asia, for final assembly of substantially all of the Company's hardware products. Any failure of these partners to perform can have a negative impact on the Company's cost or supply of components or finished goods. In addition, manufacturing or logistics in these locations or transit to final destinations can be disrupted for a variety of reasons, including natural and man-made disasters, information technology system failures, commercial disputes, economic, business, labor, environmental, public health or political issues, trade and other international disputes, geopolitical tensions, or conflict.

The Company has invested in manufacturing process equipment, much of which is held at certain of its outsourcing partners, and has made prepayments to certain of its suppliers associated with long-term supply agreements. While these arrangements help ensure the supply of components and finished goods, if these outsourcing partners or suppliers experience severe financial problems or other disruptions in their business, such continued supply can be disrupted or terminated, and the recoverability of manufacturing process equipment or prepayments can be negatively impacted.

Changes or additions to the Company's supply chain require considerable time and resources and involve significant risks and uncertainties, including exposure to additional regulatory and operational risks.

***Future operating results depend upon the Company's ability to obtain components in sufficient quantities on commercially reasonable terms.***

Because the Company currently obtains certain components from single or limited sources, the Company is subject to significant supply and pricing risks. Many components, including those that are available from multiple sources, are at times subject to industry-wide shortages and significant commodity pricing fluctuations that can materially adversely affect the Company's business, results of operations and financial condition. For example, the global semiconductor industry has in the past experienced high demand and shortages of supply, which adversely affected the Company's ability to obtain sufficient quantities of components and products on commercially reasonable terms, or at all. Such disruptions could occur in the future. While the Company has entered into agreements for the supply of many components, there can be no assurance the Company will be able to extend or renew these agreements on similar terms, or at all. In addition, component suppliers may suffer from poor financial conditions, which can lead to business failure for the supplier or consolidation within a particular industry, further limiting the Company's ability to obtain sufficient quantities of components on commercially reasonable terms, or at all. Therefore, the Company remains subject to significant risks of supply shortages and price increases that can materially adversely affect its business, results of operations and financial condition.

The Company's new products often utilize custom components available from only one source. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or their manufacturing capacities have increased. The continued availability of these components at acceptable prices, or at all, can be affected for any number of reasons, including if suppliers decide to concentrate on the production of common components instead of components customized to meet the Company's requirements. When the Company's supply of components for a new or existing product has been delayed or constrained, or when an outsourcing partner has delayed shipments of completed products to the Company, the Company's business, results of operations and financial condition have been adversely affected and future delays or constraints could materially adversely affect the Company's business, results of operations and financial condition. The Company's business and financial performance could also be materially adversely affected depending on the time required to obtain sufficient quantities from the source, or to identify and obtain sufficient quantities from an alternative source.

***The Company's products and services may be affected from time to time by design and manufacturing defects that could materially adversely affect the Company's business and result in harm to the Company's reputation.***

The Company offers complex hardware and software products and services that can be affected by design and manufacturing defects. Sophisticated operating system software and applications, such as those offered by the Company, often have issues that can unexpectedly interfere with the intended operation of hardware or software products and services. Defects can also exist in components and products the Company purchases from third parties. Component defects could make the Company's products unsafe and create a risk of environmental or property damage and personal injury. These risks may increase as the Company's products are introduced into specialized applications, including health. In addition, the Company's service offerings can have quality issues and from time to time experience outages, service slowdowns or errors. As a result, from time to time the Company's services have not performed as anticipated and may not meet customer expectations. The introduction of new and complex technologies, such as artificial intelligence features, can increase these and other safety risks, including exposing users to harmful, inaccurate or other negative content and experiences. There can be no assurance the Company will be able to detect and fix all issues and defects in the hardware, software and services it offers. Failure to do so can result in widespread technical and performance issues affecting the Company's products and services. Errors, bugs and vulnerabilities can be exploited by third parties, compromising the safety and security of a user's device. In addition, the Company can be exposed to product liability claims, recalls, product replacements or modifications, write-offs of inventory, property, plant and equipment or intangible assets, and significant warranty and other expenses, including litigation costs and regulatory fines. Quality problems can adversely affect the experience for users of the Company's products and services, and result in harm to the Company's reputation, loss of competitive advantage, poor market acceptance, reduced demand for products and services, delay in new product and service introductions and lost sales.

***The Company is exposed to the risk of write-downs on the value of its inventory and other assets, in addition to purchase commitment cancellation risk.***

The Company records a write-down for product and component inventories that have become obsolete or exceed anticipated demand, or for which cost exceeds net realizable value. The Company also accrues necessary cancellation fee reserves for orders of excess products and components. The Company reviews long-lived assets, including capital assets held at its suppliers' facilities and inventory prepayments, for impairment whenever events or circumstances indicate the assets may not be recoverable. If the Company determines that an impairment has occurred, it records a write-down equal to the amount by which the carrying value of the asset exceeds its fair value. Although the Company believes its inventory, capital assets, inventory prepayments and other assets and purchase commitments are currently recoverable, there can be no assurance the Company will not incur write-downs, fees, impairments and other charges given the rapid and unpredictable pace of product obsolescence in the industries in which the Company competes.

The Company orders components for its products and builds inventory in advance of product announcements and shipments. Manufacturing purchase obligations cover the Company's forecasted component and manufacturing requirements, typically for periods up to 150 days. Because the Company's markets are volatile, competitive and subject to rapid technology and price changes, there is a risk the Company will forecast incorrectly and order or produce excess or insufficient amounts of components or products, or not fully utilize firm purchase commitments.

***The Company relies on access to third-party intellectual property, which may not be available to the Company on commercially reasonable terms, or at all.***

The Company's products and services are designed to include intellectual property owned by third parties, which requires licenses from those third parties. In addition, because of technological changes in the industries in which the Company currently competes or in the future may compete, current extensive patent coverage and the rapid rate of issuance of new patents, the Company's products and services can unknowingly infringe existing patents or intellectual property rights of others. From time to time, the Company has been notified that it may be infringing certain patents or other intellectual property rights of third parties. Based on experience and industry practice, the Company believes licenses to such third-party intellectual property can generally be obtained on commercially reasonable terms. However, there can be no assurance the necessary licenses can be obtained on commercially reasonable terms or at all. Failure to obtain the right to use third-party intellectual property, or to use such intellectual property on commercially reasonable terms, can require the Company to modify certain products, services or features or preclude the Company from selling certain products or services, or otherwise have a material adverse impact on the Company's business, results of operations and financial condition.

***The Company's future performance depends in part on support from third-party software developers.***

The Company believes decisions by customers to purchase its hardware products depend in part on the availability of third-party software applications and services. There can be no assurance third-party developers will continue to develop and maintain software applications and services for the Company's products. If third-party software applications and services cease to be developed and maintained for the Company's products, customers may choose not to buy the Company's products.

The Company believes the availability of third-party software applications and services for its products depends in part on the developers' perception and analysis of the relative benefits of developing, maintaining and upgrading such software and services for the Company's products compared to competitors' platforms, such as Android for smartphones and tablets, Windows for personal computers and tablets, and PlayStation, Nintendo and Xbox for gaming platforms. This analysis may be based on factors such as the market position of the Company and its products, the anticipated revenue that may be generated, expected future growth of product sales, and the costs of developing such applications and services.

The Company's minority market share in the global smartphone, personal computer and tablet markets can make developers less inclined to develop or upgrade software for the Company's products and more inclined to devote their resources to developing and upgrading software for competitors' products with larger market share. When developers focus their efforts on these competing platforms, the availability and quality of applications for the Company's devices can suffer.

The Company relies on the continued availability and development of compelling and innovative software applications for its products. The Company's products and operating systems are subject to rapid technological change, and when third-party developers are unable to or choose not to keep up with this pace of change, their applications can fail to take advantage of these changes to deliver improved customer experiences, can operate incorrectly, and can result in dissatisfied customers and lower customer demand for the Company's products.

The Company distributes third-party applications for its products through the App Store. For the vast majority of applications, developers keep all of the revenue they generate on the App Store. Where applicable, the Company retains a commission from sales of applications and sales of digital services or goods initiated within an application. From time to time, the Company has made changes to its products and services, including taking actions in response to litigation, competition, market conditions and legal and regulatory requirements, and expects to make further business changes in the future. For example, in the U.S., the Company has implemented changes to how developers communicate with consumers within apps on the U.S. storefront of the iOS and iPadOS App Store regarding alternative purchasing mechanisms. The Company has also implemented changes to iOS, iPadOS, the App Store and Safari<sup>®</sup> in the European Union ("EU") as it seeks to comply with the Digital Markets Act (the "DMA"), including new business terms and alternative fee structures for iOS and iPadOS apps, alternative methods of distribution for iOS and iPadOS apps, alternative payment processing for apps across the Company's operating systems, and additional tools and application programming interfaces ("APIs") for developers. Changes to the Company's products and services could materially adversely affect the Company's business, results of operations and financial condition, including if such business changes result in reduced App Store or other sales, reductions in the rate of the commission that the Company retains on such sales, or if the rate of the commission is otherwise narrowed in scope or eliminated.

***Failure to obtain or create digital content that appeals to the Company's customers, or to make such content available on commercially reasonable terms, could have a material adverse impact on the Company's business, results of operations and financial condition.***

The Company contracts with numerous third parties to offer their digital content to customers. This includes the right to sell, or offer subscriptions to, third-party content, as well as the right to incorporate specific content into the Company's own services. The licensing or other distribution arrangements for this content can be for relatively short time periods and do not guarantee the continuation or renewal of these arrangements on commercially reasonable terms, or at all. Some third-party content providers and distributors currently or in the future may offer competing products and services, and can take actions to make it difficult or impossible for the Company to license or otherwise distribute their content. Other content owners, providers or distributors may seek to limit the Company's access to, or increase the cost of, such content. The Company may be unable to continue to offer a wide variety of content at commercially reasonable prices with acceptable usage rules.

The Company also produces its own digital content, which can be costly to produce due to intense and increasing competition for talent, content and subscribers, and may fail to appeal to the Company's customers.

Some third-party digital content providers require the Company to provide digital rights management and other security solutions. If requirements change, the Company may have to develop or license new technology to provide these solutions. There can be no assurance the Company will be able to develop or license such solutions at a reasonable cost and in a timely manner.

***The Company's success depends largely on the talents and efforts of its team members, the continued service and availability of highly skilled employees, including key personnel, and the Company's ability to nurture its distinctive and inclusive culture.***

Much of the Company's future success depends on the talents and efforts of its team members and the continued availability and service of key personnel, including its Chief Executive Officer, executive team and other highly skilled employees. Experienced personnel in the technology industry are in high demand and competition for their talents is intense, especially in Silicon Valley, where most of the Company's key personnel are located. In addition to intense competition for talent, workforce dynamics are constantly evolving. If the Company does not manage changing workforce dynamics effectively, it could materially adversely affect the Company's culture, reputation and operational flexibility.

The Company believes that its distinctive and inclusive culture is a significant driver of its success. If the Company is unable to nurture its culture, it could materially adversely affect the Company's ability to recruit and retain the highly skilled employees who are critical to its success, and could otherwise materially adversely affect the Company's business, reputation, results of operations and financial condition.

***The Company depends on the performance of carriers, wholesalers, retailers and other resellers.***

The Company distributes its products and certain of its services through cellular network carriers, wholesalers, retailers and resellers, many of which distribute products and services from competitors. The Company also sells its products and services and resells third-party products in most of its major markets directly to consumers, small and mid-sized businesses, and education, enterprise and government customers through its retail and online stores and its direct sales force.

Some carriers providing cellular network service for the Company's products offer financing, installment payment plans or subsidies for users' purchases of the device. There can be no assurance such offers will be continued at all or in the same amounts.

The Company has invested and will continue to invest in programs to enhance reseller sales, including staffing selected resellers' stores with Company employees and contractors, and improving product placement displays. These programs can require a substantial investment while not assuring return or incremental sales. The financial condition of these resellers could weaken, these resellers could stop distributing the Company's products, or uncertainty regarding demand for some or all of the Company's products could cause resellers to reduce their ordering and marketing of the Company's products.

***The Company's business and reputation are impacted by information technology system failures and network disruptions.***

The Company and its global supply chain are dependent on complex information technology systems and are exposed to information technology system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, ransomware or other cybersecurity incidents, or other events or disruptions. System upgrades, redundancy and other continuity measures may be ineffective or inadequate, and the Company's or its vendors' business continuity and disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions can adversely impact the Company's business by, among other things, preventing access to the Company's online services, interfering with customer transactions or impeding the manufacturing and shipping of the Company's products. These events could materially adversely affect the Company's business, reputation, results of operations and financial condition.

***Losses or unauthorized access to or releases of confidential information, including personal information, could subject the Company to significant reputational, financial, legal and operational consequences.***

The Company's business requires it to use and store confidential information, including personal information with respect to the Company's customers and employees. The Company devotes significant resources to systems and data security, including through the use of encryption and other security measures intended to protect its systems and data. But these measures cannot provide absolute security, and losses or unauthorized access to or releases of confidential information occur and could materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company's business also requires it to share confidential information with suppliers and other third parties. The Company relies on global suppliers that are also exposed to ransomware and other malicious attacks that can disrupt business operations. Although the Company takes steps to secure confidential information that is provided to or accessible by third parties working on the Company's behalf, such measures are not always effective and losses or unauthorized access to, or releases of, confidential information occur. Such incidents and other malicious attacks could materially adversely affect the Company's business, reputation, results of operations and financial condition.

The Company experiences malicious attacks and other attempts to gain unauthorized access to its systems on a regular basis. These attacks seek to compromise the confidentiality, integrity or availability of confidential information or disrupt normal business operations, and can, among other things, impair the Company's ability to attract and retain customers for its products and services, impact the Company's stock price, materially damage commercial relationships, and expose the Company to litigation or government investigations, which can result in penalties, fines or judgments against the Company. Globally, attacks are expected to continue accelerating in both frequency and sophistication with increasing use by actors of tools and techniques that are designed to circumvent controls, avoid detection, and remove or obfuscate forensic evidence, all of which hinders the Company's ability to identify, investigate and recover from incidents. In addition, attacks against the Company and its customers can escalate during periods of geopolitical tensions or conflict.

Although malicious attacks perpetrated to gain access to confidential information, including personal information, affect many companies across various industries, the Company is at a relatively greater risk of being targeted because of its high profile and the value of the confidential information it creates, owns, manages, stores and processes.

The Company has implemented systems and processes intended to secure its information technology systems and prevent unauthorized access to or loss of sensitive data, and mitigate the impact of unauthorized access, including through the use of encryption and authentication technologies. As with all companies, these security measures may not be sufficient for all eventualities and are vulnerable to hacking, ransomware attacks, employee error, malfeasance, system error, faulty password management or other irregularities. For example, third parties can fraudulently induce the Company's or its suppliers' and other third parties' employees or customers into disclosing usernames, passwords or other sensitive information, which can, in turn, be used for unauthorized access to the Company's or such suppliers' or third parties' systems and services. To help protect customers and the Company, the Company deploys and makes available technologies like multifactor authentication, monitors its services and systems for unusual activity and may freeze accounts under suspicious circumstances, which, among other things, can result in the delay or loss of customer orders or impede customer access to the Company's products and services.

While the Company maintains insurance coverage that is intended to address certain aspects of data security risks, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise.

***Investment in new business strategies and acquisitions could disrupt the Company's ongoing business, present risks not originally contemplated and materially adversely affect the Company's business, reputation, results of operations and financial condition.***

The Company has invested, and in the future may invest, in new business strategies or acquisitions. Such endeavors may involve significant risks and uncertainties, including distraction of management from current operations, greater-than-expected liabilities and expenses, economic, political, legal and regulatory challenges associated with operating in new businesses, regions or countries, inadequate return on capital, potential impairment of tangible and intangible assets, and significant write-offs. Investment and acquisition transactions are exposed to additional risks, including failing to obtain required regulatory approvals on a timely basis or at all, or the imposition of onerous conditions that could delay or prevent the Company from completing a transaction or otherwise limit the Company's ability to fully realize the anticipated benefits of a transaction. These new ventures are inherently risky and may not be successful. The failure of any significant investment could materially adversely affect the Company's business, reputation, results of operations and financial condition.

***The Company's retail stores are subject to numerous risks and uncertainties.***

The Company's retail operations are subject to many factors that pose risks and uncertainties and could adversely impact the Company's business, results of operations and financial condition, including macroeconomic factors that could have an adverse effect on general retail activity. Other factors include the Company's ability to: manage costs associated with retail store construction and operation; manage relationships with existing retail partners; manage costs associated with fluctuations in the value of retail inventory; and obtain and renew leases in quality retail locations at a reasonable cost.

## Legal and Regulatory Compliance Risks

***The Company's business, results of operations and financial condition could be adversely impacted by unfavorable results of legal proceedings or government investigations.***

The Company is subject to various claims, legal proceedings and government investigations that have arisen in the ordinary course of business and have not yet been fully resolved, and new matters may arise in the future. In addition, agreements entered into by the Company sometimes include indemnification provisions which can subject the Company to costs and damages in the event of a claim against an indemnified third party. The number of claims, legal proceedings and government investigations involving the Company, and the alleged magnitude of such claims, proceedings and government investigations, has generally increased over time and may continue to increase.

The Company has faced and continues to face a significant number of patent claims relating to its cellular-enabled products, and new claims may arise in the future, including as a result of new legal or regulatory frameworks. For example, technology and other patent-holding companies frequently assert their patents and seek royalties and often enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. The Company is vigorously defending infringement actions in courts in several U.S. jurisdictions, as well as internationally in various countries. The plaintiffs in these actions frequently seek broad injunctive relief and substantial damages.

Regardless of the merit of particular claims, defending against litigation or responding to government investigations can be expensive, time-consuming and disruptive to the Company's operations. In recognition of these considerations, the Company may enter into agreements or other arrangements to settle litigation and resolve such challenges. There can be no assurance such agreements can be obtained on acceptable terms or that litigation will not occur. These agreements can also significantly increase the Company's cost of sales and operating expenses and require the Company to change its business practices and limit the Company's ability to offer certain products and services.

The outcome of litigation or government investigations is inherently uncertain. If one or more legal matters were resolved against the Company or an indemnified third party in a reporting period for amounts above management's expectations, the Company's results of operations and financial condition for that reporting period could be materially adversely affected. Further, such an outcome can result in significant monetary damages, disgorgement of revenue or profits, remedial corporate measures or injunctive relief against the Company, and has from time to time required, and can in the future require, the Company to change its business practices and limit the Company's ability to develop, manufacture, use, import or offer for sale certain products and services, all of which could materially adversely affect the Company's business, reputation, results of operations and financial condition.

While the Company maintains insurance coverage for certain types of claims, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise.

***The Company is subject to complex and changing laws and regulations worldwide, which exposes the Company to potential liabilities, increased costs and other adverse effects on the Company's business.***

The Company's global operations are subject to complex and changing laws and regulations on subjects, including antitrust; privacy, data security and data localization; consumer protection; advertising, sales, billing and e-commerce; financial services and technology; product liability; intellectual property ownership and infringement; digital platforms; machine learning and artificial intelligence; internet, telecommunications and mobile communications; media, television, film and digital content; availability of third-party software applications and services; labor and employment; anticorruption; import, export and trade; foreign exchange controls and cash repatriation restrictions; anti-money laundering; foreign ownership and investment; tax; and environmental, health and safety, including electronic waste, recycling, product design and climate change.

Compliance with these laws and regulations is onerous and expensive. New and changing laws and regulations can adversely affect the Company's business by increasing the Company's costs, limiting the Company's ability to offer a product, service or feature to customers, imposing changes to the design of the Company's products and services, impacting customer demand for the Company's products and services, and requiring changes to the Company's business or supply chain. New and changing laws and regulations can also create uncertainty about how such laws and regulations will be interpreted and applied. These risks and costs may increase as the Company's products and services are introduced into specialized applications, including health and financial services, or as the Company expands the use of technologies, such as machine learning and artificial intelligence features, and must navigate new legal, regulatory and ethical considerations relating to such technologies. The Company has implemented policies and procedures designed to ensure compliance with applicable laws and regulations, but there can be no assurance the Company's employees, contractors or agents will not violate such laws and regulations or the Company's policies and procedures. If the Company is found to have violated laws and regulations, it could materially adversely affect the Company's business, reputation, results of operations and financial condition.

Regulatory changes and other actions that materially adversely affect the Company's business may be announced with little or no advance notice and the Company may not be able to effectively mitigate all adverse impacts from such measures. For example, the Company is subject to changing regulations relating to the export and import of its products. Although the Company has programs, policies and procedures in place that are designed to satisfy regulatory requirements, there can be no assurance that such policies and procedures will be effective in preventing a violation or a claim of a violation. As a result, the Company's products could be banned, delayed or prohibited from importation, which could materially adversely affect the Company's business, reputation, results of operations and financial condition.

***Expectations relating to environmental, social and governance considerations and related reporting obligations expose the Company to potential liabilities, increased costs, reputational harm, and other adverse effects on the Company's business.***

Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on environmental, social and governance considerations relating to businesses, including climate change and greenhouse gas emissions, human and civil rights, and diversity, equity and inclusion. In addition, the Company makes statements about its goals and initiatives through its various non-financial reports, information provided on its website, press statements and other communications. Responding to these environmental, social and governance considerations and implementation of the Company's announced goals and initiatives involves risks and uncertainties, requires investments, and depends in part on third-party performance or data that is outside the Company's control. The Company cannot guarantee that it will achieve its announced environmental, social and governance goals and initiatives. In addition, some stakeholders may disagree with the Company's goals and initiatives. Any failure, or perceived failure, by the Company to achieve its goals, further its initiatives, adhere to its public statements, comply with federal, state and international environmental, social and governance laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in legal and regulatory proceedings against the Company and materially adversely affect the Company's business, reputation, results of operations, financial condition and stock price.

***The technology industry, including, in some instances, the Company, is subject to intense media, political and regulatory scrutiny, which exposes the Company to increasing regulation, government investigations, legal actions and penalties.***

From time to time, the Company has made changes to its App Store, including actions taken in response to litigation, competition, market conditions and legal and regulatory requirements. The Company expects to make further business changes in the future. For example, in the U.S. the Company has implemented changes to how developers communicate with consumers within apps on the U.S. storefront of the iOS and iPadOS App Store regarding alternative purchasing mechanisms.

The Company has also implemented changes to iOS, iPadOS, the App Store and Safari in the EU as it seeks to comply with the DMA, including new business terms and alternative fee structures for iOS and iPadOS apps, alternative methods of distribution for iOS and iPadOS apps, alternative payment processing for apps across the Company's operating systems, and additional tools and APIs for developers. The Company has also continued to make changes to its compliance plan in response to feedback and engagement with the European Commission (the "Commission"). Although the Company's compliance plan is intended to address the DMA's obligations, it has been challenged by the Commission and may be challenged further by private litigants. The DMA provides for significant fines and penalties for noncompliance, and other jurisdictions may seek to require the Company to make changes to its business. While the changes introduced by the Company in the EU are intended to reduce new privacy and security risks that the DMA poses to EU users, many risks will remain.

The Company is also currently subject to antitrust investigations and litigation in various jurisdictions around the world, which can result in legal proceedings and claims against the Company that could, individually or in the aggregate, have a materially adverse impact on the Company's business, results of operations and financial condition. For example, the Company is subject to civil antitrust lawsuits in the U.S. alleging monopolization or attempted monopolization in the markets for "performance smartphones" and "smartphones" generally in violation of U.S. antitrust laws. In addition, the Company is the subject of investigations in Europe and other jurisdictions relating to App Store terms and conditions. If such investigations or litigation are resolved against the Company, the Company can be exposed to significant fines and may be required to make further changes to its business practices, all of which could materially adversely affect the Company's business, reputation, results of operations and financial condition.

Further, the Company has commercial relationships with other companies in the technology industry that are or may become subject to investigations and litigation that, if resolved against those other companies, could materially adversely affect the Company's commercial relationships with those business partners and materially adversely affect the Company's business, results of operations and financial condition. For example, the Company earns revenue from licensing arrangements with Google LLC and other companies to offer their search services on the Company's platforms and applications, and certain of these arrangements are currently subject to government investigations and legal proceedings.



There can be no assurance the Company's business will not be materially adversely affected, individually or in the aggregate, by the outcomes of such investigations, litigation or changes to laws and regulations in the future. Changes to the Company's business practices to comply with new laws and regulations or in connection with other legal proceedings can negatively impact the reputation of the Company's products for privacy and security and otherwise adversely affect the experience for users of the Company's products and services, and result in harm to the Company's reputation, loss of competitive advantage, poor market acceptance, reduced demand for products and services, and lost sales.

***The Company's business is subject to a variety of U.S. and international laws, rules, policies and other obligations regarding data protection.***

The Company is subject to an increasing number of federal, state and international laws relating to the collection, use, retention, security and transfer of various types of personal information. In many cases, these laws apply not only to third-party transactions, but also restrict transfers of personal information among the Company and its international subsidiaries. Several jurisdictions have passed laws in this area, and additional jurisdictions are considering imposing additional restrictions or have laws that are pending. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing requirements causes the Company to incur substantial costs and has required and may in the future require the Company to change its business practices. Noncompliance could result in significant penalties or legal liability.

The Company makes statements about its use and disclosure of personal information through its privacy policy, information provided on its website, press statements and other privacy notices provided to customers. Any failure by the Company to comply with these public statements or with federal, state or international privacy or data protection laws and regulations could result in inquiries or proceedings against the Company by governmental entities or others. In addition to reputational impacts, penalties could include ongoing audit requirements and significant legal liability.

In addition to the risks generally relating to the collection, use, retention, security and transfer of personal information, the Company is also subject to specific obligations relating to information considered sensitive under applicable laws, such as health data, financial data and biometric data. Health data and financial data are subject to additional privacy, security and breach notification requirements, and the Company is subject to audit by governmental authorities regarding the Company's compliance with these obligations. If the Company fails to adequately comply with these rules and requirements, or if health data or financial data is handled in a manner not permitted by law or under the Company's agreements with healthcare or financial institutions, the Company can be subject to litigation or government investigations, and can be liable for associated investigatory expenses, and can also incur significant fees or fines.

Payment card data is also subject to additional requirements. Under payment card rules and obligations, if cardholder information is potentially compromised, the Company can be liable for associated investigatory expenses and can also incur significant fees or fines if the Company fails to follow payment card industry data security standards. The Company could also experience a significant increase in payment card transaction costs or lose the ability to process payment cards if it fails to follow payment card industry data security standards, which could materially adversely affect the Company's business, reputation, results of operations and financial condition.

## **Financial Risks**

***The Company expects its quarterly net sales and results of operations to fluctuate.***

The Company's profit margins vary across its products, services, geographic segments and distribution channels. For example, the gross margins on the Company's products and services vary significantly and can change over time. The Company's gross margins are subject to volatility and downward pressure due to a variety of factors, including: continued industry-wide global product pricing pressures and product pricing actions that the Company may take in response to such pressures; increased competition; the Company's ability to effectively stimulate demand for certain of its products and services; compressed product life cycles; supply shortages; potential increases in the cost of components, outside manufacturing services, and developing, acquiring and delivering content for the Company's services; the Company's ability to manage product quality and warranty costs effectively; shifts in the mix of products and services, or in the geographic, currency or channel mix, including to the extent that regulatory changes require the Company to modify its product and service offerings; fluctuations in foreign exchange rates; inflation and other macroeconomic pressures; and the introduction of new products or services, including new products or services with lower profit margins. These and other factors could have a materially adverse impact on the Company's results of operations and financial condition.

The Company has historically experienced higher net sales in its first quarter compared to other quarters in its fiscal year due in part to seasonal holiday demand. Additionally, new product and service introductions can significantly impact net sales, cost of sales and operating expenses. Further, the Company generates a significant portion of its net sales from a single product and a decline in demand for that product could significantly impact quarterly net sales. The Company could also be subject to unexpected developments, such as lower-than-anticipated demand for the Company's products or services, issues with new product or service introductions, information technology system failures or network disruptions, or failure of one of the Company's logistics, supply or manufacturing partners.

***The Company's financial performance is subject to risks associated with changes in the value of the U.S. dollar relative to local currencies.***

The Company's primary exposure to movements in foreign exchange rates relates to non-U.S. dollar-denominated sales, cost of sales and operating expenses worldwide. Gross margins on the Company's products in foreign countries and on products that include components obtained from foreign suppliers have in the past been adversely affected and could in the future be materially adversely affected by foreign exchange rate fluctuations.

The weakening of foreign currencies relative to the U.S. dollar adversely affects the U.S. dollar value of the Company's foreign currency-denominated sales and earnings, and generally leads the Company to raise international pricing, potentially reducing demand for the Company's products. In some circumstances, for competitive or other reasons, the Company may decide not to raise international pricing to offset the U.S. dollar's strengthening, which would adversely affect the U.S. dollar value of the gross margins the Company earns on foreign currency-denominated sales.

Conversely, a strengthening of foreign currencies relative to the U.S. dollar, while generally beneficial to the Company's foreign currency-denominated sales and earnings, could cause the Company to reduce international pricing or incur losses on its foreign currency derivative instruments, thereby limiting the benefit. Additionally, strengthening of foreign currencies may increase the Company's cost of product components denominated in those currencies, thus adversely affecting gross margins.

The Company uses derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign exchange rates. The use of such hedging activities may not be effective to offset any, or more than a portion, of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place.

***The Company is exposed to credit risk and fluctuations in the values of its investment portfolio.***

The Company's investments can be negatively affected by changes in liquidity, credit deterioration, financial results, market and economic conditions, political risk, sovereign risk, interest rate fluctuations or other factors. As a result, the value and liquidity of the Company's cash, cash equivalents and marketable securities may fluctuate substantially. Although the Company has not realized significant losses on its cash, cash equivalents and marketable securities, future fluctuations in their value could result in significant losses and could have a material adverse impact on the Company's results of operations and financial condition.

***The Company is exposed to credit risk on its trade accounts receivable, vendor non-trade receivables and prepayments related to long-term supply agreements, and this risk is heightened during periods when economic conditions worsen.***

The Company distributes its products and certain of its services through third-party cellular network carriers, wholesalers, retailers and resellers. The Company also sells its products and services directly to small and mid-sized businesses and education, enterprise and government customers. A substantial majority of the Company's outstanding trade receivables are not covered by collateral, third-party bank support or financing arrangements, or credit insurance, and a significant portion of the Company's trade receivables can be concentrated within cellular network carriers or other resellers. The Company's exposure to credit and collectibility risk on its trade receivables is higher in certain international markets and its ability to mitigate such risks may be limited. The Company also has unsecured vendor non-trade receivables resulting from purchases of components by outsourcing partners and other vendors that manufacture subassemblies or assemble final products for the Company. In addition, the Company has made prepayments associated with long-term supply agreements to secure supply of inventory components. As of September 28, 2024, the Company's vendor non-trade receivables and prepayments related to long-term supply agreements were concentrated among a few individual vendors located primarily in Asia. While the Company has procedures to monitor and limit exposure to credit risk on its trade and vendor non-trade receivables, as well as long-term prepayments, there can be no assurance such procedures will effectively limit its credit risk and avoid losses.

***The Company is subject to changes in tax rates, the adoption of new U.S. or international tax legislation and exposure to additional tax liabilities.***

The Company is subject to taxes in the U.S. and numerous foreign jurisdictions, including Ireland and Singapore, where a number of the Company's subsidiaries are organized. Due to economic and political conditions, tax laws and tax rates for income taxes and other non-income taxes in various jurisdictions may be subject to significant change. For example, the Organisation for Economic Co-operation and Development continues to advance proposals for modernizing international tax rules, including the introduction of global minimum tax standards. The Company's effective tax rates are affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, the introduction of new taxes, and changes in tax laws or their interpretation. The application of tax laws may be uncertain, require significant judgment and be subject to differing interpretations.

The Company is also subject to the examination of its tax returns and other tax matters by the U.S. Internal Revenue Service and other tax authorities and governmental bodies. The Company regularly assesses the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of its provision for taxes. There can be no assurance as to the outcome of these examinations. If the Company's effective tax rates were to increase, or if the ultimate determination of the Company's taxes owed is for an amount in excess of amounts previously accrued, the Company's business, results of operations and financial condition could be materially adversely affected.

## **General Risks**

### ***The price of the Company's stock is subject to volatility.***

The Company's stock has experienced substantial price volatility in the past and may continue to do so in the future. Additionally, the Company, the technology industry and the stock market as a whole have, from time to time, experienced extreme stock price and volume fluctuations that have affected stock prices in ways that may have been unrelated to these companies' operating performance. Price volatility may cause the average price at which the Company repurchases its stock in a given period to exceed the stock's price at a given point in time. The Company believes the price of its stock should reflect expectations of future growth and profitability. The Company also believes the price of its stock should reflect expectations that its cash dividend will continue at current levels or grow, and that its current share repurchase program will be fully consummated. Future dividends are subject to declaration by the Company's Board of Directors (the "Board"), and the Company's share repurchase program does not obligate it to acquire any specific number of shares. If the Company fails to meet expectations related to future growth, profitability, dividends, share repurchases or other market expectations, the price of the Company's stock may decline significantly, which could have a material adverse impact on investor confidence and employee retention.

### **Item 1B. Unresolved Staff Comments**

None.

### **Item 1C. Cybersecurity**

The Company's management, led by its Head of Corporate Information Security, has overall responsibility for identifying, assessing and managing any material risks from cybersecurity threats. The Company's Head of Corporate Information Security leads a dedicated Information Security team of highly skilled individuals with experience across industries that, among other things, develops and distributes information security policies, standards and procedures; engages in employee cybersecurity training; implements security controls; assesses security risk and compliance posture; monitors and responds to security events; and executes security testing and assessments. The Company's Head of Corporate Information Security has extensive knowledge and skills gained from over 25 years of experience in the cybersecurity industry, including serving in leadership positions at other large technology companies and leading the Company's Information Security team since 2016.

The Company's Information Security team coordinates with teams across the Company to prevent, respond to and manage security incidents, and engages third parties, as appropriate, to assess, test or otherwise assist with aspects of its security processes and incident response. A dedicated Supplier Trust team manages information security risks the Company is exposed to through its supplier relationships. The Company has processes to log, track, address, and escalate for further assessment and report, as appropriate, cybersecurity incidents across the Company and its suppliers to senior management and the Audit and Finance Committee (the "Audit Committee") of the Board. The Company's enterprise risk management program is designed to identify, assess, and monitor the Company's business risks, including financial, operational, compliance and reputational risks, and reflects management's assessment of cybersecurity risks.

The Audit Committee assists the Board in the oversight and monitoring of cybersecurity matters. The Audit Committee regularly reviews and discusses the Company's cybersecurity risks with management, including the Company's Head of Corporate Information Security, its General Counsel and the Heads of Compliance and Business Conduct, Business Assurance, and Internal Audit, and receives updates, as necessary, regarding cybersecurity incidents. The Chair of the Audit Committee regularly reports the substance of such reviews and discussions to the Board, as necessary, and recommends to the Board such actions as the Audit Committee deems appropriate.

For a discussion of the Company's cybersecurity-related risks, see Item 1A of this Form 10-K under the heading "Risk Factors."

## Item 2. Properties

The Company's headquarters is located in Cupertino, California. As of September 28, 2024, the Company owned or leased facilities and land for corporate functions, R&D, data centers, retail and other purposes at locations throughout the U.S. and in various places outside the U.S. The Company believes its existing facilities and equipment, which are used by all reportable segments, are in good operating condition and are suitable for the conduct of its business.

## Item 3. Legal Proceedings

### *Digital Markets Act Investigations*

On March 25, 2024, the Commission announced that it had opened two formal noncompliance investigations against the Company under the DMA. The Commission's investigations concern (1) Article 5(4) of the DMA, which relates to how developers may communicate and promote offers to end users for apps distributed through the App Store as well as how developers may conclude contracts with those end users; and (2) Article 6(3) of the DMA, which relates to default settings, uninstallation of apps, and a web browser choice screen on iOS. On June 24, 2024, the Commission announced its preliminary findings in the Article 5(4) investigation alleging that the Company's App Store rules are in breach of the DMA and announced that it had opened a third formal investigation against the Company regarding whether the Company's new contractual requirements for third-party app developers and app marketplaces may violate the DMA. If the Commission makes a final determination that there has been a violation, it can issue a cease and desist order and may impose fines up to 10% of the Company's annual worldwide net sales. Although any decision by the Commission can be appealed to the General Court of the EU, the effectiveness of the Commission's order would apply immediately while the appeal is pending, unless a stay of the order is granted. The Company believes that it complies with the DMA and has continued to make changes to its compliance plan in response to feedback and engagement with the Commission.

### *Department of Justice Lawsuit*

On March 21, 2024, the U.S. Department of Justice (the "DOJ") and a number of state and district attorneys general filed a civil antitrust lawsuit in the U.S. District Court for the District of New Jersey against the Company alleging monopolization or attempted monopolization in the markets for "performance smartphones" and "smartphones" in violation of U.S. antitrust laws. The DOJ is seeking equitable relief to redress the alleged anticompetitive behavior. In addition, various civil litigation matters have been filed in state and federal courts in the U.S. alleging similar violations of U.S. antitrust laws and seeking monetary damages and other nonmonetary relief. The Company believes it has substantial defenses and intends to vigorously defend itself.

### *Epic Games*

Epic Games, Inc. ("Epic") filed a lawsuit in the U.S. District Court for the Northern District of California (the "California District Court") against the Company alleging violations of federal and state antitrust laws and California's unfair competition law based upon the Company's operation of its App Store. The California District Court found that certain provisions of the Company's App Store Review Guidelines violate California's unfair competition law and issued an injunction enjoining the Company from prohibiting developers from including in their apps external links that direct customers to purchasing mechanisms other than Apple in-app purchasing. The injunction applies to apps on the U.S. storefront of the iOS and iPadOS App Store. On January 16, 2024, the Company implemented a plan to comply with the injunction and filed a statement of compliance with the California District Court. A motion by Epic disputing the Company's compliance plan and seeking to enforce the injunction, which the Company has opposed, is pending before the California District Court. On September 30, 2024, the Company filed a motion with the California District Court to narrow or vacate the injunction. The Company believes it has substantial defenses and intends to vigorously defend itself.

### *Other Legal Proceedings*

The Company is subject to other legal proceedings and claims that have not been fully resolved and that have arisen in the ordinary course of business. The Company settled certain matters during the fourth quarter of 2024 that did not individually or in the aggregate have a material impact on the Company's financial condition or operating results. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts above management's expectations, the Company's financial condition and operating results for that reporting period could be materially adversely affected.

## Item 4. Mine Safety Disclosures

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company's common stock is traded on The Nasdaq Stock Market LLC under the symbol AAPL.

#### Holders

As of October 18, 2024, there were 23,301 shareholders of record.

#### Purchases of Equity Securities by the Issuer and Affiliated Purchasers

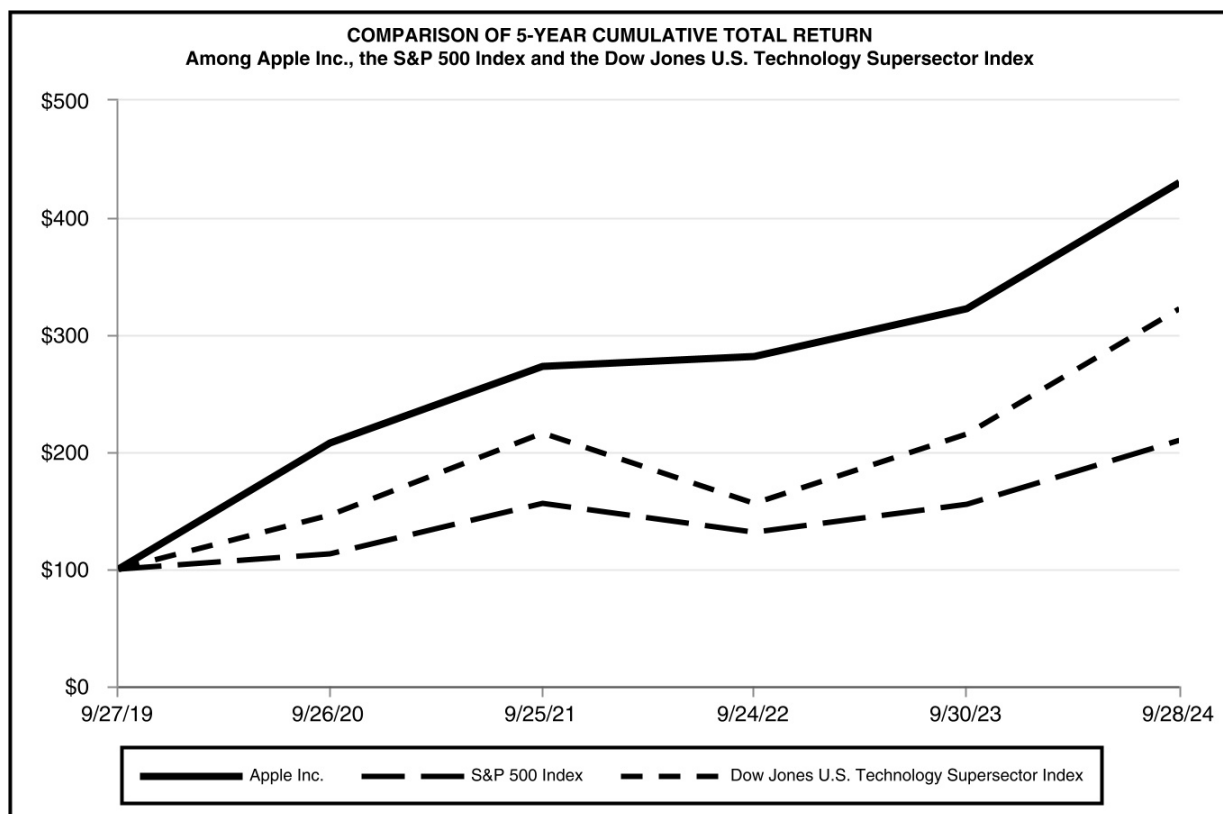
Share repurchase activity during the three months ended September 28, 2024 was as follows (in millions, except number of shares, which are reflected in thousands, and per-share amounts):

<u>Periods</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup></u>
June 30, 2024 to August 3, 2024:				
Open market and privately negotiated purchases	35,697	\$ 224.11	35,697	
August 4, 2024 to August 31, 2024:				
Open market and privately negotiated purchases	42,910	\$ 221.39	42,910	
September 1, 2024 to September 28, 2024:				
Open market and privately negotiated purchases	33,653	\$ 222.86	33,653	
Total	<u>112,260</u>			<u>\$ 89,074</u>

- (1) As of September 28, 2024, the Company was authorized by the Board to purchase up to \$110 billion of the Company's common stock under a share repurchase program announced on May 2, 2024, of which \$20.9 billion had been utilized. During the fourth quarter of 2024, the Company also utilized the final \$4.1 billion under its previous repurchase program, which was authorized in May 2023. The programs do not obligate the Company to acquire a minimum amount of shares. Under the programs, shares may be repurchased in privately negotiated or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

## Company Stock Performance

The following graph shows a comparison of five-year cumulative total shareholder return, calculated on a dividend-reinvested basis, for the Company, the S&P 500 Index and the Dow Jones U.S. Technology Supersector Index. The graph assumes \$100 was invested in each of the Company's common stock, the S&P 500 Index and the Dow Jones U.S. Technology Supersector Index as of the market close on September 27, 2019. Past stock price performance is not necessarily indicative of future stock price performance.



	September 2019	September 2020	September 2021	September 2022	September 2023	September 2024
Apple Inc.	\$ 100	\$ 207	\$ 273	\$ 281	\$ 322	\$ 430
S&P 500 Index	\$ 100	\$ 113	\$ 156	\$ 131	\$ 155	\$ 210
Dow Jones U.S. Technology Supersector Index	\$ 100	\$ 146	\$ 216	\$ 156	\$ 215	\$ 322

Item 6. [Reserved]

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes included in Part II, Item 8 of this Form 10-K. This Item generally discusses 2024 and 2023 items and year-to-year comparisons between 2024 and 2023. Discussions of 2022 items and year-to-year comparisons between 2023 and 2022 are not included, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2023.*

### Product, Service and Software Announcements

The Company announces new product, service and software offerings at various times during the year. Significant announcements during fiscal year 2024 included the following:

First Quarter 2024:

- MacBook Pro 14-in.;
- MacBook Pro 16-in.; and
- iMac.

Second Quarter 2024:

- MacBook Air 13-in.; and
- MacBook Air 15-in.

Third Quarter 2024:

- iPad Air;
- iPad Pro;
- iOS 18, macOS Sequoia, iPadOS 18, watchOS 11, visionOS 2 and tvOS 18, updates to the Company's operating systems; and
- Apple Intelligence™, a personal intelligence system that uses generative models.

Fourth Quarter 2024:

- iPhone 16, iPhone 16 Plus, iPhone 16 Pro and iPhone 16 Pro Max;
- Apple Watch Series 10; and
- AirPods 4.

### Fiscal Period

The Company's fiscal year is the 52- or 53-week period that ends on the last Saturday of September. An additional week is included in the first fiscal quarter every five or six years to realign the Company's fiscal quarters with calendar quarters, which occurred in the first quarter of 2023. The Company's fiscal years 2024 and 2022 spanned 52 weeks each, whereas fiscal year 2023 spanned 53 weeks.

### Macroeconomic Conditions

Macroeconomic conditions, including inflation, interest rates and currency fluctuations, have directly and indirectly impacted, and could in the future materially impact, the Company's results of operations and financial condition.

## Segment Operating Performance

The following table shows net sales by reportable segment for 2024, 2023 and 2022 (dollars in millions):

	2024	Change	2023	Change	2022
Americas	\$ 167,045	3 %	\$ 162,560	(4)%	\$ 169,658
Europe	101,328	7 %	94,294	(1)%	95,118
Greater China	66,952	(8)%	72,559	(2)%	74,200
Japan	25,052	3 %	24,257	(7)%	25,977
Rest of Asia Pacific	30,658	4 %	29,615	1 %	29,375
Total net sales	<u>\$ 391,035</u>	2 %	<u>\$ 383,285</u>	(3)%	<u>\$ 394,328</u>

### *Americas*

Americas net sales increased during 2024 compared to 2023 due primarily to higher net sales of Services.

### *Europe*

Europe net sales increased during 2024 compared to 2023 due primarily to higher net sales of Services and iPhone.

### *Greater China*

Greater China net sales decreased during 2024 compared to 2023 due primarily to lower net sales of iPhone and iPad. The weakness in the renminbi relative to the U.S. dollar had an unfavorable year-over-year impact on Greater China net sales during 2024.

### *Japan*

Japan net sales increased during 2024 compared to 2023 due primarily to higher net sales of iPhone. The weakness in the yen relative to the U.S. dollar had an unfavorable year-over-year impact on Japan net sales during 2024.

### *Rest of Asia Pacific*

Rest of Asia Pacific net sales increased during 2024 compared to 2023 due primarily to higher net sales of Services. The weakness in foreign currencies relative to the U.S. dollar had a net unfavorable year-over-year impact on Rest of Asia Pacific net sales during 2024.



## Products and Services Performance

The following table shows net sales by category for 2024, 2023 and 2022 (dollars in millions):

	2024	Change	2023	Change	2022
iPhone	\$ 201,183	— %	\$ 200,583	(2)%	\$ 205,489
Mac	29,984	2 %	29,357	(27)%	40,177
iPad	26,694	(6)%	28,300	(3)%	29,292
Wearables, Home and Accessories	37,005	(7)%	39,845	(3)%	41,241
Services <sup>(1)</sup>	96,169	13 %	85,200	9 %	78,129
Total net sales	<u>\$ 391,035</u>	<u>2 %</u>	<u>\$ 383,285</u>	<u>(3)%</u>	<u>\$ 394,328</u>

(1) Services net sales include amortization of the deferred value of services bundled in the sales price of certain products.

### *iPhone*

iPhone net sales were relatively flat during 2024 compared to 2023.

### *Mac*

Mac net sales increased during 2024 compared to 2023 due primarily to higher net sales of laptops.

### *iPad*

iPad net sales decreased during 2024 compared to 2023 due primarily to lower net sales of iPad Pro and the entry-level iPad models, partially offset by higher net sales of iPad Air.

### *Wearables, Home and Accessories*

Wearables, Home and Accessories net sales decreased during 2024 compared to 2023 due primarily to lower net sales of Wearables and Accessories.

### *Services*

Services net sales increased during 2024 compared to 2023 due primarily to higher net sales from advertising, the App Store<sup>®</sup> and cloud services.

## Gross Margin

Products and Services gross margin and gross margin percentage for 2024, 2023 and 2022 were as follows (dollars in millions):

	2024	2023	2022
Gross margin:			
Products	\$ 109,633	\$ 108,803	\$ 114,728
Services	71,050	60,345	56,054
Total gross margin	<u>\$ 180,683</u>	<u>\$ 169,148</u>	<u>\$ 170,782</u>
Gross margin percentage:			
Products	37.2 %	36.5 %	36.3 %
Services	73.9 %	70.8 %	71.7 %
Total gross margin percentage	46.2 %	44.1 %	43.3 %

### Products Gross Margin

Products gross margin and Products gross margin percentage increased during 2024 compared to 2023 due to cost savings, partially offset by a different Products mix and the weakness in foreign currencies relative to the U.S. dollar.

### Services Gross Margin

Services gross margin increased during 2024 compared to 2023 due primarily to higher Services net sales.

Services gross margin percentage increased during 2024 compared to 2023 due to a different Services mix.

The Company's future gross margins can be impacted by a variety of factors, as discussed in Part I, Item 1A of this Form 10-K under the heading "Risk Factors." As a result, the Company believes, in general, gross margins will be subject to volatility and downward pressure.

## Operating Expenses

Operating expenses for 2024, 2023 and 2022 were as follows (dollars in millions):

	2024	Change	2023	Change	2022
Research and development	\$ 31,370	5 %	\$ 29,915	14 %	\$ 26,251
Percentage of total net sales	8 %		8 %		7 %
Selling, general and administrative	\$ 26,097	5 %	\$ 24,932	(1)%	\$ 25,094
Percentage of total net sales	7 %		7 %		6 %
Total operating expenses	\$ 57,467	5 %	\$ 54,847	7 %	\$ 51,345
Percentage of total net sales	15 %		14 %		13 %

### Research and Development

The growth in R&D expense during 2024 compared to 2023 was driven primarily by increases in headcount-related expenses.

### Selling, General and Administrative

Selling, general and administrative expense increased \$1.2 billion during 2024 compared to 2023.

## Provision for Income Taxes

Provision for income taxes, effective tax rate and statutory federal income tax rate for 2024, 2023 and 2022 were as follows (dollars in millions):

	2024	2023	2022
Provision for income taxes	\$ 29,749	\$ 16,741	\$ 19,300
Effective tax rate	24.1 %	14.7 %	16.2 %
Statutory federal income tax rate	21 %	21 %	21 %

The Company's effective tax rate for 2024 was higher than the statutory federal income tax rate due primarily to a one-time income tax charge of \$10.2 billion, net, related to the State Aid Decision (refer to Note 7, "Income Taxes" in the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K) and state income taxes, partially offset by a lower effective tax rate on foreign earnings, the impact of the U.S. federal R&D credit, and tax benefits from share-based compensation.

The Company's effective tax rate for 2024 was higher compared to 2023 due primarily to a one-time income tax charge of \$10.2 billion, net, related to the State Aid Decision, a higher effective tax rate on foreign earnings and lower tax benefits from share-based compensation.

## Liquidity and Capital Resources

The Company believes its balances of unrestricted cash, cash equivalents and marketable securities, which totaled \$140.8 billion as of September 28, 2024, along with cash generated by ongoing operations and continued access to debt markets, will be sufficient to satisfy its cash requirements and capital return program over the next 12 months and beyond.

The Company's material cash requirements include the following contractual obligations:

### Debt

As of September 28, 2024, the Company had outstanding fixed-rate notes with varying maturities for an aggregate principal amount of \$97.3 billion (collectively the "Notes"), with \$10.9 billion payable within 12 months. Future interest payments associated with the Notes total \$38.5 billion, with \$2.6 billion payable within 12 months.

The Company also issues unsecured short-term promissory notes pursuant to a commercial paper program. As of September 28, 2024, the Company had \$10.0 billion of commercial paper outstanding, all of which was payable within 12 months.

### Leases

The Company has lease arrangements for certain equipment and facilities, including corporate, data center, manufacturing and retail space. As of September 28, 2024, the Company had fixed lease payment obligations of \$15.6 billion, with \$2.0 billion payable within 12 months.

### Manufacturing Purchase Obligations

The Company utilizes several outsourcing partners to manufacture subassemblies for the Company's products and to perform final assembly and testing of finished products. The Company also obtains individual components for its products from a wide variety of individual suppliers. As of September 28, 2024, the Company had manufacturing purchase obligations of \$53.0 billion, with \$52.9 billion payable within 12 months.

### Other Purchase Obligations

The Company's other purchase obligations primarily consist of noncancelable obligations to acquire capital assets, including assets related to product manufacturing, and noncancelable obligations related to supplier arrangements, licensed intellectual property and content, and distribution rights. As of September 28, 2024, the Company had other purchase obligations of \$12.0 billion, with \$4.1 billion payable within 12 months.

### Deemed Repatriation Tax Payable

As of September 28, 2024, the balance of the deemed repatriation tax payable imposed by the U.S. Tax Cuts and Jobs Act of 2017 (the "TCJA") was \$16.5 billion, with \$7.2 billion expected to be paid within 12 months.

### *State Aid Decision Tax Payable*

As of September 28, 2024, the Company had an obligation to pay €14.2 billion or \$15.8 billion to Ireland in connection with the State Aid Decision, all of which was expected to be paid within 12 months. The funds necessary to settle the obligation were held in escrow as of September 28, 2024, and restricted from general use.

### *Capital Return Program*

In addition to its contractual cash requirements, the Company has an authorized share repurchase program. The program does not obligate the Company to acquire a minimum amount of shares. As of September 28, 2024, the Company's quarterly cash dividend was \$0.25 per share. The Company intends to increase its dividend on an annual basis, subject to declaration by the Board.

In May 2024, the Company announced a new share repurchase program of up to \$110 billion and raised its quarterly dividend from \$0.24 to \$0.25 per share beginning in May 2024. During 2024, the Company repurchased \$95.0 billion of its common stock and paid dividends and dividend equivalents of \$15.2 billion.

## **Recent Accounting Pronouncements**

### *Income Taxes*

In December 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company will adopt ASU 2023-09 in its fourth quarter of 2026 using a prospective transition method.

### *Segment Reporting*

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which will require the Company to disclose segment expenses that are significant and regularly provided to the Company's chief operating decision maker ("CODM"). In addition, ASU 2023-07 will require the Company to disclose the title and position of its CODM and how the CODM uses segment profit or loss information in assessing segment performance and deciding how to allocate resources. The Company will adopt ASU 2023-07 in its fourth quarter of 2025 using a retrospective transition method.

## **Critical Accounting Estimates**

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles ("GAAP") and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported. Note 1, "Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements in Part II, Item 8 of this Form 10-K describes the significant accounting policies and methods used in the preparation of the Company's consolidated financial statements. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

### *Uncertain Tax Positions*

The Company is subject to income taxes in the U.S. and numerous foreign jurisdictions. The evaluation of the Company's uncertain tax positions involves significant judgment in the interpretation and application of GAAP and complex domestic and international tax laws, including the TCJA and the allocation of international taxation rights between countries. Although management believes the Company's reserves are reasonable, no assurance can be given that the final outcome of these uncertainties will not be different from that reflected in the Company's reserves. Reserves are adjusted considering changing facts and circumstances, such as the closing of a tax examination. Resolution of these uncertainties in a manner inconsistent with management's expectations could have a material impact on the Company's financial condition and operating results.

### *Legal and Other Contingencies*

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business, the outcomes of which are inherently uncertain. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable, the determination of which requires significant judgment. Resolution of legal matters in a manner inconsistent with management's expectations could have a material impact on the Company's financial condition and operating results.

## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to economic risk from interest rates and foreign exchange rates. The Company uses various strategies to manage these risks; however, they may still impact the Company's consolidated financial statements.

### Interest Rate Risk

The Company is primarily exposed to fluctuations in U.S. interest rates and their impact on the Company's investment portfolio and term debt. Increases in interest rates will negatively affect the fair value of the Company's investment portfolio and increase the interest expense on the Company's term debt. To protect against interest rate risk, the Company may use derivative instruments, offset interest rate-sensitive assets and liabilities, or control duration of the investment and term debt portfolios.

The following table sets forth potential impacts on the Company's investment portfolio and term debt, including the effects of any associated derivatives, that would result from a hypothetical increase in relevant interest rates as of September 28, 2024 and September 30, 2023 (dollars in millions):

<u>Interest Rate Sensitive Instrument</u>	<u>Hypothetical Interest Rate Increase</u>	<u>Potential Impact</u>	<u>2024</u>	<u>2023</u>
Investment portfolio	100 basis points, all tenors	Decline in fair value	\$ 2,755	\$ 3,089
Term debt	100 basis points, all tenors	Increase in annual interest expense	\$ 139	\$ 194

### Foreign Exchange Rate Risk

The Company's exposure to foreign exchange rate risk relates primarily to the Company being a net receiver of currencies other than the U.S. dollar. Changes in exchange rates, and in particular a strengthening of the U.S. dollar, will negatively affect the Company's net sales and gross margins as expressed in U.S. dollars. Fluctuations in exchange rates may also affect the fair values of certain of the Company's assets and liabilities. To protect against foreign exchange rate risk, the Company may use derivative instruments, offset exposures, or adjust local currency pricing of its products and services. However, the Company may choose to not hedge certain foreign currency exposures for a variety of reasons, including accounting considerations or prohibitive cost.

The Company applied a value-at-risk ("VAR") model to its foreign currency derivative positions to assess the potential impact of fluctuations in exchange rates. The VAR model used a Monte Carlo simulation. The VAR is the maximum expected loss in fair value, for a given confidence interval, to the Company's foreign currency derivative positions due to adverse movements in rates. Based on the results of the model, the Company estimates, with 95% confidence, a maximum one-day loss in fair value of \$538 million and \$669 million as of September 28, 2024 and September 30, 2023, respectively. Changes in the Company's underlying foreign currency exposures, which were excluded from the assessment, generally offset changes in the fair values of the Company's foreign currency derivatives.

## Item 8. Financial Statements and Supplementary Data

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<a href="#">Consolidated Statements of Operations for the years ended September 28, 2024, September 30, 2023 and September 24, 2022</a>	29
<a href="#">Consolidated Statements of Comprehensive Income for the years ended September 28, 2024, September 30, 2023 and September 24, 2022</a>	30
<a href="#">Consolidated Balance Sheets as of September 28, 2024 and September 30, 2023</a>	31
<a href="#">Consolidated Statements of Shareholders' Equity for the years ended September 28, 2024, September 30, 2023 and September 24, 2022</a>	32
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All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and accompanying notes.

Apple Inc.

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions, except number of shares, which are reflected in thousands, and per-share amounts)

	Years ended		
	September 28, 2024	September 30, 2023	September 24, 2022
Net sales:			
Products	\$ 294,866	\$ 298,085	\$ 316,199
Services	96,169	85,200	78,129
Total net sales	<u>391,035</u>	<u>383,285</u>	<u>394,328</u>
Cost of sales:			
Products	185,233	189,282	201,471
Services	25,119	24,855	22,075
Total cost of sales	<u>210,352</u>	<u>214,137</u>	<u>223,546</u>
Gross margin	<u>180,683</u>	<u>169,148</u>	<u>170,782</u>
Operating expenses:			
Research and development	31,370	29,915	26,251
Selling, general and administrative	26,097	24,932	25,094
Total operating expenses	<u>57,467</u>	<u>54,847</u>	<u>51,345</u>
Operating income	123,216	114,301	119,437
Other income/(expense), net	269	(565)	(334)
Income before provision for income taxes	123,485	113,736	119,103
Provision for income taxes	29,749	16,741	19,300
Net income	<u>\$ 93,736</u>	<u>\$ 96,995</u>	<u>\$ 99,803</u>
Earnings per share:			
Basic	\$ 6.11	\$ 6.16	\$ 6.15
Diluted	\$ 6.08	\$ 6.13	\$ 6.11
Shares used in computing earnings per share:			
Basic	15,343,783	15,744,231	16,215,963
Diluted	15,408,095	15,812,547	16,325,819

See accompanying Notes to Consolidated Financial Statements.

Apple Inc.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

	Years ended		
	September 28, 2024	September 30, 2023	September 24, 2022
Net income	\$ 93,736	\$ 96,995	\$ 99,803
Other comprehensive income/(loss):			
Change in foreign currency translation, net of tax	395	(765)	(1,511)
Change in unrealized gains/losses on derivative instruments, net of tax:			
Change in fair value of derivative instruments	(832)	323	3,212
Adjustment for net (gains)/losses realized and included in net income	(1,337)	(1,717)	(1,074)
Total change in unrealized gains/losses on derivative instruments	(2,169)	(1,394)	2,138
Change in unrealized gains/losses on marketable debt securities, net of tax:			
Change in fair value of marketable debt securities	5,850	1,563	(12,104)
Adjustment for net (gains)/losses realized and included in net income	204	253	205
Total change in unrealized gains/losses on marketable debt securities	6,054	1,816	(11,899)
Total other comprehensive income/(loss)	4,280	(343)	(11,272)
Total comprehensive income	\$ 98,016	\$ 96,652	\$ 88,531

See accompanying Notes to Consolidated Financial Statements.



Apple Inc.

CONSOLIDATED BALANCE SHEETS

(In millions, except number of shares, which are reflected in thousands, and par value)

	September 28, 2024	September 30, 2023
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 29,943	\$ 29,965
Marketable securities	35,228	31,590
Accounts receivable, net	33,410	29,508
Vendor non-trade receivables	32,833	31,477
Inventories	7,286	6,331
Other current assets	14,287	14,695
Total current assets	152,987	143,566
Non-current assets:		
Marketable securities	91,479	100,544
Property, plant and equipment, net	45,680	43,715
Other non-current assets	74,834	64,758
Total non-current assets	211,993	209,017
Total assets	\$ 364,980	\$ 352,583
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable	\$ 68,960	\$ 62,611
Other current liabilities	78,304	58,829
Deferred revenue	8,249	8,061
Commercial paper	9,967	5,985
Term debt	10,912	9,822
Total current liabilities	176,392	145,308
Non-current liabilities:		
Term debt	85,750	95,281
Other non-current liabilities	45,888	49,848
Total non-current liabilities	131,638	145,129
Total liabilities	308,030	290,437
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,116,786 and 15,550,061 shares issued and outstanding, respectively	83,276	73,812
Accumulated deficit	(19,154)	(214)
Accumulated other comprehensive loss	(7,172)	(11,452)
Total shareholders' equity	56,950	62,146
Total liabilities and shareholders' equity	\$ 364,980	\$ 352,583

See accompanying Notes to Consolidated Financial Statements.

Apple Inc.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In millions, except per-share amounts)

	Years ended		
	September 28, 2024	September 30, 2023	September 24, 2022
Total shareholders' equity, beginning balances	\$ 62,146	\$ 50,672	\$ 63,090
Common stock and additional paid-in capital:			
Beginning balances	73,812	64,849	57,365
Common stock issued	1,423	1,346	1,175
Common stock withheld related to net share settlement of equity awards	(3,993)	(3,521)	(2,971)
Share-based compensation	12,034	11,138	9,280
Ending balances	83,276	73,812	64,849
Retained earnings/(Accumulated deficit):			
Beginning balances	(214)	(3,068)	5,562
Net income	93,736	96,995	99,803
Dividends and dividend equivalents declared	(15,218)	(14,996)	(14,793)
Common stock withheld related to net share settlement of equity awards	(1,612)	(2,099)	(3,454)
Common stock repurchased	(95,846)	(77,046)	(90,186)
Ending balances	(19,154)	(214)	(3,068)
Accumulated other comprehensive income/(loss):			
Beginning balances	(11,452)	(11,109)	163
Other comprehensive income/(loss)	4,280	(343)	(11,272)
Ending balances	(7,172)	(11,452)	(11,109)
Total shareholders' equity, ending balances	\$ 56,950	\$ 62,146	\$ 50,672
Dividends and dividend equivalents declared per share or RSU	\$ 0.98	\$ 0.94	\$ 0.90

See accompanying Notes to Consolidated Financial Statements.

Apple Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

	Years ended		
	September 28, 2024	September 30, 2023	September 24, 2022
Cash, cash equivalents, and restricted cash and cash equivalents, beginning balances	\$ 30,737	\$ 24,977	\$ 35,929
Operating activities:			
Net income	93,736	96,995	99,803
Adjustments to reconcile net income to cash generated by operating activities:			
Depreciation and amortization	11,445	11,519	11,104
Share-based compensation expense	11,688	10,833	9,038
Other	(2,266)	(2,227)	1,006
Changes in operating assets and liabilities:			
Accounts receivable, net	(3,788)	(1,688)	(1,823)
Vendor non-trade receivables	(1,356)	1,271	(7,520)
Inventories	(1,046)	(1,618)	1,484
Other current and non-current assets	(11,731)	(5,684)	(6,499)
Accounts payable	6,020	(1,889)	9,448
Other current and non-current liabilities	15,552	3,031	6,110
Cash generated by operating activities	118,254	110,543	122,151
Investing activities:			
Purchases of marketable securities	(48,656)	(29,513)	(76,923)
Proceeds from maturities of marketable securities	51,211	39,686	29,917
Proceeds from sales of marketable securities	11,135	5,828	37,446
Payments for acquisition of property, plant and equipment	(9,447)	(10,959)	(10,708)
Other	(1,308)	(1,337)	(2,086)
Cash generated by/(used in) investing activities	2,935	3,705	(22,354)
Financing activities:			
Payments for taxes related to net share settlement of equity awards	(5,441)	(5,431)	(6,223)
Payments for dividends and dividend equivalents	(15,234)	(15,025)	(14,841)
Repurchases of common stock	(94,949)	(77,550)	(89,402)
Proceeds from issuance of term debt, net	—	5,228	5,465
Repayments of term debt	(9,958)	(11,151)	(9,543)
Proceeds from/(Repayments of) commercial paper, net	3,960	(3,978)	3,955
Other	(361)	(581)	(160)
Cash used in financing activities	(121,983)	(108,488)	(110,749)
Increase/(Decrease) in cash, cash equivalents, and restricted cash and cash equivalents	(794)	5,760	(10,952)
Cash, cash equivalents, and restricted cash and cash equivalents, ending balances	\$ 29,943	\$ 30,737	\$ 24,977
Supplemental cash flow disclosure:			
Cash paid for income taxes, net	\$ 26,102	\$ 18,679	\$ 19,573

See accompanying Notes to Consolidated Financial Statements.

## Apple Inc.

### Notes to Consolidated Financial Statements

#### Note 1 – Summary of Significant Accounting Policies

##### Basis of Presentation and Preparation

The consolidated financial statements include the accounts of Apple Inc. and its wholly owned subsidiaries. The preparation of these consolidated financial statements and accompanying notes in conformity with GAAP requires the use of management estimates. Certain prior period amounts in the consolidated financial statements and accompanying notes have been reclassified to conform to the current period's presentation.

The Company's fiscal year is the 52- or 53-week period that ends on the last Saturday of September. An additional week is included in the first fiscal quarter every five or six years to realign the Company's fiscal quarters with calendar quarters, which occurred in the first fiscal quarter of 2023. The Company's fiscal years 2024 and 2022 spanned 52 weeks each, whereas fiscal year 2023 spanned 53 weeks. Unless otherwise stated, references to particular years, quarters, months and periods refer to the Company's fiscal years ended in September and the associated quarters, months and periods of those fiscal years.

##### Revenue

The Company records revenue net of taxes collected from customers that are remitted to governmental authorities.

##### Share-Based Compensation

The Company recognizes share-based compensation expense on a straight-line basis for its estimate of equity awards that will ultimately vest.

##### Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of purchase are treated as cash equivalents.

##### Marketable Securities

The cost of securities sold is determined using the specific identification method.

##### Inventories

Inventories are measured using the first-in, first-out method.

##### Property, Plant and Equipment

Depreciation on property, plant and equipment is recognized on a straight-line basis.

##### Derivative Instruments

The Company presents derivative assets and liabilities at their gross fair values in the Consolidated Balance Sheets.

##### Income Taxes

The Company records certain deferred tax assets and liabilities in connection with the minimum tax on certain foreign earnings created by the TCJA.

##### Leases

The Company combines and accounts for lease and nonlease components as a single lease component for leases of corporate, data center and retail facilities.

## Note 2 – Revenue

The Company recognizes revenue at the amount to which it expects to be entitled when control of the products or services is transferred to its customers. Control is generally transferred when the Company has a present right to payment and title and the significant risks and rewards of ownership of products or services are transferred to its customers. For most of the Company's Products net sales, control transfers when products are shipped. For the Company's Services net sales, control transfers over time as services are delivered. Payment for Products and Services net sales is collected within a short period following transfer of control or commencement of delivery of services, as applicable.

The Company records reductions to Products net sales related to future product returns, price protection and other customer incentive programs based on the Company's expectations and historical experience.

For arrangements with multiple performance obligations, which represent promises within an arrangement that are distinct, the Company allocates revenue to all distinct performance obligations based on their relative stand-alone selling prices ("SSPs"). When available, the Company uses observable prices to determine SSPs. When observable prices are not available, SSPs are established that reflect the Company's best estimates of what the selling prices of the performance obligations would be if they were sold regularly on a stand-alone basis. The Company's process for estimating SSPs without observable prices considers multiple factors that may vary depending upon the unique facts and circumstances related to each performance obligation including, where applicable, prices charged by the Company for similar offerings, market trends in the pricing for similar offerings, product-specific business objectives and the estimated cost to provide the performance obligation.

The Company has identified the performance obligations regularly included in arrangements involving the sale of iPhone, Mac and iPad. The first material performance obligation, which represents the substantial portion of the allocated sales price, is the hardware and bundled software delivered at the time of sale. The second material performance obligation is the right to receive certain product-related bundled services, which include iCloud<sup>®</sup>, Siri<sup>®</sup> and Maps. The Company allocates revenue and any related discounts to all of its performance obligations based on their relative SSPs. Because the Company lacks observable prices for product-related bundled services, the allocation of revenue is based on the Company's estimated SSPs. Revenue allocated to the delivered hardware and bundled software is recognized when control has transferred to the customer, which generally occurs when the product is shipped. Revenue allocated to product-related bundled services is deferred and recognized on a straight-line basis over the estimated period they are expected to be provided.

For certain long-term service arrangements, the Company has performance obligations for services it has not yet delivered. For these arrangements, the Company does not have a right to bill for the undelivered services. The Company has determined that any unbilled consideration relates entirely to the value of the undelivered services. Accordingly, the Company has not recognized revenue, and does not disclose amounts, related to these undelivered services.

For the sale of third-party products where the Company obtains control of the product before transferring it to the customer, the Company recognizes revenue based on the gross amount billed to customers. The Company considers multiple factors when determining whether it obtains control of third-party products, including evaluating if it can establish the price of the product, retains inventory risk for tangible products or has the responsibility for ensuring acceptability of the product. For third-party applications sold through the App Store, the Company does not obtain control of the product before transferring it to the customer. Therefore, the Company accounts for all third-party application-related sales on a net basis by recognizing in Services net sales only the commission it retains.

Net sales disaggregated by significant products and services for 2024, 2023 and 2022 were as follows (in millions):

	2024	2023	2022
iPhone	\$ 201,183	\$ 200,583	\$ 205,489
Mac	29,984	29,357	40,177
iPad	26,694	28,300	29,292
Wearables, Home and Accessories	37,005	39,845	41,241
Services <sup>(1)</sup>	96,169	85,200	78,129
Total net sales	<u>\$ 391,035</u>	<u>\$ 383,285</u>	<u>\$ 394,328</u>

(1) Services net sales include amortization of the deferred value of services bundled in the sales price of certain products.

Total net sales include \$7.7 billion of revenue recognized in 2024 that was included in deferred revenue as of September 30, 2023, \$8.2 billion of revenue recognized in 2023 that was included in deferred revenue as of September 24, 2022, and \$7.5 billion of revenue recognized in 2022 that was included in deferred revenue as of September 25, 2021.

The Company's proportion of net sales by disaggregated revenue source was generally consistent for each reportable segment in Note 13, "Segment Information and Geographic Data" for 2024, 2023 and 2022, except in Greater China, where iPhone revenue represented a moderately higher proportion of net sales.

As of September 28, 2024 and September 30, 2023, the Company had total deferred revenue of \$12.8 billion and \$12.1 billion, respectively. As of September 28, 2024, the Company expects 64% of total deferred revenue to be realized in less than a year, 25% within one-to-two years, 9% within two-to-three years and 2% in greater than three years.

### Note 3 – Earnings Per Share

The following table shows the computation of basic and diluted earnings per share for 2024, 2023 and 2022 (net income in millions and shares in thousands):

	2024	2023	2022
Numerator:			
Net income	\$ 93,736	\$ 96,995	\$ 99,803
Denominator:			
Weighted-average basic shares outstanding	15,343,783	15,744,231	16,215,963
Effect of dilutive share-based awards	64,312	68,316	109,856
Weighted-average diluted shares	<u>15,408,095</u>	<u>15,812,547</u>	<u>16,325,819</u>
Basic earnings per share	\$ 6.11	\$ 6.16	\$ 6.15
Diluted earnings per share	\$ 6.08	\$ 6.13	\$ 6.11

Approximately 24 million restricted stock units ("RSUs") were excluded from the computation of diluted earnings per share for 2023 because their effect would have been antidilutive.

### Note 4 – Financial Instruments

#### Cash, Cash Equivalents and Marketable Securities

The following tables show the Company's cash, cash equivalents and marketable securities by significant investment category as of September 28, 2024 and September 30, 2023 (in millions):

	2024						
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	\$ 27,199	\$ —	\$ —	\$ 27,199	\$ 27,199	\$ —	\$ —
Level 1:							
Money market funds	778	—	—	778	778	—	—
Mutual funds	515	105	(3)	617	—	617	—
Subtotal	<u>1,293</u>	<u>105</u>	<u>(3)</u>	<u>1,395</u>	<u>778</u>	<u>617</u>	<u>—</u>
Level 2 <sup>(1)</sup> :							
U.S. Treasury securities	16,150	45	(516)	15,679	212	4,087	11,380
U.S. agency securities	5,431	—	(272)	5,159	155	703	4,301
Non-U.S. government securities	17,959	93	(484)	17,568	1,158	10,810	5,600
Certificates of deposit and time deposits	873	—	—	873	387	478	8
Commercial paper	1,066	—	—	1,066	28	1,038	—
Corporate debt securities	65,622	270	(1,953)	63,939	26	16,027	47,886
Municipal securities	412	—	(7)	405	—	190	215
Mortgage- and asset-backed securities	24,595	175	(1,403)	23,367	—	1,278	22,089
Subtotal	<u>132,108</u>	<u>583</u>	<u>(4,635)</u>	<u>128,056</u>	<u>1,966</u>	<u>34,611</u>	<u>91,479</u>
Total <sup>(2)(3)</sup>	<u>\$ 160,600</u>	<u>\$ 688</u>	<u>\$ (4,638)</u>	<u>\$ 156,650</u>	<u>\$ 29,943</u>	<u>\$ 35,228</u>	<u>\$ 91,479</u>

	2023						
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	\$ 28,359	\$ —	\$ —	\$ 28,359	\$ 28,359	\$ —	\$ —
Level 1:							
Money market funds	481	—	—	481	481	—	—
Mutual funds and equity securities	442	12	(26)	428	—	428	—
Subtotal	923	12	(26)	909	481	428	—
Level 2 <sup>(1)</sup> :							
U.S. Treasury securities	19,406	—	(1,292)	18,114	35	5,468	12,611
U.S. agency securities	5,736	—	(600)	5,136	36	271	4,829
Non-U.S. government securities	17,533	6	(1,048)	16,491	—	11,332	5,159
Certificates of deposit and time deposits	1,354	—	—	1,354	1,034	320	—
Commercial paper	608	—	—	608	—	608	—
Corporate debt securities	76,840	6	(5,956)	70,890	20	12,627	58,243
Municipal securities	628	—	(26)	602	—	192	410
Mortgage- and asset-backed securities	22,365	6	(2,735)	19,636	—	344	19,292
Subtotal	144,470	18	(11,657)	132,831	1,125	31,162	100,544
Total <sup>(3)</sup>	\$ 173,752	\$ 30	\$ (11,683)	\$ 162,099	\$ 29,965	\$ 31,590	\$ 100,544

- (1) The valuation techniques used to measure the fair values of the Company's Level 2 financial instruments, which generally have counterparties with high credit ratings, are based on quoted market prices or model-driven valuations using significant inputs derived from or corroborated by observable market data.
- (2) As of September 28, 2024, cash and cash equivalents included \$2.6 billion held in escrow and restricted from general use. These restricted cash and cash equivalents were designated to settle the Company's obligation related to the State Aid Decision (refer to Note 7, "Income Taxes").
- (3) As of September 28, 2024 and September 30, 2023, total marketable securities included \$13.2 billion and \$13.8 billion, respectively, held in escrow and restricted from general use. The September 28, 2024 restricted marketable securities were designated to settle the Company's obligation related to the State Aid Decision (refer to Note 7, "Income Taxes").

As of September 28, 2024, 86% of the Company's non-current marketable debt securities other than mortgage- and asset-backed securities had maturities between 1 and 5 years, 10% between 5 and 10 years, and 4% greater than 10 years. As of September 28, 2024, 14% of the Company's non-current mortgage- and asset-backed securities had maturities between 1 and 5 years, 9% between 5 and 10 years, and 77% greater than 10 years.

The Company's investments in marketable debt securities have been classified and accounted for as available-for-sale. The Company classifies marketable debt securities as either current or non-current based on each instrument's underlying maturity.

### Derivative Instruments and Hedging

The Company may use derivative instruments to partially offset its business exposure to foreign exchange and interest rate risk. However, the Company may choose not to hedge certain exposures for a variety of reasons including accounting considerations or the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in foreign exchange or interest rates.

The Company classifies cash flows related to derivative instruments in the same section of the Consolidated Statements of Cash Flows as the items being hedged, which are generally classified as operating activities.

### Foreign Exchange Rate Risk

To protect gross margins from fluctuations in foreign exchange rates, the Company may use forwards, options or other instruments, and may designate these instruments as cash flow hedges. The Company generally hedges portions of its forecasted foreign currency exposure associated with revenue and inventory purchases, typically for up to 12 months.

To protect the Company's foreign currency-denominated term debt or marketable securities from fluctuations in foreign exchange rates, the Company may use forwards, cross-currency swaps or other instruments. The Company designates these instruments as either cash flow or fair value hedges. As of September 28, 2024, the maximum length of time over which the Company is hedging its exposure to the variability in future cash flows for term debt-related foreign currency transactions is 18 years.

The Company may also use derivative instruments that are not designated as accounting hedges to protect gross margins from certain fluctuations in foreign exchange rates, as well as to offset a portion of the foreign currency gains and losses generated by the remeasurement of certain assets and liabilities denominated in non-functional currencies.

#### *Interest Rate Risk*

To protect the Company's term debt or marketable securities from fluctuations in interest rates, the Company may use interest rate swaps, options or other instruments. The Company designates these instruments as either cash flow or fair value hedges.

The notional amounts of the Company's outstanding derivative instruments as of September 28, 2024 and September 30, 2023 were as follows (in millions):

	<u>2024</u>	<u>2023</u>
Derivative instruments designated as accounting hedges:		
Foreign exchange contracts	\$ 64,069	\$ 74,730
Interest rate contracts	\$ 14,575	\$ 19,375
Derivative instruments not designated as accounting hedges:		
Foreign exchange contracts	\$ 91,493	\$ 104,777

The carrying amounts of the Company's hedged items in fair value hedges as of September 28, 2024 and September 30, 2023 were as follows (in millions):

	<u>2024</u>	<u>2023</u>
Hedged assets/(liabilities):		
Current and non-current marketable securities	\$ —	\$ 14,433
Current and non-current term debt	\$ (13,505)	\$ (18,247)

#### **Accounts Receivable**

##### *Trade Receivables*

The Company's third-party cellular network carriers accounted for 38% and 41% of total trade receivables as of September 28, 2024 and September 30, 2023, respectively. The Company requires third-party credit support or collateral from certain customers to limit credit risk.

##### *Vendor Non-Trade Receivables*

The Company has non-trade receivables from certain of its manufacturing vendors resulting from the sale of components to these vendors who manufacture subassemblies or assemble final products for the Company. The Company purchases these components directly from suppliers. The Company does not reflect the sale of these components in products net sales. Rather, the Company recognizes any gain on these sales as a reduction of products cost of sales when the related final products are sold by the Company. As of September 28, 2024, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 44% and 23%. As of September 30, 2023, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 48% and 23%.



## Note 5 – Property, Plant and Equipment

The following table shows the Company's gross property, plant and equipment by major asset class and accumulated depreciation as of September 28, 2024 and September 30, 2023 (in millions):

	2024	2023
Land and buildings	\$ 24,690	\$ 23,446
Machinery, equipment and internal-use software	80,205	78,314
Leasehold improvements	14,233	12,839
Gross property, plant and equipment	119,128	114,599
Accumulated depreciation	(73,448)	(70,884)
Total property, plant and equipment, net	\$ 45,680	\$ 43,715

Depreciation expense on property, plant and equipment was \$8.2 billion, \$8.5 billion and \$8.7 billion during 2024, 2023 and 2022, respectively.

## Note 6 – Consolidated Financial Statement Details

The following tables show the Company's consolidated financial statement details as of September 28, 2024 and September 30, 2023 (in millions):

### Other Non-Current Assets

	2024	2023
Deferred tax assets	\$ 19,499	\$ 17,852
Other non-current assets	55,335	46,906
Total other non-current assets	\$ 74,834	\$ 64,758

### Other Current Liabilities

	2024	2023
Income taxes payable	\$ 26,601	\$ 8,819
Other current liabilities	51,703	50,010
Total other current liabilities	\$ 78,304	\$ 58,829

### Other Non-Current Liabilities

	2024	2023
Income taxes payable	\$ 9,254	\$ 15,457
Other non-current liabilities	36,634	34,391
Total other non-current liabilities	\$ 45,888	\$ 49,848

## Note 7 – Income Taxes

### European Commission State Aid Decision

On August 30, 2016, the Commission announced its decision that Ireland granted state aid to the Company by providing tax opinions in 1991 and 2007 concerning the tax allocation of profits of the Irish branches of two subsidiaries of the Company (the "State Aid Decision"). The State Aid Decision ordered Ireland to calculate and recover additional taxes from the Company for the period June 2003 through December 2014. Irish legislative changes, effective as of January 2015, eliminated the application of the tax opinions from that date forward. The recovery amount was calculated to be €13.1 billion, plus interest of €1.2 billion.

From time to time, the Company requested approval from the Irish Minister for Finance to reduce the recovery amount for certain taxes paid to other countries. As of September 28, 2024, the adjusted recovery amount of €12.7 billion plus interest of €1.2 billion was held in escrow and restricted from general use. The total balance of the escrow, including net unrealized investment gains, was €14.2 billion or \$15.8 billion as of September 28, 2024, of which \$2.6 billion was classified as cash and cash equivalents and \$13.2 billion was classified as current marketable securities in the Consolidated Balance Sheet. Refer to the Cash, Cash Equivalents and Marketable Securities section of Note 4, "Financial Instruments" for more information.

The Company and Ireland appealed the State Aid Decision to the General Court of the Court of Justice of the European Union (the "General Court"). On July 15, 2020, the General Court annulled the State Aid Decision. On September 25, 2020, the Commission appealed the General Court's decision to the European Court of Justice (the "ECJ") and a hearing was held on May 23, 2023. On September 10, 2024, the ECJ announced that it had set aside the 2020 judgment of the General Court and confirmed the Commission's 2016 State Aid Decision. As a result, during the fourth quarter of 2024 the Company recorded a one-time income tax charge of \$10.2 billion, net, which represents \$15.8 billion payable to Ireland via release of the escrow, partially offset by a U.S. foreign tax credit of \$4.8 billion and a decrease in unrecognized tax benefits of \$823 million.

### Provision for Income Taxes and Effective Tax Rate

The provision for income taxes for 2024, 2023 and 2022, consisted of the following (in millions):

	2024	2023	2022
Federal:			
Current	\$ 5,571	\$ 9,445	\$ 7,890
Deferred	(3,080)	(3,644)	(2,265)
Total	2,491	5,801	5,625
State:			
Current	1,726	1,570	1,519
Deferred	(298)	(49)	84
Total	1,428	1,521	1,603
Foreign:			
Current	25,483	8,750	8,996
Deferred	347	669	3,076
Total	25,830	9,419	12,072
Provision for income taxes	\$ 29,749	\$ 16,741	\$ 19,300

Foreign pretax earnings were \$77.3 billion, \$72.9 billion and \$71.3 billion in 2024, 2023 and 2022, respectively.

A reconciliation of the provision for income taxes to the amount computed by applying the statutory federal income tax rate (21% in 2024, 2023 and 2022) to income before provision for income taxes for 2024, 2023 and 2022, is as follows (dollars in millions):

	2024	2023	2022
Computed expected tax	\$ 25,932	\$ 23,885	\$ 25,012
State taxes, net of federal effect	1,162	1,124	1,518
Impact of the State Aid Decision	10,246	—	—
Earnings of foreign subsidiaries	(5,311)	(5,744)	(4,366)
Research and development credit, net	(1,397)	(1,212)	(1,153)
Excess tax benefits from equity awards	(893)	(1,120)	(1,871)
Other	10	(192)	160
Provision for income taxes	\$ 29,749	\$ 16,741	\$ 19,300
Effective tax rate	24.1 %	14.7 %	16.2 %

## Deferred Tax Assets and Liabilities

As of September 28, 2024 and September 30, 2023, the significant components of the Company's deferred tax assets and liabilities were (in millions):

	2024	2023
Deferred tax assets:		
Capitalized research and development	\$ 10,739	\$ 6,294
Tax credit carryforwards	8,856	8,302
Accrued liabilities and other reserves	6,114	6,365
Deferred revenue	3,413	4,571
Lease liabilities	2,410	2,421
Unrealized losses	1,173	2,447
Other	2,168	2,343
Total deferred tax assets	34,873	32,743
Less: Valuation allowance	(8,866)	(8,374)
Total deferred tax assets, net	26,007	24,369
Deferred tax liabilities:		
Depreciation	2,551	1,998
Right-of-use assets	2,125	2,179
Minimum tax on foreign earnings	1,674	1,940
Unrealized gains	—	511
Other	455	490
Total deferred tax liabilities	6,805	7,118
Net deferred tax assets	\$ 19,202	\$ 17,251

As of September 28, 2024, the Company had \$5.1 billion in foreign tax credit carryforwards in Ireland and \$3.6 billion in California R&D credit carryforwards, both of which can be carried forward indefinitely. A valuation allowance has been recorded for the credit carryforwards and a portion of other temporary differences.

## Uncertain Tax Positions

As of September 28, 2024, the total amount of gross unrecognized tax benefits was \$22.0 billion, of which \$10.8 billion, if recognized, would impact the Company's effective tax rate. As of September 30, 2023, the total amount of gross unrecognized tax benefits was \$19.5 billion, of which \$9.5 billion, if recognized, would have impacted the Company's effective tax rate.

The aggregate change in the balance of gross unrecognized tax benefits, which excludes interest and penalties, for 2024, 2023 and 2022, is as follows (in millions):

	2024	2023	2022
Beginning balances	\$ 19,454	\$ 16,758	\$ 15,477
Increases related to tax positions taken during a prior year	1,727	2,044	2,284
Decreases related to tax positions taken during a prior year	(386)	(1,463)	(1,982)
Increases related to tax positions taken during the current year	2,542	2,628	1,936
Decreases related to settlements with taxing authorities	(1,070)	(19)	(28)
Decreases related to expiration of the statute of limitations	(229)	(494)	(929)
Ending balances	\$ 22,038	\$ 19,454	\$ 16,758

The Company is subject to taxation and files income tax returns in the U.S. federal jurisdiction and many state and foreign jurisdictions. Tax years after 2017 for the U.S. federal jurisdiction, and after 2014 in certain major foreign jurisdictions, remain subject to examination. Although the timing of resolution or closure of examinations is not certain, the Company believes it is reasonably possible that its gross unrecognized tax benefits could decrease between approximately \$5 billion and \$13 billion in the next 12 months, primarily related to intercompany transfer pricing and deemed repatriation tax.

## Note 8 – Leases

The Company has lease arrangements for certain equipment and facilities, including corporate, data center, manufacturing and retail space. These leases typically have original terms not exceeding 10 years and generally contain multiyear renewal options, some of which are reasonably certain of exercise.

Payments under the Company's lease arrangements may be fixed or variable, and variable lease payments are primarily based on purchases of output of the underlying leased assets. Lease costs associated with fixed payments on the Company's operating leases were \$2.0 billion for both 2024 and 2023 and \$1.9 billion for 2022. Lease costs associated with variable payments on the Company's leases were \$13.8 billion, \$13.9 billion and \$14.9 billion for 2024, 2023 and 2022, respectively.

The Company made fixed cash payments related to operating leases of \$1.9 billion in both 2024 and 2023 and \$1.8 billion in 2022. Noncash activities involving right-of-use ("ROU") assets obtained in exchange for lease liabilities were \$1.0 billion, \$2.1 billion and \$2.8 billion for 2024, 2023 and 2022, respectively.

The following table shows ROU assets and lease liabilities, and the associated financial statement line items, as of September 28, 2024 and September 30, 2023 (in millions):

Lease-Related Assets and Liabilities	Financial Statement Line Items	2024	2023
Right-of-use assets:			
Operating leases	Other non-current assets	\$ 10,234	\$ 10,661
Finance leases	Property, plant and equipment, net	1,069	1,015
Total right-of-use assets		<u>\$ 11,303</u>	<u>\$ 11,676</u>
Lease liabilities:			
Operating leases	Other current liabilities	\$ 1,488	\$ 1,410
	Other non-current liabilities	10,046	10,408
Finance leases	Other current liabilities	144	165
	Other non-current liabilities	752	859
Total lease liabilities		<u>\$ 12,430</u>	<u>\$ 12,842</u>

Lease liability maturities as of September 28, 2024, are as follows (in millions):

	Operating Leases	Finance Leases	Total
2025	\$ 1,820	\$ 171	\$ 1,991
2026	1,914	131	2,045
2027	1,674	59	1,733
2028	1,360	38	1,398
2029	1,187	36	1,223
Thereafter	5,563	837	6,400
Total undiscounted liabilities	13,518	1,272	14,790
Less: Imputed interest	(1,984)	(376)	(2,360)
Total lease liabilities	<u>\$ 11,534</u>	<u>\$ 896</u>	<u>\$ 12,430</u>

The weighted-average remaining lease term related to the Company's lease liabilities as of September 28, 2024 and September 30, 2023 was 10.3 years and 10.6 years, respectively. The discount rate related to the Company's lease liabilities as of September 28, 2024 and September 30, 2023 was 3.1% and 3.0%, respectively. The discount rates related to the Company's lease liabilities are generally based on estimates of the Company's incremental borrowing rate, as the discount rates implicit in the Company's leases cannot be readily determined.

As of September 28, 2024, the Company had \$849 million of fixed payment obligations under additional leases, primarily for corporate facilities and retail space, that had not yet commenced. These leases will commence between 2025 and 2026, with lease terms ranging from less than 1 year to 21 years.

## Note 9 – Debt

### Commercial Paper

The Company issues unsecured short-term promissory notes pursuant to a commercial paper program. The Company uses net proceeds from the commercial paper program for general corporate purposes, including dividends and share repurchases. As of September 28, 2024 and September 30, 2023, the Company had \$10.0 billion and \$6.0 billion of commercial paper outstanding, respectively, with maturities generally less than nine months. The weighted-average interest rate of the Company's commercial paper was 5.00% and 5.28% as of September 28, 2024 and September 30, 2023, respectively. The following table provides a summary of cash flows associated with the issuance and maturities of commercial paper for 2024, 2023 and 2022 (in millions):

	2024	2023	2022
Maturities 90 days or less:			
Proceeds from/(Repayments of) commercial paper, net	\$ 3,960	\$ (1,333)	\$ 5,264
Maturities greater than 90 days:			
Proceeds from commercial paper	—	—	5,948
Repayments of commercial paper	—	(2,645)	(7,257)
Proceeds from/(Repayments of) commercial paper, net	—	(2,645)	(1,309)
Total proceeds from/(repayments of) commercial paper, net	<u>\$ 3,960</u>	<u>\$ (3,978)</u>	<u>\$ 3,955</u>

### Term Debt

The Company has outstanding Notes, which are senior unsecured obligations with interest payable in arrears. The following table provides a summary of the Company's term debt as of September 28, 2024 and September 30, 2023:

	Maturities (calendar year)	2024		2023	
		Amount (in millions)	Effective Interest Rate	Amount (in millions)	Effective Interest Rate
2013 – 2023 debt issuances:					
Fixed-rate 0.000% – 4.850% notes	2024 – 2062	\$ 97,341	0.03% – 6.65%	\$ 106,572	0.03% – 6.72%
Total term debt principal		97,341		106,572	
Unamortized premium/(discount) and issuance costs, net		(321)		(356)	
Hedge accounting fair value adjustments		(358)		(1,113)	
Total term debt		96,662		105,103	
Less: Current portion of term debt		(10,912)		(9,822)	
Total non-current portion of term debt		<u>\$ 85,750</u>		<u>\$ 95,281</u>	

To manage interest rate risk on certain of its U.S. dollar-denominated fixed-rate notes, the Company uses interest rate swaps to effectively convert the fixed interest rates to floating interest rates on a portion of these notes. Additionally, to manage foreign exchange rate risk on certain of its foreign currency-denominated notes, the Company uses cross-currency swaps to effectively convert these notes to U.S. dollar-denominated notes.

The effective interest rates for the Notes include the interest on the Notes, amortization of the discount or premium and, if applicable, adjustments related to hedging.

The future principal payments for the Company's Notes as of September 28, 2024, are as follows (in millions):

2025	\$ 10,930
2026	12,342
2027	9,936
2028	7,800
2029	5,153
Thereafter	51,180
Total term debt principal	<u>\$ 97,341</u>

As of September 28, 2024 and September 30, 2023, the fair value of the Company's Notes, based on Level 2 inputs, was \$88.4 billion and \$90.8 billion, respectively.

## Note 10 – Shareholders' Equity

### Share Repurchase Program

During 2024, the Company repurchased 499 million shares of its common stock for \$95.0 billion. The Company's share repurchase programs do not obligate the Company to acquire a minimum amount of shares. Under the programs, shares may be repurchased in privately negotiated or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

### Shares of Common Stock

The following table shows the changes in shares of common stock for 2024, 2023 and 2022 (in thousands):

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Common stock outstanding, beginning balances	15,550,061	15,943,425	16,426,786
Common stock repurchased	(499,372)	(471,419)	(568,589)
Common stock issued, net of shares withheld for employee taxes	66,097	78,055	85,228
Common stock outstanding, ending balances	<u>15,116,786</u>	<u>15,550,061</u>	<u>15,943,425</u>

## Note 11 – Share-Based Compensation

### 2022 Employee Stock Plan

The Apple Inc. 2022 Employee Stock Plan (the "2022 Plan") is a shareholder-approved plan that provides for broad-based equity grants to employees, including executive officers, and permits the granting of RSUs, stock grants, performance-based awards, stock options and stock appreciation rights. RSUs granted under the 2022 Plan generally vest over four years, based on continued employment, and are settled upon vesting in shares of the Company's common stock on a one-for-one basis. All RSUs granted under the 2022 Plan have dividend equivalent rights, which entitle holders of RSUs to the same dividend value per share as holders of common stock. A maximum of approximately 1.3 billion shares were authorized for issuance pursuant to 2022 Plan awards at the time the plan was approved on March 4, 2022.

### 2014 Employee Stock Plan

The Apple Inc. 2014 Employee Stock Plan, as amended and restated (the "2014 Plan"), is a shareholder-approved plan that provided for broad-based equity grants to employees, including executive officers. The 2014 Plan permitted the granting of the same types of equity awards with substantially the same terms as the 2022 Plan. The 2014 Plan also permitted the granting of cash bonus awards. In the third quarter of 2022, the Company terminated the authority to grant new awards under the 2014 Plan.

## Restricted Stock Units

A summary of the Company's RSU activity and related information for 2024, 2023 and 2022, is as follows:

	Number of RSUs (in thousands)	Weighted-Average Grant-Date Fair Value Per RSU	Aggregate Fair Value (in millions)
Balance as of September 25, 2021	240,427	\$ 75.16	
RSUs granted	91,674	\$ 150.70	
RSUs vested	(115,861)	\$ 72.12	
RSUs canceled	(14,739)	\$ 99.77	
Balance as of September 24, 2022	201,501	\$ 109.48	
RSUs granted	88,768	\$ 150.87	
RSUs vested	(101,878)	\$ 97.31	
RSUs canceled	(8,144)	\$ 127.98	
Balance as of September 30, 2023	180,247	\$ 135.91	
RSUs granted	80,456	\$ 173.78	
RSUs vested	(87,633)	\$ 127.59	
RSUs canceled	(9,744)	\$ 140.80	
Balance as of September 28, 2024	<u>163,326</u>	\$ 158.73	\$ 37,204

The fair value as of the respective vesting dates of RSUs was \$15.8 billion, \$15.9 billion and \$18.2 billion for 2024, 2023 and 2022, respectively. The majority of RSUs that vested in 2024, 2023 and 2022 were net share settled such that the Company withheld shares with a value equivalent to the employees' obligation for the applicable income and other employment taxes, and remitted cash to the appropriate taxing authorities. The total shares withheld were approximately 31 million, 37 million and 41 million for 2024, 2023 and 2022, respectively, and were based on the value of the RSUs on their respective vesting dates as determined by the Company's closing stock price. Total payments to taxing authorities for employees' tax obligations were \$5.6 billion in both 2024 and 2023 and \$6.4 billion in 2022.

## Share-Based Compensation

The following table shows share-based compensation expense and the related income tax benefit included in the Consolidated Statements of Operations for 2024, 2023 and 2022 (in millions):

	2024	2023	2022
Share-based compensation expense	\$ 11,688	\$ 10,833	\$ 9,038
Income tax benefit related to share-based compensation expense	\$ (3,350)	\$ (3,421)	\$ (4,002)

As of September 28, 2024, the total unrecognized compensation cost related to outstanding RSUs was \$19.4 billion, which the Company expects to recognize over a weighted-average period of 2.4 years.

## Note 12 – Commitments, Contingencies and Supply Concentrations

### Unconditional Purchase Obligations

The Company has entered into certain off-balance sheet commitments that require the future purchase of goods or services ("unconditional purchase obligations"). The Company's unconditional purchase obligations primarily consist of supplier arrangements, licensed intellectual property and content, and distribution rights. Future payments under unconditional purchase obligations with a remaining term in excess of one year as of September 28, 2024, are as follows (in millions):

2025	\$ 3,206
2026	2,440
2027	1,156
2028	3,121
2029	633
Thereafter	670
Total	<u>\$ 11,226</u>

## Contingencies

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully resolved. The outcome of litigation is inherently uncertain. In the opinion of management, there was not at least a reasonable possibility the Company may have incurred a material loss, or a material loss greater than a recorded accrual, concerning loss contingencies for asserted legal and other claims.

## Concentrations in the Available Sources of Supply of Materials and Product

Although most components essential to the Company's business are generally available from multiple sources, certain components are currently obtained from single or limited sources. The Company also competes for various components with other participants in the markets for smartphones, personal computers, tablets, wearables and accessories. Therefore, many components used by the Company, including those that are available from multiple sources, are at times subject to industry-wide shortage and significant commodity pricing fluctuations.

The Company uses some custom components that are not commonly used by its competitors, and new products introduced by the Company often utilize custom components available from only one source. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or their manufacturing capacities have increased. The continued availability of these components at acceptable prices, or at all, may be affected if suppliers decide to concentrate on the production of common components instead of components customized to meet the Company's requirements.

Substantially all of the Company's hardware products are manufactured by outsourcing partners that are located primarily in China mainland, India, Japan, South Korea, Taiwan and Vietnam.

## Note 13 – Segment Information and Geographic Data

The Company manages its business primarily on a geographic basis. The Company's reportable segments consist of the Americas, Europe, Greater China, Japan and Rest of Asia Pacific. Americas includes both North and South America. Europe includes European countries, as well as India, the Middle East and Africa. Greater China includes China mainland, Hong Kong and Taiwan. Rest of Asia Pacific includes Australia and those Asian countries not included in the Company's other reportable segments. Although the reportable segments provide similar hardware and software products and similar services, each one is managed separately to better align with the location of the Company's customers and distribution partners and the unique market dynamics of each geographic region.

The Company evaluates the performance of its reportable segments based on net sales and operating income. Net sales for geographic segments are generally based on the location of customers and sales through the Company's retail stores located in those geographic locations. Operating income for each segment consists of net sales to third parties, related cost of sales, and operating expenses directly attributable to the segment. The information provided to the Company's chief operating decision maker for purposes of making decisions and assessing segment performance excludes asset information.



The following table shows information by reportable segment for 2024, 2023 and 2022 (in millions):

	2024	2023	2022
<b>Americas:</b>			
Net sales	\$ 167,045	\$ 162,560	\$ 169,658
Operating income	\$ 67,656	\$ 60,508	\$ 62,683
<b>Europe:</b>			
Net sales	\$ 101,328	\$ 94,294	\$ 95,118
Operating income	\$ 41,790	\$ 36,098	\$ 35,233
<b>Greater China:</b>			
Net sales	\$ 66,952	\$ 72,559	\$ 74,200
Operating income	\$ 27,082	\$ 30,328	\$ 31,153
<b>Japan:</b>			
Net sales	\$ 25,052	\$ 24,257	\$ 25,977
Operating income	\$ 12,454	\$ 11,888	\$ 12,257
<b>Rest of Asia Pacific:</b>			
Net sales	\$ 30,658	\$ 29,615	\$ 29,375
Operating income	\$ 13,062	\$ 12,066	\$ 11,569

A reconciliation of the Company's segment operating income to the Consolidated Statements of Operations for 2024, 2023 and 2022 is as follows (in millions):

	2024	2023	2022
Segment operating income	\$ 162,044	\$ 150,888	\$ 152,895
Research and development expense	(31,370)	(29,915)	(26,251)
Other corporate expenses, net <sup>(1)</sup>	(7,458)	(6,672)	(7,207)
Total operating income	\$ 123,216	\$ 114,301	\$ 119,437

(1) Includes general and administrative compensation costs, various nonrecurring charges, and other separately managed costs.

The following tables show net sales for 2024, 2023 and 2022 and long-lived assets as of September 28, 2024 and September 30, 2023 for countries that individually accounted for 10% or more of the respective totals, as well as aggregate amounts for the remaining countries (in millions):

	2024	2023	2022
<b>Net sales:</b>			
U.S.	\$ 142,196	\$ 138,573	\$ 147,859
China <sup>(1)</sup>	66,952	72,559	74,200
Other countries	181,887	172,153	172,269
Total net sales	\$ 391,035	\$ 383,285	\$ 394,328
<b>Long-lived assets:</b>			
U.S.	\$ 35,664	\$ 33,276	
China <sup>(1)</sup>	4,797	5,778	
Other countries	5,219	4,661	
Total long-lived assets	\$ 45,680	\$ 43,715	

(1) China includes Hong Kong and Taiwan.

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Apple Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Apple Inc. (the "Company") as of September 28, 2024 and September 30, 2023, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended September 28, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at September 28, 2024 and September 30, 2023, and the results of its operations and its cash flows for each of the three years in the period ended September 28, 2024, in conformity with U.S. generally accepted accounting principles ("GAAP").

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of September 28, 2024, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 1, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosure to which it relates.

#### Uncertain Tax Positions

##### Description of the Matter

As discussed in Note 7 to the financial statements, the Company is subject to income taxes in the U.S. and numerous foreign jurisdictions. As of September 28, 2024, the total amount of gross unrecognized tax benefits was \$22.0 billion, of which \$10.8 billion, if recognized, would impact the Company's effective tax rate. In accounting for some of the uncertain tax positions, the Company uses significant judgment in the interpretation and application of GAAP and complex domestic and international tax laws.

Auditing management's evaluation of whether an uncertain tax position is more likely than not to be sustained and the measurement of the benefit of various tax positions can be complex, involves significant judgment, and is based on interpretations of tax laws and legal rulings.

How We Addressed the  
Matter in Our Audit

We tested controls relating to the evaluation of uncertain tax positions, including controls over management's assessment as to whether tax positions are more likely than not to be sustained, management's process to measure the benefit of its tax positions that qualify for recognition, and the related disclosures.

We evaluated the Company's assessment of which tax positions are more likely than not to be sustained and the related measurement of the amount of tax benefit that qualifies for recognition. Our audit procedures included, among others, reading and evaluating management's assumptions and analysis, and, as applicable, the Company's communications with taxing authorities, that detailed the basis and technical merits of the uncertain tax positions. We involved our tax subject matter resources in assessing the technical merits of certain of the Company's tax positions based on our knowledge of relevant tax laws and experience with related taxing authorities. For a certain tax position, we also received an external legal counsel confirmation letter and discussed the matter with external advisors and the Company's tax personnel. In addition, we evaluated the Company's disclosure in relation to these matters included in Note 7 to the financial statements.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2009.

San Jose, California  
November 1, 2024

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Apple Inc.

### Opinion on Internal Control Over Financial Reporting

We have audited Apple Inc.'s internal control over financial reporting as of September 28, 2024, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the “COSO criteria”). In our opinion, Apple Inc. (the “Company”) maintained, in all material respects, effective internal control over financial reporting as of September 28, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated balance sheets of the Company as of September 28, 2024 and September 30, 2023, the related consolidated statements of operations, comprehensive income, shareholders’ equity and cash flows for each of the three years in the period ended September 28, 2024, and the related notes and our report dated November 1, 2024 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Jose, California  
November 1, 2024

## Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

## Item 9A. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act were effective as of September 28, 2024 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

### Inherent Limitations over Internal Controls

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that the Company's receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Management, including the Company's Chief Executive Officer and Chief Financial Officer, does not expect that the Company's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on the Company's assessment, management has concluded that its internal control over financial reporting was effective as of September 28, 2024 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. The Company's independent registered public accounting firm, Ernst & Young LLP, has issued an audit report on the Company's internal control over financial reporting, which appears in Part II, Item 8 of this Form 10-K.

### Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the fourth quarter of 2024, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **Item 9B. Other Information**

### **Insider Trading Arrangements**

On August 27, 2024, Deirdre O'Brien, the Company's Senior Vice President, Retail, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. The plan provides for the sale, subject to certain price limits, of shares vesting between April 1, 2025 and October 1, 2026, pursuant to certain equity awards granted to Ms. O'Brien, excluding any shares withheld by the Company to satisfy income tax withholding and remittance obligations. Ms. O'Brien's plan will expire on December 31, 2026, subject to early termination in accordance with the terms of the plan.

On August 29, 2024, Jeff Williams, the Company's Chief Operating Officer, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. The plan provides for the sale, subject to certain price limits, of up to 100,000 shares of common stock, as well as shares vesting between April 1, 2025 and October 1, 2025, pursuant to certain equity awards granted to Mr. Williams, excluding any shares withheld by the Company to satisfy income tax withholding and remittance obligations. Mr. Williams' plan will expire on December 15, 2025, subject to early termination in accordance with the terms of the plan.

## **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

The Company has an insider trading policy governing the purchase, sale and other dispositions of the Company's securities that applies to all Company personnel, including directors, officers, employees, and other covered persons. The Company also follows procedures for the repurchase of its securities. The Company believes that its insider trading policy and repurchase procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of the Company's insider trading policy is filed as Exhibit 19.1 to this Form 10-K.

The remaining information required by this Item will be included in the Company's definitive proxy statement to be filed with the SEC within 120 days after September 28, 2024, in connection with the solicitation of proxies for the Company's 2025 annual meeting of shareholders (the "2025 Proxy Statement"), and is incorporated herein by reference.

### **Item 11. Executive Compensation**

The information required by this Item will be included in the 2025 Proxy Statement, and is incorporated herein by reference.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this Item will be included in the 2025 Proxy Statement, and is incorporated herein by reference.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this Item will be included in the 2025 Proxy Statement, and is incorporated herein by reference.

### **Item 14. Principal Accountant Fees and Services**

The information required by this Item will be included in the 2025 Proxy Statement, and is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) Documents filed as part of this report

(1) All financial statements

Index to Consolidated Financial Statements	Page
<a href="#">Consolidated Statements of Operations for the years ended September 28, 2024, September 30, 2023 and September 24, 2022</a>	29
<a href="#">Consolidated Statements of Comprehensive Income for the years ended September 28, 2024, September 30, 2023 and September 24, 2022</a>	30
<a href="#">Consolidated Balance Sheets as of September 28, 2024 and September 30, 2023</a>	31
<a href="#">Consolidated Statements of Shareholders' Equity for the years ended September 28, 2024, September 30, 2023 and September 24, 2022</a>	32
<a href="#">Consolidated Statements of Cash Flows for the years ended September 28, 2024, September 30, 2023 and September 24, 2022</a>	33
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\* Ernst & Young LLP, PCAOB Firm ID No. 00042.

(2) Financial Statement Schedules

All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and accompanying notes included in this Form 10-K.

(3) Exhibits required by Item 601 of Regulation S-K <sup>(1)</sup>

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date/ Period End Date
3.1	<a href="#">Restated Articles of Incorporation of the Registrant filed on August 3, 2020.</a>	8-K	3.1	8/7/20
3.2	<a href="#">Amended and Restated Bylaws of the Registrant effective as of August 20, 2024.</a>	8-K	3.2	8/23/24
4.1**	<a href="#">Description of Securities of the Registrant.</a>			
4.2	<a href="#">Indenture, dated as of April 29, 2013, between the Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee.</a>	S-3	4.1	4/29/13
4.3	<a href="#">Officer's Certificate of the Registrant, dated as of May 3, 2013, including forms of global notes representing the Floating Rate Notes due 2016, Floating Rate Notes due 2018, 0.45% Notes due 2016, 1.00% Notes due 2018, 2.40% Notes due 2023 and 3.85% Notes due 2043.</a>	8-K	4.1	5/3/13
4.4	<a href="#">Officer's Certificate of the Registrant, dated as of May 6, 2014, including forms of global notes representing the Floating Rate Notes due 2017, Floating Rate Notes due 2019, 1.05% Notes due 2017, 2.10% Notes due 2019, 2.85% Notes due 2021, 3.45% Notes due 2024 and 4.45% Notes due 2044.</a>	8-K	4.1	5/6/14
4.5	<a href="#">Officer's Certificate of the Registrant, dated as of November 10, 2014, including forms of global notes representing the 1.000% Notes due 2022 and 1.625% Notes due 2026.</a>	8-K	4.1	11/10/14
4.6	<a href="#">Officer's Certificate of the Registrant, dated as of February 9, 2015, including forms of global notes representing the Floating Rate Notes due 2020, 1.55% Notes due 2020, 2.15% Notes due 2022, 2.50% Notes due 2025 and 3.45% Notes due 2045.</a>	8-K	4.1	2/9/15
4.7	<a href="#">Officer's Certificate of the Registrant, dated as of May 13, 2015, including forms of global notes representing the Floating Rate Notes due 2017, Floating Rate Notes due 2020, 0.900% Notes due 2017, 2.000% Notes due 2020, 2.700% Notes due 2022, 3.200% Notes due 2025, and 4.375% Notes due 2045.</a>	8-K	4.1	5/13/15
4.8	<a href="#">Officer's Certificate of the Registrant, dated as of July 31, 2015, including forms of global notes representing the 3.05% Notes due 2029 and 3.60% Notes due 2042.</a>	8-K	4.1	7/31/15
4.9	<a href="#">Officer's Certificate of the Registrant, dated as of September 17, 2015, including forms of global notes representing the 1.375% Notes due 2024 and 2.000% Notes due 2027.</a>	8-K	4.1	9/17/15

Exhibit Number	Exhibit Description	Incorporated by Reference		Filing Date/ Period End Date
		Form	Exhibit	
4.10	<a href="#">Officer's Certificate of the Registrant, dated as of February 23, 2016, including forms of global notes representing the Floating Rate Notes due 2019, Floating Rate Notes due 2021, 1.300% Notes due 2018, 1.700% Notes due 2019, 2.250% Notes due 2021, 2.850% Notes due 2023, 3.250% Notes due 2026, 4.500% Notes due 2036 and 4.650% Notes due 2046.</a>	8-K	4.1	2/23/16
4.11	<a href="#">Supplement No. 1 to the Officer's Certificate of the Registrant, dated as of March 24, 2016.</a>	8-K	4.1	3/24/16
4.12	<a href="#">Officer's Certificate of the Registrant, dated as of August 4, 2016, including forms of global notes representing the Floating Rate Notes due 2019, 1.100% Notes due 2019, 1.550% Notes due 2021, 2.450% Notes due 2026 and 3.850% Notes due 2046.</a>	8-K	4.1	8/4/16
4.13	<a href="#">Officer's Certificate of the Registrant, dated as of February 9, 2017, including forms of global notes representing the Floating Rate Notes due 2019, Floating Rate Notes due 2020, Floating Rate Notes due 2022, 1.550% Notes due 2019, 1.900% Notes due 2020, 2.500% Notes due 2022, 3.000% Notes due 2024, 3.350% Notes due 2027 and 4.250% Notes due 2047.</a>	8-K	4.1	2/9/17
4.14	<a href="#">Officer's Certificate of the Registrant, dated as of May 11, 2017, including forms of global notes representing the Floating Rate Notes due 2020, Floating Rate Notes due 2022, 1.800% Notes due 2020, 2.300% Notes due 2022, 2.850% Notes due 2024 and 3.200% Notes due 2027.</a>	8-K	4.1	5/11/17
4.15	<a href="#">Officer's Certificate of the Registrant, dated as of May 24, 2017, including forms of global notes representing the 0.875% Notes due 2025 and 1.375% Notes due 2029.</a>	8-K	4.1	5/24/17
4.16	<a href="#">Officer's Certificate of the Registrant, dated as of June 20, 2017, including form of global note representing the 3.000% Notes due 2027.</a>	8-K	4.1	6/20/17
4.17	<a href="#">Officer's Certificate of the Registrant, dated as of September 12, 2017, including forms of global notes representing the 1.500% Notes due 2019, 2.100% Notes due 2022, 2.900% Notes due 2027 and 3.750% Notes due 2047.</a>	8-K	4.1	9/12/17
4.18	<a href="#">Officer's Certificate of the Registrant, dated as of November 13, 2017, including forms of global notes representing the 1.800% Notes due 2019, 2.000% Notes due 2020, 2.400% Notes due 2023, 2.750% Notes due 2025, 3.000% Notes due 2027 and 3.750% Notes due 2047.</a>	8-K	4.1	11/13/17
4.19	<a href="#">Indenture, dated as of November 5, 2018, between the Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee.</a>	S-3	4.1	11/5/18
4.20	<a href="#">Officer's Certificate of the Registrant, dated as of September 11, 2019, including forms of global notes representing the 1.700% Notes due 2022, 1.800% Notes due 2024, 2.050% Notes due 2026, 2.200% Notes due 2029 and 2.950% Notes due 2049.</a>	8-K	4.1	9/11/19
4.21	<a href="#">Officer's Certificate of the Registrant, dated as of November 15, 2019, including forms of global notes representing the 0.000% Notes due 2025 and 0.500% Notes due 2031.</a>	8-K	4.1	11/15/19
4.22	<a href="#">Officer's Certificate of the Registrant, dated as of May 11, 2020, including forms of global notes representing the 0.750% Notes due 2023, 1.125% Notes due 2025, 1.650% Notes due 2030 and 2.650% Notes due 2050.</a>	8-K	4.1	5/11/20
4.23	<a href="#">Officer's Certificate of the Registrant, dated as of August 20, 2020, including forms of global notes representing the 0.550% Notes due 2025, 1.25% Notes due 2030, 2.400% Notes due 2050 and 2.550% Notes due 2060.</a>	8-K	4.1	8/20/20
4.24	<a href="#">Officer's Certificate of the Registrant, dated as of February 8, 2021, including forms of global notes representing the 0.700% Notes due 2026, 1.200% Notes due 2028, 1.650% Notes due 2031, 2.375% Notes due 2041, 2.650% Notes due 2051 and 2.800% Notes due 2061.</a>	8-K	4.1	2/8/21
4.25	<a href="#">Officer's Certificate of the Registrant, dated as of August 5, 2021, including forms of global notes representing the 1.400% Notes due 2028, 1.700% Notes due 2031, 2.700% Notes due 2051 and 2.850% Notes due 2061.</a>	8-K	4.1	8/5/21
4.26	<a href="#">Indenture, dated as of October 28, 2021, between the Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee.</a>	S-3	4.1	10/29/21
4.27	<a href="#">Officer's Certificate of the Registrant, dated as of August 8, 2022, including forms of global notes representing the 3.250% Notes due 2029, 3.350% Notes due 2032, 3.950% Notes due 2052 and 4.100% Notes due 2062.</a>	8-K	4.1	8/8/22



Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date/ Period End Date
4.28	<a href="#">Officer's Certificate of the Registrant, dated as of May 10, 2023, including forms of global notes representing the 4.421% Notes due 2026, 4.000% Notes due 2028, 4.150% Notes due 2030, 4.300% Notes due 2033 and 4.850% Notes due 2053.</a>	8-K	4.1	5/10/23
4.29*	<a href="#">Apple Inc. Deferred Compensation Plan.</a>	S-8	4.1	8/23/18
10.1*	<a href="#">Apple Inc. Employee Stock Purchase Plan, as amended and restated as of March 10, 2015.</a>	8-K	10.1	3/13/15
10.2*	<a href="#">Form of Indemnification Agreement between the Registrant and each director and executive officer of the Registrant.</a>	10-Q	10.2	6/27/09
10.3*	<a href="#">Apple Inc. Non-Employee Director Stock Plan, as amended November 9, 2021.</a>	10-Q	10.1	12/25/21
10.4*	<a href="#">Apple Inc. 2014 Employee Stock Plan, as amended and restated as of October 1, 2017.</a>	10-K	10.8	9/30/17
10.5*	<a href="#">Form of Restricted Stock Unit Award Agreement under 2014 Employee Stock Plan effective as of September 26, 2017.</a>	10-K	10.20	9/30/17
10.6*	<a href="#">Form of Restricted Stock Unit Award Agreement under Non-Employee Director Stock Plan effective as of February 13, 2018.</a>	10-Q	10.2	3/31/18
10.7*	<a href="#">Form of Restricted Stock Unit Award Agreement under 2014 Employee Stock Plan effective as of August 21, 2018.</a>	10-K	10.17	9/29/18
10.8*	<a href="#">Form of Restricted Stock Unit Award Agreement under 2014 Employee Stock Plan effective as of September 29, 2019.</a>	10-K	10.15	9/28/19
10.9*	<a href="#">Form of Restricted Stock Unit Award Agreement under 2014 Employee Stock Plan effective as of August 18, 2020.</a>	10-K	10.16	9/26/20
10.10*	<a href="#">Form of Performance Award Agreement under 2014 Employee Stock Plan effective as of August 18, 2020.</a>	10-K	10.17	9/26/20
10.11*	<a href="#">Form of CEO Restricted Stock Unit Award Agreement under 2014 Employee Stock Plan effective as of September 27, 2020.</a>	10-Q	10.1	12/26/20
10.12*	<a href="#">Form of CEO Performance Award Agreement under 2014 Employee Stock Plan effective as of September 27, 2020.</a>	10-Q	10.2	12/26/20
10.13*	<a href="#">Apple Inc. 2022 Employee Stock Plan.</a>	8-K	10.1	3/4/22
10.14*	<a href="#">Form of Restricted Stock Unit Award Agreement under 2022 Employee Stock Plan effective as of March 4, 2022.</a>	8-K	10.2	3/4/22
10.15*	<a href="#">Form of Performance Award Agreement under 2022 Employee Stock Plan effective as of March 4, 2022.</a>	8-K	10.3	3/4/22
10.16*	<a href="#">Apple Inc. Executive Cash Incentive Plan.</a>	8-K	10.1	8/19/22
10.17*	<a href="#">Form of CEO Restricted Stock Unit Award Agreement under 2022 Employee Stock Plan effective as of September 25, 2022.</a>	10-Q	10.1	12/31/22
10.18*	<a href="#">Form of CEO Performance Award Agreement under 2022 Employee Stock Plan effective as of September 25, 2022.</a>	10-Q	10.2	12/31/22
10.19*, **	<a href="#">Form of Restricted Stock Unit Award Agreement under 2022 Employee Stock Plan effective as of September 29, 2024.</a>			
10.20*, **	<a href="#">Form of Performance Award Agreement under 2022 Employee Stock Plan effective as of September 29, 2024.</a>			
10.21*, **	<a href="#">Form of CEO Restricted Stock Unit Award Agreement under 2022 Employee Stock Plan effective as of September 29, 2024.</a>			
10.22*, **	<a href="#">Form of CEO Performance Award Agreement under 2022 Employee Stock Plan effective as of September 29, 2024.</a>			
19.1**	<a href="#">Insider Trading Policy.</a>			
21.1**	<a href="#">Subsidiaries of the Registrant.</a>			
23.1**	<a href="#">Consent of Independent Registered Public Accounting Firm.</a>			
24.1**	<a href="#">Power of Attorney (included on the Signatures page of this Annual Report on Form 10-K).</a>			
31.1**	<a href="#">Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.</a>			
31.2**	<a href="#">Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer.</a>			
32.1***	<a href="#">Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer.</a>			
97.1*, **	<a href="#">Rule 10D-1 Recovery Policy.</a>			

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date/ Period End Date
101**	Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.			
104**	Inline XBRL for the cover page of this Annual Report on Form 10-K, included in the Exhibit 101 Inline XBRL Document Set.			

\* Indicates management contract or compensatory plan or arrangement.

\*\* Filed herewith.

\*\*\* Furnished herewith.

(1) Certain instruments defining the rights of holders of long-term debt securities of the Registrant are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. The Registrant hereby undertakes to furnish to the SEC, upon request, copies of any such instruments.

**Item 16. Form 10-K Summary**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 1, 2024

Apple Inc.

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

## Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Timothy D. Cook and Luca Maestri, jointly and severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Name	Title	Date
<u>/s/ Timothy D. Cook</u> TIMOTHY D. COOK	Chief Executive Officer and Director (Principal Executive Officer)	November 1, 2024
<u>/s/ Luca Maestri</u> LUCA MAESTRI	Senior Vice President, Chief Financial Officer (Principal Financial Officer)	November 1, 2024
<u>/s/ Chris Kondo</u> CHRIS KONDO	Senior Director of Corporate Accounting (Principal Accounting Officer)	November 1, 2024
<u>/s/ Wanda Austin</u> WANDA AUSTIN	Director	November 1, 2024
<u>/s/ Alex Gorsky</u> ALEX GORSKY	Director	November 1, 2024
<u>/s/ Andrea Jung</u> ANDREA JUNG	Director	November 1, 2024
<u>/s/ Arthur D. Levinson</u> ARTHUR D. LEVINSON	Director and Chair of the Board	November 1, 2024
<u>/s/ Monica Lozano</u> MONICA LOZANO	Director	November 1, 2024
<u>/s/ Ronald D. Sugar</u> RONALD D. SUGAR	Director	November 1, 2024
<u>/s/ Susan L. Wagner</u> SUSAN L. WAGNER	Director	November 1, 2024

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

As of September 28, 2024, Apple Inc. ("Apple" or the "Company") had nine classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (i) Common Stock, \$0.00001 par value per share ("Common Stock"); (ii) 0.000% Notes due 2025 (the "0.000% 2025 Notes"); (iii) 0.875% Notes due 2025 (the "0.875% 2025 Notes"); (iv) 1.625% Notes due 2026 (the "2026 Notes"); (v) 2.000% Notes due 2027 (the "2027 Notes"); (vi) 1.375% Notes due 2029 (the "1.375% 2029 Notes"); (vii) 3.050% Notes due 2029 (the "3.050% 2029 Notes"); (viii) 0.500% Notes due 2031 (the "2031 Notes"); and (ix) 3.600% Notes due 2042 (the "2042 Notes," and together with the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes, the 3.050% 2029 Notes, and the 2031 Notes, the "Notes"). Each of the Company's securities registered under Section 12 of the Exchange Act are listed on The Nasdaq Stock Market LLC.

**DESCRIPTION OF COMMON STOCK**

The following is a description of the rights of Common Stock and related provisions of the Company's Restated Articles of Incorporation (the "Articles") and Amended and Restated Bylaws (the "Bylaws") and applicable California law. This description is qualified in its entirety by, and should be read in conjunction with, the Articles, Bylaws and applicable California law.

**Authorized Capital Stock**

The Company's authorized capital stock consists of 50,400,000,000 shares of Common Stock.

**Common Stock**

***Fully Paid and Nonassessable***

All of the outstanding shares of the Company's Common Stock are fully paid and nonassessable.

***Voting Rights***

The holders of shares of Common Stock are entitled to one vote per share on all matters to be voted on by such holders. Holders of shares of Common Stock are not entitled to cumulative voting rights.

Except as described below or as required by law, all matters to be voted on by shareholders must be approved by the affirmative vote of (i) a majority of the shares present or represented by proxy and voting and (ii) a majority of the shares required to constitute a quorum.

In an election of directors where the number of nominees exceeds the number of directors to be elected, the candidates receiving the highest number of affirmative votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares will be elected.

The Company's entire Board of Directors or any individual director may be removed without cause by an affirmative vote of a majority of the outstanding shares entitled to vote, subject to the provisions of the Company's Bylaws.

Vacancies created by the removal of a director must be filled only by approval of the shareholders, or by the unanimous written consent of all shares entitled to vote. The shareholders may elect a director at any time to fill a vacancy not filled by the directors, but any such election by written consent, other than to fill a vacancy created by removal, requires the consent of a majority of the outstanding shares entitled to vote thereon.

An amendment of the Bylaws or the Articles may be adopted by the vote of the majority of the outstanding shares entitled to vote. Any amendment of the Bylaws specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa may only be adopted by the shareholders; provided, however, that an amendment of the Bylaws or the Articles reducing the fixed number or the minimum number of directors to less than five cannot be adopted if the votes cast against its adoption are equal to more than 16 2/3% of the outstanding shares entitled to vote.

Any shareholders' meeting may be adjourned from time to time by the vote of a majority of the shares present in person or represented by proxy.

### ***Dividends***

The holders of shares of Common Stock are entitled to receive such dividends, if any, as may be declared from time to time by the Company's Board of Directors in its discretion from funds legally available therefor.

### ***Right to Receive Liquidation Distributions***

Upon liquidation, dissolution or winding-up, the holders of shares of Common Stock are entitled to receive pro rata all assets remaining available for distribution to holders of such shares.

### ***No Preemptive or Similar Rights***

Common Stock has no preemptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares of Common Stock.

### **Anti-Takeover Provisions of the Articles, Bylaws and California Law**

Provisions of the Articles and Bylaws may delay or discourage transactions involving an actual or potential change in control of the Company or change in its management, including transactions in which shareholders might otherwise receive a premium for their shares, or transactions that its shareholders might otherwise deem to be in their best interests. Among other things, the Articles and Bylaws:

- provide that, except for a vacancy caused by the removal of a director as provided in the Bylaws, a vacancy on the Company's Board of Directors may be filled by a person selected by a majority of the remaining directors then in office, whether or not less than a quorum, or by a sole remaining director;
- provide that shareholders seeking to present proposals before a meeting of shareholders or to nominate candidates for election as directors at a meeting of shareholders must provide notice in writing in a timely manner, and also specify requirements as to the form and content of a shareholder's notice, including with respect to a shareholder's notice under Rule 14a-19 of the Exchange Act;
- provide that a shareholder, or group of up to 20 shareholders, that has owned continuously for at least three years shares of Common Stock representing an aggregate of at least 3% of the Company's outstanding shares of Common Stock, may nominate and include in the Company's proxy materials director nominees constituting up to 20% of the Company's Board of Directors, provided that the shareholder(s) and nominee(s) satisfy the requirements in the Bylaws;
- do not provide for cumulative voting rights for the election of directors; and
- provide that special meetings of the shareholders may only be called by (i) the Board of Directors, the Chair of the Board of Directors or the Chief Executive Officer or (ii) one or more holders of shares entitled to cast not less than ten percent (10%) of the votes on the record date established pursuant to the Company's Bylaws, provided that the shareholder(s) satisfy requirements in the Bylaws.

In addition, as a California corporation, the Company is subject to the provisions of Section 1203 of the California General Corporation Law, which requires it to provide a fairness opinion to its shareholders in connection with their consideration of any proposed "interested party" reorganization transaction.

### **Listing**

The Company's Common Stock is listed on The Nasdaq Stock Market LLC under the trading symbol "AAPL."

## DESCRIPTION OF DEBT SECURITIES

The following description of the Notes is a summary and does not purport to be complete. This description is qualified in its entirety by reference, as applicable, to the Indenture, dated as of April 29, 2013, between Apple Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (the "2013 Indenture") and the Indenture, dated as of November 5, 2018, between Apple Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee (the "2018 Indenture," and together with the 2013 Indenture, the "Indentures"). References in this section to the "Company," "us," "we" and "our" are solely to Apple Inc. and not to any of its subsidiaries, unless the context requires otherwise.

### The Notes

Each of the Notes were issued under the applicable Indenture, which provides that debt securities may be issued under such Indenture from time to time in one or more series. The Indentures and the Notes are governed by, and construed in accordance with, the laws of the State of New York. The Indentures do not limit the amount of debt securities that we may issue thereunder. We may, without the consent of the holders of the debt securities of any series, issue additional debt securities ranking equally with, and otherwise similar in all respects to, the debt securities of the series (except for the date of issuance, the date interest begins to accrue and, in certain circumstances, the first interest payment date) so that those additional debt securities will be consolidated and form a single series with the debt securities of the series previously offered and sold; provided, however, that any additional debt securities will have a separate ISIN number unless certain conditions are met.

#### ***The 0.000% 2025 Notes***

We issued €1,000,000,000 aggregate principal amount of the 0.000% 2025 Notes on November 15, 2019. The maturity date of the 0.000% 2025 Notes is November 15, 2025, and interest at a rate of 0.000% per annum is paid annually on November 15 of each year, beginning on November 15, 2020, and on the maturity date. As of October 18, 2024, €1,000,000,000 aggregate principal amount of the 0.000% 2025 Notes was outstanding.

#### ***The 0.875% 2025 Notes***

We issued €1,250,000,000 aggregate principal amount of the 0.875% 2025 Notes on May 24, 2017. The maturity date of the 0.875% 2025 Notes is May 24, 2025, and interest at a rate of 0.875% per annum is paid annually on May 24 of each year, beginning on May 24, 2018, and on the maturity date. As of October 18, 2024, €1,250,000,000 aggregate principal amount of the 0.875% 2025 Notes was outstanding.

#### ***The 2026 Notes***

We issued €1,400,000,000 aggregate principal amount of the 2026 Notes on November 10, 2014. The maturity date of the 2026 Notes is November 10, 2026, and interest at a rate of 1.625% per annum is paid annually on November 10 of each year, beginning on November 10, 2015, and on the maturity date. As of October 18, 2024, €1,400,000,000 aggregate principal amount of the 2026 Notes was outstanding.

#### ***The 2027 Notes***

We issued €1,000,000,000 aggregate principal amount of the 2027 Notes on September 17, 2015. The maturity date of the 2027 Notes is September 17, 2027, and interest at a rate of 2.000% per annum is paid annually on September 17 of each year, beginning on September 17, 2016, and on the maturity date. As of October 18, 2024, €1,000,000,000 aggregate principal amount of the 2027 Notes was outstanding.

#### ***The 1.375% 2029 Notes***

We issued €1,250,000,000 aggregate principal amount of the 1.375% 2029 Notes on May 24, 2017. The maturity date of the 1.375% 2029 Notes is May 24, 2029, and interest at a rate of 1.375% per annum is paid annually on May 24 of each year, beginning on May 24, 2018, and on the maturity date. As of October 18, 2024, €1,250,000,000 aggregate principal amount of the 1.375% 2029 Notes was outstanding.

### **The 3.050% 2029 Notes**

We issued £750,000,000 aggregate principal amount of the 3.050% 2029 Notes on July 31, 2015. The maturity date of the 3.050% 2029 Notes is July 31, 2029, and interest at a rate of 3.050% per annum is paid semi-annually on January 31 and July 31 of each year, beginning on January 31, 2016, and on the maturity date. As of October 18, 2024, £750,000,000 aggregate principal amount of the 3.050% 2029 Notes was outstanding.

### **The 2031 Notes**

We issued €1,000,000,000 aggregate principal amount of the 2031 Notes on November 15, 2019. The maturity date of the 2031 Notes is November 15, 2031, and interest at a rate of 0.500% per annum is paid annually on November 15 of each year, beginning on November 15, 2020, and on the maturity date. As of October 18, 2024, €1,000,000,000 aggregate principal amount of the 2031 Notes was outstanding.

### **The 2042 Notes**

We issued £500,000,000 aggregate principal amount of the 2042 Notes on July 31, 2015. The maturity date of the 2042 Notes is July 31, 2042, and interest at a rate of 3.600% per annum is paid semi-annually on January 31 and July 31 of each year, beginning on January 31, 2016, and on the maturity date. As of October 18, 2024, £500,000,000 aggregate principal amount of the 2042 Notes was outstanding.

### **Ranking**

The Notes are our senior unsecured indebtedness and rank equally with each other and with all of our other senior unsecured and unsubordinated indebtedness from time to time outstanding. However, the Notes are structurally subordinated to any indebtedness and preferred stock, if any, of our subsidiaries and are effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness. Claims of the creditors of our subsidiaries generally have priority with respect to the assets and earnings of such subsidiaries over the claims of our creditors, including holders of the Notes. Accordingly, the Notes are effectively subordinated to creditors, including trade creditors and preferred stockholders, if any, of our subsidiaries. The Indentures do not restrict our ability or that of our subsidiaries to incur additional indebtedness.

### **Payment on the Notes**

All payments of principal of, the redemption price (if any), and interest and additional amounts (if any) on the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes are payable in euro, provided that, if the euro is unavailable to the Company due to the imposition of exchange controls or other circumstances beyond the Company's control, or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes will be made in U.S. dollars, until the euro is again available to the Company or so used. The amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second Business Day prior to the relevant payment date. Any payment in respect of the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes so made in U.S. dollars will not constitute an event of default under such Notes or the applicable Indenture.

With respect to the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes, "Business Day" means any day, other than a Saturday or Sunday, (1) which is not a day on which banking institutions in The City of New York or London are authorized or required by law, regulation or executive order to close and (2) on which the Trans-European Automated Real-time Gross Settlement Express Transfer system (the TARGET2 system), or any successor thereto, is open.

All payments of principal of, the redemption price (if any), and interest and additional amounts (if any) on the 3.050% 2029 Notes and the 2042 Notes are payable in pounds sterling, or, if the United Kingdom adopts euro as its lawful currency, in euro. If pounds sterling or, in the event the Notes are redenominated into euro, euro is unavailable to the Company due to the imposition of exchange controls or other circumstances beyond the Company's control or, in the event the notes are redenominated into euro, the euro is no longer being used by the then member states of

the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the 3.050% 2029 Notes and the 2042 Notes will be made in U.S. dollars until the pound sterling or euro, as the case may be, is again available to the Company or so used. The amount payable on any date in pounds sterling or, in the event such Notes are redenominated into euro, euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second Business Day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the most recent U.S. dollar/pounds sterling or, in the event the Notes are redenominated into euro, the most recent U.S. dollar/euro exchange rate published in The Wall Street Journal on or prior to the second Business Day prior to the relevant payment date. Any payment in respect of the 3.050% 2029 Notes and the 2042 Notes so made in U.S. dollars will not constitute an event of default under such Notes or the 2013 Indenture.

With respect to the 3.050% 2029 Notes and the 2042 Notes, "Business Day" means any day which is not a day on which banking institutions in The City of New York or London or the relevant place of payment are authorized or required by law, regulation or executive order to close.

#### **Payment of Additional Amounts**

The terms of the Notes state that 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.

All of the Notes also contain a covenant substantially similar to the following:

The Company will, subject to the exceptions and limitations set forth below, pay as additional interest on the Notes such additional amounts ("Additional Amounts") as are necessary in order that the net payment by the Company or the paying agent of the Company for the applicable Notes ("Paying Agent") of the principal of and interest on the Notes to a holder who is not a United States person (as defined below), after withholding or deduction for any present or future tax, assessment or other governmental charge ("Tax") imposed by the United States or a taxing authority in the United States, will not be less than the amount provided in the Notes to be then due and payable; provided, however, that the foregoing obligation to pay Additional Amounts shall not apply:

- (1) to any Tax that is imposed by reason of the holder (or the beneficial owner for whose benefit such holder holds the Notes), or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:
  - (a) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;
  - (b) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the Notes, the receipt of any payment or the enforcement of any rights hereunder), including being or having been a citizen or resident of the United States;
  - (c) being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for U.S. federal income tax purposes or a corporation that has accumulated earnings to avoid U.S. federal income tax;
  - (d) being or having been a "10-percent shareholder" of the Company as defined in Section 871(h)(3) of the Internal Revenue Code of 1986, as amended (the "Code");
  - (e) being a controlled foreign corporation that is related to the Company within the meaning of Section 864(d)(4) of the Code; or
  - (f) being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;



- (2) to any holder that is not the sole beneficial owner of the Notes, or a portion of the Notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficial owner with respect to the holder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
- (3) to any Tax that would not have been imposed but for the failure of the holder or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such Tax (including, but not limited to, the requirement to provide Internal Revenue Service Forms W-8BEN, W-8BEN-E, W-8ECI, or any subsequent versions thereof or successor thereto, and any documentation requirement under an applicable income tax treaty);
- (4) to any Tax that is imposed otherwise than by withholding by the Company or a Paying Agent from the payment;
- (5) to any Tax that would not have been imposed but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 10 days after the payment becomes due or is duly provided for, whichever occurs later;
- (6) to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property or similar Tax;
- (7) to any Tax required to be withheld by any paying agent from any payment of principal of or interest on any Note, if such payment can be made without such withholding by at least one other paying agent;
- (8) to any Tax that would not have been imposed but for the presentation by the holder of any Note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (9) to any Tax imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code; or
- (10) in the case of any combination of items (1) through (9) above.

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the Notes. Except as specifically provided under this heading “—Payment of Additional Amounts,” the Company will not be required to make any payment for any Tax imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision. As used under “—Payment of Additional Amounts” and under “—Redemption for Tax Reasons,” the term “United States” means the United States of America (including the states and the District of Columbia and any political subdivision thereof), and the term “United States 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 Treasury regulations), or any estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

#### **Redemption for Tax Reasons**

If, as a result of any change in, or amendment to, or, in the case of the 0.000% 2025 Notes and the 2031 Notes, introduction of, 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 the date of the applicable prospectus supplement, we become, or based upon a written opinion of independent counsel selected by us, will become obligated to pay additional amounts as described above under the heading "Payments of Additional Amounts" with respect to a series of the Notes, then we may at our option redeem, in whole, but not in part, in the case of the 2026 Notes, the 2027 Notes, the 3.050% 2029 Notes and the 2042 Notes, the Notes of such series on not less than 30 nor more than 60 days' prior notice, in the case of the 0.875% 2025 Notes and the 1.375% 2029 Notes, the Notes of such series on not less than 15 nor more than 60 days' notice, and in the case of the 0.000% 2025 Notes and the 2031 Notes, the Notes of such series on not less than 10 nor more than 60 days' prior notice, in each case at a redemption price equal to 100% of their principal amount, together with interest accrued but unpaid on those Notes to (and, in the case of the 0.000% 2025 Notes and the 2031 Notes, but not including) the date fixed for redemption.

### Optional Redemption

We may redeem the 2026 Notes, the 2027 Notes, the 3.050% 2029 Notes and the 2042 Notes at our option, at any time in whole or from time to time in part, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 10 basis points in the case of the 2026 Notes, plus 15 basis points in the case of the 3.050% 2029 Notes and the 2042 Notes and plus 20 basis points in the case of the 2027 Notes.

We may redeem the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 1.375% 2029 Notes and the 2031 Notes at our option, at any time in whole or from time to time in part, prior to the applicable Par Call Date at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes to be redeemed; or
- the sum of the present values of the remaining scheduled payments of principal and interest thereon assuming that the Notes matured on the applicable Par Call Date (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below), plus 10 basis points in the case of the 0.000% 2025 Notes, plus 15 basis points in the case of the 0.875% 2025 Notes and the 2031 Notes, and 20 basis points in the case of the 2029 Notes.

"Par Call Date" means (i) with respect to the 0.000% 2025 Notes, August 15, 2025 (three months prior to the maturity date of the 0.000% 2025 Notes), (ii) with respect to the 0.875% 2025 Notes, February 24, 2025 (three months prior to the maturity date of the 0.875% 2025 Notes), (iii) with respect to the 1.375% 2029 Notes, February 24, 2029 (three months prior to the maturity date of 1.375% 2029 Notes) and (iv) with respect to the 2031 Notes, August 15, 2031 (three months prior to the maturity of the 2031 Notes).

If any of the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 1.375% 2029 Notes or the 2031 Notes are redeemed on or after the applicable Par Call Date, the redemption price for such Notes will equal 100% of the principal amount of the Notes being redeemed.

In each case upon redemption of the Notes, we will pay accrued and unpaid interest on the principal amount being redeemed to, but excluding, the date of redemption.

Installments of interest on Notes being redeemed that are due and payable on interest payment dates falling on or prior to a redemption date shall be payable on the interest payment date to the holders as of the close of business on the relevant regular record date according to the Notes and the applicable Indenture.

"Comparable Government Bond" means, in relation to any Comparable Government Bond Rate calculation for the 2026 Notes and the 2027 Notes, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the maturity of the Notes being redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market

makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation for the 3.050% 2029 Notes and the 2042 Notes, at the discretion of an independent investment bank selected by us, a United Kingdom government bond whose maturity is closest to the maturity of the Notes being redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other United Kingdom government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, United Kingdom government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

“Comparable Government Bond” means, in relation to any Comparable Government Bond Rate calculation for the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 1.375% 2029 Notes and the 2031 Notes, at the discretion of an independent investment bank selected by us, a German government bond whose maturity is closest to the applicable Par Call Date of the Notes being redeemed, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

“Comparable Government Bond Rate” means the price, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), at which the gross redemption yield on the Notes, if they were to be purchased at such price on the third business day prior to the date fixed for redemption, would be equal to the gross redemption yield on such business day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us.

## **Covenants**

The Indentures set forth limited covenants that apply to the Notes. However, these covenants do not, among other things:

- limit the amount of indebtedness or lease obligations that may be incurred by us and our subsidiaries;
- limit our ability or that of our subsidiaries to issue, assume or guarantee debt secured by liens; or
- restrict us from paying dividends or making distributions on our capital stock or purchasing or redeeming our capital stock.

### ***Consolidation, Merger and Sale of Assets***

The Indentures provide that we may consolidate with or merge with or into any other person, and may sell, transfer, or lease or convey all or substantially all of our properties and assets to another person; provided that the following conditions are satisfied:

- we are the continuing entity, or the resulting, surviving or transferee person (the “Successor”) is a person (if such person is not a corporation, then the Successor will include a corporate co-issuer of the debt securities) organized and existing under the laws of the United States of America, any state thereof or the District of Columbia and the Successor (if not us) will expressly assume, by supplemental indenture, all of our obligations under the debt securities and the applicable Indenture and, for each security that by its terms provides for conversion, provide for the right to convert such security in accordance with its terms;
- immediately after giving effect to such transaction, no default or event of default under the applicable Indenture has occurred and is continuing; and
- in the case of the 2013 Indenture, the trustee receives from us an officers’ certificate and an opinion of counsel that the transaction and such supplemental indenture, as the case may be, complies with the applicable provisions of the 2013 Indenture.

If we consolidate or merge with or into any other person or sell, transfer, lease or convey all or substantially all of our properties and assets in accordance with the Indentures, the Successor will be substituted for us in the Indentures, with the same effect as if it had been an original party to the Indentures. As a result, the Successor may exercise our rights and powers under the Indentures, and we will be released from all our liabilities and obligations under the Indentures and under the debt securities.

For purposes of this covenant, "person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

### Events of Default

Each of the following events are defined in the Indentures as an "event of default" (whatever the reason for such event of default and whether or not it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) with respect to the debt securities of any series:

- (1) default in the payment of any installment of interest on any debt securities of such series for 30 days after becoming due;
- (2) default in the payment of principal or premium, if any, on any debt securities of such series when it becomes due and payable at its stated maturity, upon optional redemption, upon declaration or otherwise;
- (3) default in the performance, or breach, of any covenant or agreement of ours in the applicable Indenture with respect to the debt securities of such series (other than a covenant or agreement, a default in the performance of which or a breach of which is elsewhere in the applicable Indenture specifically dealt with or that has expressly been included in the applicable Indenture solely for the benefit of a series of debt securities other than such series), which continues for a period of 90 days after written notice to us by the trustee or to us and the trustee by the holders of, in the case of the 2013 Indenture, at least 25% in aggregate principal amount of the outstanding debt securities of that series, and in the case of the 2018 Indenture, at least 33% in aggregate principal amount of the outstanding debt securities of that series;
- (4) we, pursuant to or within the meaning of the Bankruptcy Law:
  - commence a voluntary case or proceeding;
  - consent to the entry of an order for relief against us in an involuntary case or proceeding;
  - consent to the appointment of a custodian of us or for all or substantially all of our property;
  - make a general assignment for the benefit of our creditors;
  - file a petition in bankruptcy or answer or consent seeking reorganization or relief;
  - consent to the filing of such petition or the appointment of or taking possession by a custodian; or
  - take any comparable action under any foreign laws relating to insolvency;
- (5) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
  - is for relief against us in an involuntary case, or adjudicates us insolvent or bankrupt;
  - appoints a custodian of us or for all or substantially all of our property; or
  - orders the winding-up or liquidation of us (or any similar relief is granted under any foreign laws);and the order or decree remains unstayed and in effect for 90 days (or, in the case of the 2018 Indenture, 90 consecutive days); or

(6) any other event of default provided with respect to debt securities of such series occurs.

“Bankruptcy Law” means Title 11, United States Code or any similar federal or state or foreign law for the relief of debtors. “Custodian” means any custodian, receiver, trustee, assignee, liquidator or other similar official under any Bankruptcy Law.

If an event of default with respect to debt securities of any series (other than an event of default relating to certain events of bankruptcy, insolvency, or reorganization of us) occurs and is continuing, the trustee by notice to us, or the holders of, in the case of the 2013 Indenture, at least 25% in aggregate principal amount of the outstanding debt securities of such series, and in the case of the 2018 Indenture, at least 33% in aggregate principal amount of the outstanding debt securities of such series, by notice to us and the trustee, may, and the trustee at the request of these holders will, declare the principal of and premium, if any, and accrued and unpaid interest on all the debt securities of such series to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. If an event of default relating to certain events of bankruptcy, insolvency, or reorganization of us occurs and is continuing, the principal of and premium, if any, and accrued and unpaid interest on the debt securities of such series will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holders.

The holders of not less than a majority in aggregate principal amount of the outstanding debt securities of any series may rescind a declaration of acceleration and its consequences, if we have deposited certain sums with the trustee and all events of default with respect to the debt securities of such series, other than the non-payment of the principal or interest which have become due solely by such acceleration, have been cured or waived, as provided in the Indentures.

An event of default for a particular series of debt securities does not necessarily constitute an event of default for any other series of debt securities issued under the Indentures.

We are required to furnish the trustee annually within 120 days after the end of our fiscal year a statement by one of our officers to the effect that, to the best knowledge of such officer, we are not in default in the fulfillment of any of our obligations under the applicable Indenture or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof.

No holder of any debt securities of any series will have any right to institute any judicial or other proceeding with respect to the applicable Indenture, or for the appointment of a receiver or trustee, or for any other remedy unless:

- (1) an event of default has occurred and is continuing and such holder has given the trustee prior written notice of such continuing event of default with respect to the debt securities of such series;
- (2) in the case of the 2013 Indenture, the holders of not less than 25% of the aggregate principal amount of the outstanding debt securities of such series, and in the case of the 2018 Indenture, the holders of not less than 33% of the aggregate principal amount of the outstanding debt securities of such series have requested the trustee to institute proceedings in respect of such event of default;
- (3) the trustee has been offered indemnity reasonably satisfactory to it against its costs, expenses and liabilities in complying with such request;
- (4) the trustee has failed to institute proceedings 60 days after the receipt of such notice, request and offer of indemnity; and
- (5) no direction inconsistent with such written request has been given for 60 days by the holders of a majority in aggregate principal amount of the outstanding debt securities of such series.

The holders of a majority in aggregate principal amount of outstanding debt securities of a series will have the right, subject to certain limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the trustee with respect to the debt securities of that series or exercising any trust or power conferred to the trustee, and to waive certain defaults. Each of the Indentures provides that if an event of default occurs and is continuing, the trustee will exercise such of its rights and powers under such Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in

the conduct of such person's own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the applicable Indenture at the request of any of the holders of the debt securities of a series unless they will have offered to the trustee security or indemnity satisfactory to the trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request.

Notwithstanding the foregoing, the holder of any debt security will have an absolute and unconditional right to receive payment of the principal of and premium, if any, and interest on that debt security on or after the due dates expressed in that debt security and to institute suit for the enforcement of payment.

### **Modification and Waivers**

Modification and amendments of the Indentures and the Notes may be made by us and the trustee with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding series of Notes affected thereby; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding Note of that series affected thereby:

- change the stated maturity of the principal of, or installment of interest on, any Note;
- reduce the principal amount of any Note or reduce the amount of the principal of any Note which would be due and payable upon a declaration of acceleration of the maturity thereof or reduce the rate of interest on any Note;
- reduce any premium payable on the redemption of any Note or change the date on which any Note may or must be redeemed (in the case of the 2018 Indenture, it being understood that a change to any notice requirement with respect to such date shall not be deemed to be a change of such date);
- change the coin or currency in which the principal of, premium, if any, or interest on any Note is payable;
- impair the right of any holder to institute suit for the enforcement of any payment on or after the stated maturity of any Note (or, in the case of redemption, on or after the redemption date);
- reduce the percentage in principal amount of the outstanding Notes, the consent of whose holders is required in order to take certain actions;
- reduce the requirements for quorum or voting by holders of Notes in the applicable Indenture or the Note;
- modify any of the provisions in the applicable Indenture regarding the waiver of past defaults and the waiver of certain covenants by the holders of Notes except to increase any percentage vote required or to provide that certain other provisions of the applicable Indenture cannot be modified or waived without the consent of the holder of each Notes affected thereby;
- make any change that adversely affects the right to convert or exchange any debt security or decreases the conversion or exchange rate or increases the conversion price of any convertible or exchangeable debt security, unless such decrease or increase is permitted by the terms of the debt securities; or
- modify any of the above provisions.

We and the trustee may, without the consent of any holders, modify or amend the terms of the Indentures and any series of Notes with respect to the following:

- to add to our covenants for the benefit of holders of all or any series of the Notes or to surrender any right or power conferred upon us;
- to evidence the succession of another person to, and the assumption by the successor of our covenants, agreements and obligations under, the applicable Indenture pursuant to the covenant described above under the caption "Covenants—Consolidation, Merger and Sale of Assets";
- to add any additional events of default for the benefit of holders of all or any series of the Notes;

- to add one or more guarantees, and in the case of the 2018 Indenture, co-obligors, for the benefit of holders of the Notes;
- to secure the Notes pursuant to the covenants of the Indenture;
- to add or appoint a successor or separate trustee or other agent;
- to provide for the issuance of additional debt securities of any series;
- to establish the form or terms of the debt securities of any series as permitted by the Indenture;
- to comply with the rules of any applicable securities depository;
- to provide for uncertificated Notes in addition to or in place of certificated Notes;
- in the case of the 2013 Indenture, to add to, change or eliminate any of the provisions of the 2013 Indenture in respect of one or more series of debt securities; provided that any such addition, change or elimination (a) shall neither (1) apply to any debt security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (2) modify the rights of the holder of any such debt security with respect to such provision or (b) shall become effective only when there is no debt security described in clause (a)(1) outstanding;
- in the case of the 2018 Indenture, to add to, change or eliminate any of the provisions of the 2018 Indenture in respect of one or more series of debt securities; provided that any such addition, change or elimination shall become effective only when there is no outstanding security of any series created prior to the execution of such supplemental indenture that is entitled to the benefit of such provision and as to which such supplemental indenture would apply;
- to cure any ambiguity, omission, defect or inconsistency;
- to change any other provision; provided that the change does not adversely affect the interests of the holders of debt securities of, in the case of the 2013 Indenture any series, and in the case of the 2018 Indenture, any outstanding series, in any material respect;
- to supplement any of the provisions of the applicable Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Notes pursuant to the Indenture; provided that any such action shall not adversely affect the interests of the holders of Notes of such series or any other series of debt securities in any material respect;
- to comply with the rules or regulations of any securities exchange or automated quotation system on which any of the Notes may be listed or traded; and
- to add to, change or eliminate any of the provisions of the applicable Indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act of 1939, as amended, and in the case of the 2013 Indenture, provided that such action does not adversely affect the rights or interests of any holder of debt securities in any material respect.

The holders of at least a majority in aggregate principal amount of the outstanding Notes of any series may, on behalf of the holders of all Notes of that series, waive compliance by us with certain restrictive provisions of the Indentures. The holders of not less than a majority in aggregate principal amount of the outstanding Notes of a series may, on behalf of the holders of all Notes of that series, waive any past default and its consequences under the applicable Indenture with respect to the Notes of that series, except a default (1) in the payment of principal or premium, if any, or interest on Notes of that series or (2) in respect of a covenant or provision of the applicable Indenture that cannot be modified or amended without the consent of the holder of each Note of that series. Upon any such waiver, such default will cease to exist, and any event of default arising therefrom will be deemed to have been cured, for every purpose of the Indenture; however, no such waiver will extend to any subsequent or other default or event of default or impair any rights consequent thereon.

## Discharge, Defeasance and Covenant Defeasance

We may discharge certain obligations to holders of the Notes of a series that have not already been delivered to the trustee for cancellation and that either have become due and payable or will become due and payable within one year (or scheduled for redemption within one year) by depositing with the trustee, in trust, funds in U.S. dollars in an amount sufficient to pay the entire indebtedness including, but not limited to, the principal and premium, if any, and interest to the date of such deposit (if due and payable) or to the maturity thereof or the redemption date of the Notes of that series, as the case may be. We may direct the trustee to invest such funds in U.S. Treasury securities with a maturity of one year or less or in a money market fund that invests solely in short-term U.S. Treasury securities.

The Indentures provide that we may elect either (1) to defease and be discharged from any and all obligations with respect to the Notes of a series (except for, among other things, obligations to register the transfer or exchange of the Notes, to replace temporary or mutilated, destroyed, lost or stolen Notes, to maintain an office or agency with respect to the Notes and to hold moneys for payment in trust) ("legal defeasance") or (2) to be released from our obligations to comply with the restrictive covenants under the applicable Indenture, and any omission to comply with such obligations will not constitute a default or an event of default with respect to the Notes of a series and clauses (3) and (6) under the caption "Events of Default" above will no longer be applied ("covenant defeasance"). Legal defeasance or covenant defeasance, as the case may be, will be conditioned upon, among other things, the irrevocable deposit by us with the trustee, in trust, of an amount in U.S. dollars, or U.S. government obligations (as such term is modified below), or both, applicable to the Notes of that series which through the scheduled payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal or premium, if any, and interest on the Notes on the scheduled due dates therefor.

If we effect covenant defeasance with respect to the Notes of any series, the amount in U.S. dollars, or U.S. government obligations (as such term is modified below), or both, on deposit with the trustee will be sufficient, in the opinion of a nationally recognized firm of independent accountants, to pay amounts due on the Notes of that series at the time of the stated maturity but may not be sufficient to pay amounts due on the Notes of that series at the time of the acceleration resulting from such event of default. However, we would remain liable to make payment of such amounts due at the time of acceleration.

With respect to the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes, the term "U.S. government obligations" shall instead mean (x) any security that is (i) a direct obligation of the German government or (ii) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the German government the payment of which is fully and unconditionally guaranteed by the German government or the central bank of the German government, which, in either case (x)(i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (x)(i) or (x)(ii) above or in any specific principal or interest payments due in respect thereof.

With respect to the 3.050% 2029 Notes and the 2042 Notes, the term "U.S. government obligations" shall instead mean (x) any security that is (i) a direct obligation of the United Kingdom government or (ii) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the United Kingdom government the payment of which is fully and unconditionally guaranteed by the United Kingdom government or the central bank of the United Kingdom government, which, in either case (x)(i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (x)(i) or (x)(ii) above or in any specific principal or interest payments due in respect thereof.

We will be required to deliver to the trustee an opinion of counsel that the deposit and related defeasance will not cause the holders and beneficial owners of the Notes of that series to recognize income, gain or loss for federal income tax purposes. If we elect legal defeasance, that opinion of counsel must be based upon a ruling from the U.S. Internal Revenue Service or a change in law to that effect.

We may exercise our legal defeasance option notwithstanding our prior exercise of our covenant defeasance option.



### **Book-Entry and Settlement**

The Notes were issued in book-entry form and are represented by global notes deposited with, or on behalf of, a common depository on behalf of Euroclear and Clearstream, and are registered in the name of the common depository or its nominee. Except as described herein, certificated notes will not be issued in exchange for beneficial interests in the global notes.

### **Certificated Notes**

Subject to certain conditions, the Notes represented by the global notes are exchangeable for certificated notes in definitive form of like tenor, in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof in the case of the 0.000% 2025 Notes, the 0.875% 2025 Notes, the 2026 Notes, the 2027 Notes, the 1.375% 2029 Notes and the 2031 Notes, and in minimum denominations of £100,000 principal amount and integral multiples of £1,000 in excess thereof in the case of the 3.050% 2029 Notes and the 2042 Notes, if:

1. the common depository notifies us that it is unwilling or unable to continue as depository or if the common depository ceases to be eligible under the applicable Indenture and we do not appoint a successor depository within 90 days;
2. we determine that the Notes will no longer be represented by global securities and execute and deliver to the trustee an order to that effect; or
3. an event of default with respect to the Notes will have occurred and be continuing.

Any Note that is exchangeable as above is exchangeable for certificated notes issuable in authorized denominations and registered in such names as the common depository shall direct. Subject to the foregoing, a global note is not exchangeable, except for a global note of the same aggregate denomination to be registered in the name of the common depository or its nominee.

### **The Trustee for the Notes**

The Bank of New York Mellon Trust Company, N.A. is the trustee under the Indentures. We have commercial deposits and custodial arrangements with The Bank of New York Mellon Trust Company, N.A. and its affiliates ("BNYM"). We may enter into similar or other banking relationships with BNYM in the future in the normal course of business. In addition, BNYM acts as trustee and as paying agent with respect to other debt securities issued by us, and may do so for future issuances of debt securities by us as well.

**APPLE INC.  
2022 EMPLOYEE STOCK PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

**NOTICE OF GRANT**

Name: (the "Participant")

Employee ID:

Grant Number:

No. of Units Subject to Award:

Award Date: (the "Award Date")

Vesting Commencement Date: (the "Vesting Commencement Date")

Vesting Schedule:

This restricted stock unit award (the "Award") is granted under and governed by the terms and conditions of the Apple Inc. 2022 Employee Stock Plan and the Terms and Conditions of Restricted Stock Unit Award, which are incorporated herein by reference.

You do not have to accept the Award. If you wish to decline your Award, you should promptly notify Apple Inc.'s Stock Plan Group of your decision at [peoplesupport@apple.com](mailto:peoplesupport@apple.com). If you do not provide such notification by the last day of the calendar month prior to the first Vesting Date, you will be deemed to have accepted your Award on the terms and conditions set forth herein.

**APPLE INC.  
2022 EMPLOYEE STOCK PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

**TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD**

1. **General.** These Terms and Conditions of Restricted Stock Unit Award (these “**Terms**”) apply to a particular restricted stock unit award (the “**Award**”) granted by Apple Inc., a California corporation (the “**Company**”), and are incorporated by reference in the Notice of Grant (the “**Grant Notice**”) corresponding to that particular grant. The recipient of the Award identified in the Grant Notice is referred to as the “**Participant**.” The effective date of grant of the Award as set forth in the Grant Notice is referred to as the “**Award Date**.” The Award was granted under and is subject to the provisions of the Apple Inc. 2022 Employee Stock Plan, as amended from time to time (the “**Plan**”). Capitalized terms are defined in the Plan if not defined herein. The Award is discretionary and has been granted to the Participant in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Participant. The Grant Notice and these Terms are collectively referred to as the “**Award Agreement**” applicable to the Award.

2. **RSUs.** As used herein, the term “**RSU**” shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Share solely for purposes of the Plan and this Award Agreement. RSUs shall be used solely as a device for the determination of the Shares eventually to be issued to the Participant if such RSUs vest pursuant to this Award Agreement. The RSUs are an unfunded and unsecured right to receive Shares and shall not be treated as property or as a trust fund of any kind.

3. **Vesting.** Subject to Sections 4 and 8 below, the Award shall vest and become nonforfeitable as set forth in the Grant Notice. (Each vesting date set forth in the Grant Notice is referred to herein as a “**Vesting Date**.”) Unless and until the Company elects to issue fractional Shares in settlement of a vested RSU, any fractional RSUs that vest on a Vesting Date shall be carried forward and vest when such combined fractional RSUs result in a full RSU and any fractional RSU that is not carried forward as a result of a termination of the Award prior to the next subsequent Vesting Date shall be forfeited.

4. **Continuance of Employment.** Except as provided in this Section 4 and in Section 8 below, vesting of the Award requires continued active employment or service through each applicable Vesting Date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Award Agreement. Employment or service for only a portion of the period between the Award Date and the first Vesting Date or between subsequent Vesting Dates, even if a substantial portion, will not entitle the Participant to any proportionate vesting of the Award. For purposes of this Award Agreement, active service shall include (a) the duration of an approved leave of absence (other than a personal leave of absence) and (b) the first thirty (30) days of an approved personal leave of absence, in each case as approved by the Company, in its sole discretion. The vesting of the Award shall be tolled beginning on the thirty-first (31st) day of a personal leave of absence.

Nothing contained in this Award Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Participant’s status as an employee at will who is subject to termination with or without cause, confers upon the Participant any right to remain employed by or in service to the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment or service, or affects the right of the Company or any Subsidiary to increase or decrease the Participant’s other compensation or benefits. Nothing in this Section 4, however, is intended to adversely affect any independent contractual right of the Participant without the Participant’s consent thereto.

## 5. Dividend and Voting Rights.

(a) **Limitations on Rights Associated with RSUs.** The Participant shall have no rights as a shareholder of the Company, no dividend rights (except as expressly provided in Section 5(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of Shares as reflected in the book entry evidencing such Shares.

(b) **Dividend Equivalent Rights.** As of any date that the Company pays an ordinary cash dividend on its Shares, the Company shall credit the Participant with a dollar amount equal to (i) the per share cash dividend paid by the Company on its Shares on such date, multiplied by (ii) the total number of RSUs (with such total number adjusted pursuant to Section 11 of the Plan) subject to the Award that are outstanding on the record date for that dividend (a "**Dividend Equivalent Right**"). Any Dividend Equivalent Rights credited pursuant to the foregoing provisions of this Section 5(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original RSUs to which they relate, including the obligation to satisfy the Tax-Related Items; provided, however, that the amount of any vested Dividend Equivalent Rights shall be paid in cash. No crediting of Dividend Equivalent Rights shall be made pursuant to this Section 5(b) with respect to any RSUs which, as of the record date for that dividend, have either been paid pursuant to Section 7 or terminated pursuant to Section 8.

6. **Restrictions on Transfer.** Except as provided in Section 4(c) of the Plan, the Award, the Dividend Equivalent Rights and any interest therein or amount or Shares issued in respect thereof shall not be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily.

7. **Timing and Manner of Settlement of RSUs.** On or as soon as administratively practical following each vesting event pursuant to Section 3 or Section 8 (and in all events not later than two and one-half (2 ½) months after such vesting event), the Company shall deliver to the Participant a number of Shares equal to the number of RSUs subject to the Award that vest on such vesting event, less Tax-Related Items. The Company's obligation to deliver Shares or otherwise settle RSUs is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any Shares with respect to the vested RSUs deliver to the Company any representations or other documents or assurances required pursuant to Section 13(c) of the Plan. The Participant shall have no further rights with respect to any RSUs that are settled or that are forfeited pursuant to Section 8.

8. **Effect of Termination of Service.** Except as expressly provided in Section 4 or this Section 8, the Participant's RSUs (as well as the related Dividend Equivalent Rights) shall terminate to the extent such RSUs have not become vested prior to the date of the Participant's Termination of Service, meaning the first date the Participant is no longer employed by or providing services to the Company or one of its Subsidiaries (the "**Severance Date**"), regardless of the reason for the Participant's Termination of Service, whether with or without cause, voluntarily or involuntarily, or whether the Participant was employed or provided services for a portion of the vesting period prior to a Vesting Date and the Participant will have no right to the terminated RSUs, any underlying Shares or any cash equivalent. Notwithstanding the foregoing, in the event the Participant's Termination of Service is due to the Participant's Disability at a time when RSUs remain unvested under the Award, (a) the Award shall vest on the Severance Date with respect to the number of RSUs (as well as the related Dividend Equivalent Rights) determined by multiplying (i) the number of then-outstanding and unvested RSUs subject to the Award that would have otherwise vested pursuant to Section 3 on the next Vesting Date following the Severance Date but for such Termination of Service, by (ii) a fraction, the numerator of which shall be the number of days that have elapsed between the Vesting Date that immediately preceded the Severance Date (or, in the case of a Termination of Service prior to the initial Vesting Date,

the Vesting Commencement Date) and the Severance Date, and the denominator of which shall be the number of days between the Vesting Date that immediately preceded the Severance Date (or, in the case of a Termination of Service prior to the initial Vesting Date, the Vesting Commencement Date) and the next Vesting Date following the Severance Date that would have occurred but for such Termination of Service; and (b) any RSUs (as well as the related Dividend Equivalent Rights) that are not vested after giving effect to the foregoing clause (a) shall terminate on the Severance Date. Further, in the event the Participant's Termination of Service is due to the Participant's death, any unvested RSUs shall be fully vested as of the Severance Date, and any Dividend Equivalent Rights credited to the Participant shall be paid. If any unvested RSUs are terminated hereunder, such RSUs (as well as the related Dividend Equivalent Rights) shall automatically terminate and be canceled as of the applicable Severance Date without payment of any consideration by the Company and without any other action by the Participant or the Participant's beneficiary or personal representative, as the case may be.

**9. Recoupment.** Notwithstanding any other provision herein, the Award and any Shares or other amount or property that may be issued, delivered or paid in respect of the Award, as well as any consideration that may be received in respect of a sale or other disposition of any such Shares or property, shall be subject to any recoupment, "clawback" or similar provisions of Applicable Laws relevant to the Company's Shares and any recoupment, "clawback" or similar policy maintained by the Company from time to time. In addition, the Company may require the Participant to deliver or otherwise repay to the Company the Award and any Shares or other amount or property that may be issued, delivered or paid in respect of the Award, as well as any consideration that may be received in respect of a sale or other disposition of any such Shares or property, if the Company reasonably determines that one or more of the following has occurred:

(a) during the period of the Participant's employment or service with the Company or any of its Subsidiaries (the "**Employment Period**"), the Participant has committed a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(b) during the Employment Period or at any time thereafter, the Participant has committed or engaged in a breach of confidentiality, or an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information of the Company or any of its Subsidiaries;

(c) during the Employment Period or at any time thereafter, the Participant has committed or engaged in an act of theft, embezzlement or fraud, or materially breached any agreement to which the Participant is a party with the Company or any of its Subsidiaries.

For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm or third party administrator holding the Participant's Shares and/or other amounts acquired under the Plan to re-convey, transfer, or otherwise return such Shares and/or other amounts to the Company. By accepting this Award, the Participant further agrees to comply with any request or demand for repayment by the Company in order to comply with such policies or Applicable Laws. To the extent that the terms of this Agreement and any Company recoupment policy conflict, the terms of the recoupment policy shall prevail. This Section 9 is not the Company's exclusive remedy with respect to such matters.

**10. Adjustments Upon Specified Events.** Upon the occurrence of certain events relating to the Company's stock contemplated by Section 11 of the Plan (including, without limitation, an extraordinary cash dividend on such stock), the Committee shall make adjustments in accordance with such section in the number of RSUs then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which Dividend Equivalent Rights are credited pursuant to Section 5(b).

**11. Responsibility for Taxes.** The Participant acknowledges that, regardless of any action the Company and/or the Participant's employer ("**Employer**") take with respect to any Tax-Related Items, the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the RSUs, the vesting of the RSUs, the delivery of Shares, the subsequent sale of any Shares acquired at vesting, and the receipt of any dividends and/or Dividend Equivalent Rights; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is or becomes subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Participant shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion and pursuant to such procedures as they may specify from time to time, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from any wages or other cash compensation payable to the Participant by the Company and/or the Employer;
- (b) withholding otherwise deliverable Shares and/or from otherwise payable Dividend Equivalent Rights to be issued or paid upon vesting/settlement of the Award;
- (c) arranging for the sale of Shares otherwise deliverable to the Participant (on the Participant's behalf and at the Participant's direction pursuant to this authorization), including selling Shares as part of a block trade with other Participants in the Plan;
- (d) withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the Award; or
- (e) any other method of withholding determined by the Company to be permitted under the Plan and, to the extent required by Applicable Law or under the Plan, approved by the Committee.

Notwithstanding the foregoing, if the Participant is an officer of the Company who is subject to Section 16 of the Exchange Act, then the Company must satisfy any withholding obligations arising upon the occurrence of a taxable or tax withholding event, as applicable, by withholding Shares otherwise deliverable or an amount otherwise payable upon settlement of Dividend Equivalent Rights pursuant to method (b), unless the Board or the Committee determines in its discretion to satisfy the obligation for Tax-Related Items by one or a combination of methods (a), (b), (c), and (d) above.

The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other withholding rates, including maximum rates applicable in the Participant's jurisdiction(s). If the maximum rate is used, any over-withheld amount may be refunded to the Participant in cash by the Company or Employer (with no entitlement to the Share equivalent) or if not refunded, the Participant may seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay additional Tax-Related Items directly to the applicable tax authority or to the Company or Employer. If the obligation for Tax-Related Items is satisfied by withholding a number of Shares as described herein, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back

solely for the purpose of paying the Tax-Related Items. The Company may refuse to issue or deliver to the Participant any Shares or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

**12. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, deliver any documents related to the Award by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line or voice activated system established and maintained by the Company or a third party vendor designated by the Company.

**13. Data Privacy.** By participating in the Plan, the Participant acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 13. The Company, its related entities, and the Employer hold certain personal information about the Participant, including the Participant's name, home address and telephone number, email address, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares or equivalent benefits awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("**Data**"). The Company and its related entities may transfer Data amongst themselves as necessary for the purpose of implementation, administration, and management of the Participant's participation in the Plan, and the Company and its related entities may each further transfer Data to any third parties assisting the Company or any such related entity in the implementation, administration, and management of the Plan. The Participant acknowledges that the transferors and transferees of such Data may be located anywhere in the world and hereby authorizes each of them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering, and managing the Participant's participation in the Plan, including any transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or to other third party with whom the Participant may elect to deposit any Shares acquired under the Plan (whether pursuant to the Award or otherwise).

**14. Notices.** Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Company at its principal office to the attention of the Secretary, and to the Participant at the Participant's last address reflected on the Company's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be given only when received, but if the Participant is no longer an employee of the Company, shall be deemed to have been duly given by the Company when enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government.

**15. Plan.** The Award and all rights of the Participant under this Award Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Award Agreement. The Participant acknowledges having read and understood the Plan, the Prospectus for the Plan, and this Award Agreement. Unless otherwise expressly provided in other sections of this Award Agreement, provisions of the Plan that confer discretionary authority on the Board or the Committee do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Committee so conferred by appropriate action of the Board or the Committee under the Plan after the date hereof.

**16. Entire Agreement.** This Award Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Award Agreement may be amended pursuant to Section 15 of the Plan. Such amendment must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to the extent such waiver does

not materially and adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

**17. Limitation on the Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Award Agreement creates only a contractual obligation on the part of the Company as to the RSUs and the settlement thereof and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to the settlement of RSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to RSUs, as and when settled hereunder.

**18. Section Headings.** The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

**19. Governing Law.** This Award Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California and applicable U.S. federal laws without regard to conflict of law principles thereunder.

**20. Choice of Venue.** For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Award Agreement, the parties hereby submit to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the Northern District of California, and no other courts, where this grant is made or to be performed.

**21. Construction.** It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Award Agreement shall be construed and interpreted consistent with that intent.

**22. Severability.** The provisions of this Award Agreement are severable and if any one of more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**23. Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.



**APPLE INC.  
2022 EMPLOYEE STOCK PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT  
PERFORMANCE AWARD**

**NOTICE OF GRANT**

Name: (the "Participant")

Employee ID:

Grant Number:

Target No. of Units  
Subject to Award:

Award Date: (the "Award Date")

Vesting Date:

Performance Period:

This restricted stock unit award (the "Award") is granted under and governed by the terms and conditions of the Apple Inc. 2022 Employee Stock Plan and the Terms and Conditions of Restricted Stock Unit Award - Performance Award (including Exhibit A thereto), which are incorporated herein by reference.

You do not have to accept the Award. If you wish to decline your Award, you should promptly notify Apple Inc.'s Stock Plan Group of your decision at [peoplesupport@apple.com](mailto:peoplesupport@apple.com). If you do not provide such notification by the last day of the calendar month prior to the Vesting Date, you will be deemed to have accepted your Award on the terms and conditions set forth herein.

**APPLE INC.  
2022 EMPLOYEE STOCK PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

**TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD**

**PERFORMANCE AWARD**

**1. General.** These Terms and Conditions of Restricted Stock Unit Award - Performance Award (these “**Terms**”) apply to a particular restricted stock unit award (the “**Award**”) granted by Apple Inc., a California corporation (the “**Company**”), and are incorporated by reference in the Notice of Grant (the “**Grant Notice**”) corresponding to that particular grant. The recipient of the Award identified in the Grant Notice is referred to as the “**Participant**.” The effective date of grant of the Award as set forth in the Grant Notice is referred to as the “**Award Date**.” The Award was granted under and is subject to the provisions of the Apple Inc. 2022 Employee Stock Plan, as amended from time to time (the “**Plan**”). Capitalized terms are defined in the Plan if not defined herein. The Award is discretionary and has been granted to the Participant in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Participant. The Grant Notice and these Terms (including Exhibit A hereto, incorporated herein by this reference) are collectively referred to as the “**Award Agreement**” applicable to the Award.

**2. RSUs.** As used herein, the term “**RSU**” shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Share solely for purposes of the Plan and this Award Agreement. The RSUs shall be used solely as a device for the determination of the Shares eventually to be issued to the Participant if such RSUs vest pursuant to this Award Agreement. The RSUs are an unfunded and unsecured right to receive Shares and shall not be treated as property or as a trust fund of any kind.

**3. Vesting.** Subject to Sections 4 and 8 below, the Award shall vest and become nonforfeitable as set forth in the Grant Notice and Exhibit A hereto. (The vesting date set forth in the Grant Notice is referred to herein as a “**Vesting Date**”).

**4. Continuance of Employment.** Except as provided in this Section 4 and in Section 8 below, vesting of the Award requires continued active employment or service through the Vesting Date as a condition to the vesting of the Award and the rights and benefits under this Award Agreement. Employment or service for only a portion of the performance or vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting of the Award. For purposes of this Award Agreement, active service shall include (a) the duration of an approved leave of absence (other than a personal leave of absence) and (b) the first thirty (30) days of an approved personal leave of absence, in each case as approved by the Company, in its sole discretion. The vesting of the Award shall be tolled beginning on the thirty-first (31st) day of a personal leave of absence.

Nothing contained in this Award Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Participant’s status as an employee at will who is subject to termination with or without cause, confers upon the Participant any right to remain employed by or in service to the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment or service, or affects the right of the Company or any Subsidiary to increase or decrease the Participant’s other compensation or benefits. Nothing in this Section 4, however, is intended to adversely affect any independent contractual right of the Participant without the Participant’s consent thereto.

**5. Dividend and Voting Rights.**

(a) **Limitations on Rights Associated with RSUs.** The Participant shall have no rights as a shareholder of the Company, no dividend rights (except as expressly provided in Section 5(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the Shares as reflected in the book entry evidencing such Shares.

(b) **Dividend Equivalent Rights.** As of any date that the Company pays an ordinary cash dividend on its Shares, the Company shall credit the Participant with a dollar amount equal to (i) the per share cash dividend paid by the Company on its Shares on such date, multiplied by (ii) the total target number of RSUs (with such total number adjusted pursuant to Section 11 of the Plan) subject to the Award that are outstanding on the record date for that dividend (a "**Dividend Equivalent Right**"). Any Dividend Equivalent Rights credited pursuant to the foregoing provisions of this Section 5(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original RSUs to which they relate, including the obligation to satisfy the Tax-Related Items; provided, however, that the amount of any vested Dividend Equivalent Rights shall be paid in cash. For purposes of clarity, the percentage of the Dividend Equivalent Rights that are paid will correspond to the percentage of the total target number of RSUs that vest on the Vesting Date, after giving effect to Exhibit A. No crediting of Dividend Equivalent Rights shall be made pursuant to this Section 5(b) with respect to any RSUs which, as of the record date for that dividend, have either been paid pursuant to Section 7 or terminated pursuant to Section 8 or Exhibit A.

**6. Restrictions on Transfer.** Except as provided in Section 4(c) of the Plan, the Award, the Dividend Equivalent Rights and any interest therein or amount or Shares issued in respect thereof shall not be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily.

**7. Timing and Manner of Settlement of RSUs.** On or as soon as administratively practical following the Vesting Date pursuant to Section 3 or Section 8 (and in all events not later than two and one-half (2 ½) months after such Vesting Date), the Company shall deliver to the Participant a number of Shares equal to the number of RSUs subject to the Award that vest on the Vesting Date, less Tax-Related Items. The Company's obligation to deliver Shares or otherwise settle vested RSUs is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any Shares with respect to the vested RSUs deliver to the Company any representations or other documents or assurances required pursuant to Section 13(c) of the Plan. The Participant shall have no further rights with respect to any RSUs that are settled or that are forfeited pursuant to Section 8.

**8. Effect of Termination of Service.** Except as expressly provided in Section 4 or this Section 8, the Participant's RSUs (as well as the related Dividend Equivalent Rights) shall terminate to the extent such RSUs have not become vested prior to the date of the Participant's Termination of Service, meaning the first date the Participant is no longer employed by or providing services to the Company or one of its Subsidiaries (the "**Severance Date**"), regardless of the reason for the Participant's Termination of Service, whether with or without cause, voluntarily or involuntarily or whether the Participant was employed or provided services for a portion of the vesting period prior to a Vesting Date and the Participant will have no right to the terminated RSUs, any underlying Shares or any cash equivalent. Notwithstanding the foregoing, in the event the Participant's Termination of Service is due to the Participant's death or Disability and the Severance Date occurs prior to the Vesting Date, on the Vesting Date the Award shall vest with respect to a number of RSUs (as well as the related Dividend Equivalent Rights) determined by multiplying (i) the RSUs subject to the Award that would have otherwise vested pursuant to the Award on such Vesting Date but for the Termination of Service and to the extent the applicable performance-based vesting requirement is satisfied, by (ii) the Severance Fraction

(determined as set forth below). Any RSUs (as well as the related Dividend Equivalent Rights) that are unvested on the Severance Date and that are not eligible to vest on the Vesting Date following the Severance Date pursuant to the preceding sentence shall terminate as of the Severance Date, and any RSUs that remain outstanding and unvested after giving effect to the preceding sentence shall terminate as of the Vesting Date. The “**Severance Fraction**” means a fraction, the numerator of which shall be determined by subtracting the number of days remaining in the Performance Period on the Severance Date from the total number of days in the Performance Period, and the denominator of which shall be the total number of days in the Performance Period. If any unvested RSUs are terminated pursuant to this Award Agreement, such RSUs (as well as the related Dividend Equivalent Rights) shall automatically terminate and be canceled as of the applicable Severance Date (or, to the extent that any RSUs remain outstanding following the Severance Date by reason of this Section 8, but the applicable performance-based vesting conditions are not satisfied, such RSUs shall automatically terminate and be canceled as of the Vesting Date, as provided in Exhibit A) without payment of any consideration by the Company and without any other action by the Participant, or the Participant’s beneficiary or personal representative, as the case may be.

**9. Recoupment.** Notwithstanding any other provision herein, the Award and any Shares or other amount or property that may be issued, delivered or paid in respect of the Award, as well as any consideration that may be received in respect of a sale or other disposition of any such Shares or property, shall be subject to any recoupment, “clawback” or similar provisions of Applicable Laws relevant to the Company’s Shares and any recoupment, “clawback” or similar policy maintained by the Company from time to time. In addition, the Company may require the Participant to deliver or otherwise repay to the Company the Award and any Shares or other amount or property that may be issued, delivered or paid in respect of the Award, as well as any consideration that may be received in respect of a sale or other disposition of any such Shares or property, if the Company reasonably determines that one or more of the following has occurred:

(a) during the period of the Participant’s employment or service with the Company or any of its Subsidiaries (the “**Employment Period**”), the Participant has committed a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(b) during the Employment Period or at any time thereafter, the Participant has committed or engaged in a breach of confidentiality, or an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information of the Company or any of its Subsidiaries;

(c) during the Employment Period or at any time thereafter, the Participant has committed or engaged in an act of theft, embezzlement or fraud, or materially breached any agreement to which the Participant is a party with the Company or any of its Subsidiaries.

For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant’s behalf, to any brokerage firm and/or third party administrator holding the Participant’s Shares and/or other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company. By accepting this Award, the Participant further agrees to comply with any request or demand for repayment by the Company in order to comply with such policies or Applicable Laws. To the extent that the terms of this Agreement and any Company recoupment policy conflict, the terms of the recoupment policy shall prevail. This Section 9 is not the Company’s exclusive remedy with respect to such matters.

**10. Adjustments Upon Specified Events.** Upon the occurrence of certain events relating to the Company’s stock contemplated by Section 11 of the Plan (including, without limitation, an extraordinary cash dividend on such stock), the Committee shall make adjustments in accordance with such section in the number of RSUs then outstanding and the number and kind of securities that may be

issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which Dividend Equivalent Rights are credited pursuant to Section 5(b).

**11. Responsibility for Taxes.** The Participant acknowledges that, regardless of any action the Company and/or the Participant's employer ("**Employer**") take with respect to any Tax-Related Items, the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the RSUs, the vesting of the RSUs, the delivery of Shares, the subsequent sale of any Shares acquired at vesting and the receipt of any dividends and/or Dividend Equivalent Rights; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is or becomes subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Participant shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion and pursuant to such procedures as they may specify from time to time, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from any wages or other cash compensation payable to the Participant by the Company and/or the Employer;
- (b) withholding otherwise deliverable Shares and/or from otherwise payable Dividend Equivalent Rights to be issued or paid upon vesting/settlement of the Award;
- (c) arranging for the sale of Shares otherwise deliverable to the Participant (on the Participant's behalf and at the Participant's direction pursuant to this authorization), including selling Shares as part of a block trade with other Participants in the Plan;
- (d) withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the Award; or
- (e) any other method of withholding determined by the Company to be permitted under the Plan and, to the extent required by Applicable Law or under the Plan, approved by the Committee.

Notwithstanding the foregoing, if the Participant is an officer of the Company who is subject to Section 16 of the Exchange Act, then the Company must satisfy any withholding obligations arising upon the occurrence of a taxable or tax withholding event, as applicable, by withholding Shares otherwise deliverable or an amount otherwise payable upon settlement of Dividend Equivalent Rights pursuant to method (b), unless the Board or the Committee determines in its discretion to satisfy the obligation for Tax-Related Items by one or a combination of methods (a), (b), (c), and (d) above.

The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other withholding rates, including maximum rates applicable in the Participant's jurisdiction(s). If the maximum rate is used, any over-withheld amount may be refunded to the Participant in cash by the Company or Employer (with no entitlement to the Share equivalent) or if not refunded, the Participant may seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay additional Tax-Related Items directly to the applicable tax authority or

to the Company or Employer. If the obligation for Tax-Related Items is satisfied by withholding a number of Shares as described herein, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. The Company may refuse to issue or deliver to the Participant any Shares or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

**12. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, deliver any documents related to the Award by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line or voice activated system established and maintained by the Company or a third party vendor designated by the Company.

**13. Data Privacy.** By participating in the Plan, the Participant acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 13. The Company, its related entities, and the Employer hold certain personal information about the Participant, including the Participant's name, home address and telephone number, email address, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares or equivalent benefits awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("**Data**"). The Company and its related entities may transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company and its related entities may each further transfer Data to any third parties assisting the Company or any such related entity in the implementation, administration and management of the Plan. The Participant acknowledges that the transferors and transferees of such Data may be located anywhere in the world and hereby authorizes each of them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or to other third party with whom the Participant may elect to deposit any Shares acquired under the Plan (whether pursuant to the Award or otherwise).

**14. Notices.** Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Company at its principal office to the attention of the Secretary, and to the Participant at the Participant's last address reflected on the Company's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be given only when received, but if the Participant is no longer an employee of the Company, shall be deemed to have been duly given by the Company when enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government.

**15. Plan.** The Award and all rights of the Participant under this Award Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Award Agreement. The Participant acknowledges having read and understood the Plan, the Prospectus for the Plan, and this Award Agreement. Unless otherwise expressly provided in other sections of this Award Agreement, provisions of the Plan that confer discretionary authority on the Board or the Committee do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Committee so conferred by appropriate action of the Board or the Committee under the Plan after the date hereof.

**16. Entire Agreement.** This Award Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Award Agreement may be amended pursuant to Section 15 of the Plan. Such amendment must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not materially and adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

**17. Limitation on the Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Award Agreement creates only a contractual obligation on the part of the Company as to the RSUs and the settlement thereof and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to the settlement of RSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to RSUs, as and when settled hereunder.

**18. Section Headings.** The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

**19. Governing Law.** This Award Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California and applicable U.S. federal laws without regard to conflict of law principles thereunder.

**20. Choice of Venue.** For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Award Agreement, the parties hereby submit to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the Northern District of California, and no other courts, where this grant is made or to be performed.

**21. Construction.** It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Award Agreement shall be construed and interpreted consistent with that intent.

**22. Severability.** The provisions of this Award Agreement are severable and if any one of more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**23. Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

\* \* \* \* \*

## PERFORMANCE AWARD

### EXHIBIT A

#### PERFORMANCE VESTING REQUIREMENTS

The RSUs (and related Dividend Equivalent Rights) subject to the Award that will vest on the Vesting Date will be determined based on the Company's relative total shareholder return ("TSR") Percentile for the Performance Period.

The percentage of the RSUs (and related Dividend Equivalent Rights) that vest on the Vesting Date will be determined as follows:

- If the Company's TSR Percentile for the Performance Period is at the [ ] ([ ]) percentile or greater, [ ] ([ ]%) of the target RSUs will vest on the Vesting Date.
- If the Company's TSR Percentile for the Performance Period is at the [ ] ([ ]) percentile, [ ] ([ ]%) of the target RSUs will vest on the Vesting Date.
- If the Company's TSR Percentile for the Performance Period is at the [ ] ([ ]) percentile, [ ] ([ ]%) of the target RSUs will vest on the Vesting Date.
- If the Company's TSR Percentile for the Performance Period is below the [ ] ([ ]) percentile, [ ] ([ ]%) of the RSUs will vest on the Vesting Date.

For TSR Percentile performance for the Performance Period between the levels indicated above, the portion of the RSUs that will vest on the Vesting Date will be determined on a straight-line basis (*i.e.*, linearly interpolated) between the two nearest vesting percentages indicated above.

Notwithstanding the foregoing, if the Company's TSR for the Performance Period is negative, in no event shall more than one hundred percent (100%) of the target RSUs vest.

The number of RSUs that vest on the Vesting Date will be rounded to the nearest whole unit, and the balance of the RSUs will not vest and will terminate on that Vesting Date.

For purposes of the Award, the following definitions will apply:

- "**TSR Percentile**" means the percentile ranking of the Company's TSR among the TSRs for the Comparison Group members for the Performance Period. In determining the Company's TSR Percentile for the Performance Period, in the event that the Company's TSR for the Performance Period is equal to the TSR(s) of one or more other Comparison Group members for that same period, the Company's TSR Percentile ranking will be determined by ranking the Company's TSR for that period as being greater than such other Comparison Group members.
- "**Comparison Group**" means the Company and each other company included in the Standard & Poor's 500 Index on the first day of the Performance Period and, except as provided below, the common stock (or similar equity security) of which continues to be listed or traded on a national securities exchange through the last trading day of the Performance Period. In the event a member of the Comparison Group files for bankruptcy or liquidates due to an insolvency, such company shall continue to be treated as a Comparison Group member, and such company's Ending Price will be treated as \$0 if the common stock (or similar equity security) of such company is no longer listed or



traded on a national securities exchange on the last trading day of the Performance Period. In the event of a formation of a new parent company by a Comparison Group member, substantially all of the assets and liabilities of which consist immediately after the transaction of the equity interests in the original Comparison Group member or the assets and liabilities of such Comparison Group member immediately prior to the transaction, such new parent company shall be substituted for the Comparison Group member to the extent (and for such period of time) as its common stock (or similar equity securities) are listed or traded on a national securities exchange but the common stock (or similar equity securities) of the original Comparison Group member are not. In the event of a merger or other business combination of two Comparison Group members (including, without limitation, the acquisition of one Comparison Group member, or all or substantially all of its assets, by another Comparison Group member), the surviving, resulting or successor entity, as the case may be, shall continue to be treated as a member of the Comparison Group, provided that the common stock (or similar equity security) of such entity is listed or traded on a national securities exchange through the last trading day of the Performance Period. With respect to the preceding two sentences, the applicable stock prices shall be equitably and proportionately adjusted to the extent (if any) necessary to preserve the intended incentives of the awards and mitigate the impact of the transaction.

- **“TSR”** shall be determined with respect to the Company and any other Comparison Group member by dividing: (a) the sum of (i) the difference obtained by subtracting the applicable Beginning Price from the applicable Ending Price and (ii) all dividends and other distributions during the Performance Period by (b) the applicable Beginning Price. Any non-cash distributions shall be valued at fair market value. For the purpose of determining TSR, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the date of distribution.
- **“Beginning Price”** means, with respect to the Company and any other Comparison Group member, the average of the closing market prices of such company’s common stock on the principal exchange on which such stock is traded for the twenty (20) consecutive trading days beginning with the first trading day of the Performance Period. For the purpose of determining Beginning Price, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the date of distribution.
- **“Ending Price”** means, with respect to the Company and any other Comparison Group member, the average of the closing market prices of such company’s common stock on the principal exchange on which such stock is traded for the twenty (20) consecutive trading days ending on the last trading day of the Performance Period. For the purpose of determining Ending Price, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the date of distribution.

With respect to the computation of TSR, Beginning Price, and Ending Price, there shall also be an equitable and proportionate adjustment to the extent (if any) necessary to preserve the intended incentives of the awards and mitigate the impact of any stock split, stock dividend or reverse stock split occurring during the Performance Period (or during the applicable twenty (20)-day period in determining Beginning Price or Ending Price, as the case may be).

In the event of any ambiguity or discrepancy, the determination of the Committee shall be final and binding.

\* \* \* \* \*

**APPLE INC.  
2022 EMPLOYEE STOCK PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

**NOTICE OF GRANT**

Name: (the "Participant")

Employee ID:

Grant Number:

No. of Units Subject to Award:

Award Date: (the "Award Date")

Vesting Commencement Date: (the "Vesting Commencement Date")

Vesting Schedule:

This restricted stock unit award (the "Award") is granted under and governed by the terms and conditions of the Apple Inc. 2022 Employee Stock Plan and the Terms and Conditions of Restricted Stock Unit Award, which are incorporated herein by reference.

You do not have to accept the Award. If you wish to decline your Award, you should promptly notify Apple Inc.'s Stock Plan Group of your decision at [peoplesupport@apple.com](mailto:peoplesupport@apple.com). If you do not provide such notification by the last day of the calendar month prior to the first Vesting Date, you will be deemed to have accepted your Award on the terms and conditions set forth herein.

**APPLE INC.  
2022 EMPLOYEE STOCK PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

**TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD**

1. **General.** These Terms and Conditions of Restricted Stock Unit Award (these “**Terms**”) apply to a particular restricted stock unit award (the “**Award**”) granted by Apple Inc., a California corporation (the “**Company**”), and are incorporated by reference in the Notice of Grant (the “**Grant Notice**”) corresponding to that particular grant. The recipient of the Award identified in the Grant Notice is referred to as the “**Participant**.” The effective date of grant of the Award as set forth in the Grant Notice is referred to as the “**Award Date**.” The Award was granted under and is subject to the provisions of the Apple Inc. 2022 Employee Stock Plan, as amended from time to time (the “**Plan**”). Capitalized terms are defined in the Plan if not defined herein. The Award is discretionary and has been granted to the Participant in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Participant. The Grant Notice and these Terms are collectively referred to as the “**Award Agreement**” applicable to the Award.

2. **RSUs.** As used herein, the term “**RSU**” shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Share solely for purposes of the Plan and this Award Agreement. RSUs shall be used solely as a device for the determination of the Shares eventually to be issued to the Participant if such RSUs vest pursuant to this Award Agreement. The RSUs are an unfunded and unsecured right to receive Shares and shall not be treated as property or as a trust fund of any kind.

3. **Vesting.** Subject to Sections 4 and 8 below, the Award shall vest and become nonforfeitable as set forth in the Grant Notice. (Each vesting date set forth in the Grant Notice is referred to herein as a “**Vesting Date**.”) Unless and until the Company elects to issue fractional Shares in settlement of a vested RSU, any fractional RSUs that vest on a Vesting Date shall be carried forward and vest when such combined fractional RSUs result in a full RSU and any fractional RSU that is not carried forward as a result of a termination of the Award prior to the next subsequent Vesting Date shall be forfeited.

4. **Continuance of Employment.** Except as provided in this Section 4 and in Section 8 below, vesting of the Award requires continued active employment or service through each applicable Vesting Date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Award Agreement. Employment or service for only a portion of the period between the Award Date and the first Vesting Date, even if a substantial portion, will not entitle the Participant to any proportionate vesting of the Award. For purposes of this Award Agreement, active service shall include (a) the duration of an approved leave of absence (other than a personal leave of absence) and (b) the first thirty (30) days of an approved personal leave of absence, in each case as approved by the Company, in its sole discretion. The vesting of the Award shall be tolled beginning on the thirty-first (31st) day of a personal leave of absence.

Nothing contained in this Award Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Participant’s status as an employee at will who is subject to termination with or without cause, confers upon the Participant any right to remain employed by or in service to the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment or service, or affects the right of the Company or any Subsidiary to increase or decrease the Participant’s other compensation or benefits. Nothing in this Section 4, however, is intended to adversely affect any independent contractual right of the Participant without the Participant’s consent thereto.

## **5. Dividend and Voting Rights.**

(a) **Limitations on Rights Associated with RSUs.** The Participant shall have no rights as a shareholder of the Company, no dividend rights (except as expressly provided in Section 5(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the Shares as reflected in the book entry evidencing such Shares.

(b) **Dividend Equivalent Rights.** As of any date that the Company pays an ordinary cash dividend on its Shares, the Company shall credit the Participant with a dollar amount equal to (i) the per share cash dividend paid by the Company on its Shares on such date, multiplied by (ii) the total number of RSUs (with such total number adjusted pursuant to Section 11 of the Plan) subject to the Award that are outstanding on the record date for that dividend (a "**Dividend Equivalent Right**"). Any Dividend Equivalent Rights credited pursuant to the foregoing provisions of this Section 5(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original RSUs to which they relate, including the obligation to satisfy the Tax-Related Items; provided, however, that the amount of any vested Dividend Equivalent Rights shall be paid in cash. No crediting of Dividend Equivalent Rights shall be made pursuant to this Section 5(b) with respect to any RSUs which, as of the record date for that dividend, have either been paid pursuant to Section 7 or terminated pursuant to Section 8.

**6. Restrictions on Transfer.** Except as provided in Section 4(c) of the Plan, the Award, the Dividend Equivalent Rights and any interest therein or amount or Shares issued in respect thereof shall not be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily.

**7. Timing and Manner of Settlement of RSUs.** On or as soon as administratively practical following each Vesting Date determined pursuant to Sections 3 or 8 or following the Participant's death as specified in Section 8(d) (and in all events not later than two and one-half (2 ½) months after such Vesting Date or the date of the Participant's death, as applicable), the Company shall deliver to the Participant a number of Shares equal to the number of RSUs subject to the Award that vest on such vesting event (or, in the case of the Participant's Retirement or Disability, are scheduled to settle on such vesting event) less Tax-Related Items, unless such RSUs terminate prior to the applicable Vesting Date pursuant to Section 8. The Company's obligation to deliver Shares or otherwise settle vested RSUs is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any Shares with respect to the vested RSUs deliver to the Company any representations or other documents or assurances required pursuant to Section 13(c) of the Plan. The Participant shall have no further rights with respect to any RSUs that are settled or that are forfeited pursuant to Section 8.

## **8. Effect of Termination of Service.**

(a) Except as expressly provided in Section 4 or this Section 8, the Participant's RSUs (as well as the related Dividend Equivalent Rights) shall terminate and be forfeited to the extent such RSUs have not become vested prior to the date of the Participant's Termination of Service (the "**Severance Date**"), regardless of the reason for the Participant's Termination of Service, whether with or without cause, voluntarily or involuntarily, or whether the Participant was employed or provided services for a portion of the vesting period prior to a Vesting Date.

(b) Notwithstanding the foregoing, and except as otherwise provided by the Committee, in the event of the Participant's Termination of Service due to the Participant's Retirement (defined below) on or after the first anniversary of the Award Date, any unvested RSUs (as well as the related Dividend Equivalent Rights) shall continue to be eligible to vest on a pro rata basis (in accordance

with the schedule set forth in the Grant Notice and Section 8(d)), without regard to the Participant's Termination of Service, determined by multiplying (i) the number of RSUs eligible to vest on the applicable Vesting Date, by (ii) a fraction, the numerator of which shall be the number of days that have elapsed between the Award Date and the Participant's Retirement date, and the denominator of which shall be the total number of days contained in the period between the Award Date and the applicable Vesting Date. For purposes of this Award Agreement, "**Retirement**" means the Participant's Termination of Service on or after the Participant both has reached the age of sixty (60) and has completed ten (10) years of service with the Company, or any Subsidiary (including service with any entity acquired by the Company) as of the Severance Date, as determined in the sole discretion of the Committee. In the event the Participant's Termination of Service occurs prior to the first anniversary of the Award Date, this Section 8(b) shall not apply, unless the Committee shall otherwise determine in its sole discretion. For purposes of this Section 8(b), a Termination of Service shall not include the Participant's Termination of Service resulting from the Participant's Disability or death (in which case Section 8(c) or 8(d), as applicable, will apply).

(c) In the event of the Participant's Termination of Service due to the Participant's Disability, any unvested RSUs shall continue to be eligible to vest in full (in accordance with the schedule set forth in the Grant Notice and Section 8(d)) without regard to the Participant's Termination of Service.

(d) In the event of the Participant's Termination of Service due to the Participant's death, all unvested RSUs eligible to vest on Vesting Date(s) subsequent to the Participant's death shall accelerate and vest immediately, and upon the Participant's death following the Participant's Termination of Service due to Disability or Retirement any RSUs that were eligible to vest in full, or pro rata in the case of Retirement, will be settled as soon as administratively practicable after the Participant's death in accordance with Section 7.

(e) If any unvested RSUs are terminated hereunder, such RSUs (as well as the related Dividend Equivalent Rights) shall automatically terminate and be canceled as of the applicable Severance Date without payment of any consideration by the Company and without any other action by the Participant or the Participant's beneficiary or personal representative, as the case may be.

**9. Recoupment.** Notwithstanding any other provision herein, the Award and any Shares or other amount or property that may be issued, delivered or paid in respect of the Award, as well as any consideration that may be received in respect of a sale or other disposition of any such Shares or property, shall be subject to any recoupment, "clawback" or similar provisions of Applicable Laws relevant to the Company's Shares and any recoupment, "clawback" or similar policy maintained by the Company from time to time. In addition, the Company may require the Participant to deliver or otherwise repay to the Company the Award and any Shares or other amount or property that may be issued, delivered or paid in respect of the Award, as well as any consideration that may be received in respect of a sale or other disposition of any such Shares or property, if the Company reasonably determines that one or more of the following has occurred:

(a) during the period of the Participant's employment or service with the Company or any of its Subsidiaries (the "**Employment Period**"), the Participant has committed a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(b) during the Employment Period or at any time thereafter, the Participant has committed or engaged in a breach of confidentiality, or an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information of the Company or any of its Subsidiaries;

(c) during the Employment Period or at any time thereafter, the Participant has committed or engaged in an act of theft, embezzlement or fraud, or materially breached any agreement to which the Participant is a party with the Company or any of its Subsidiaries.

For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm or third party administrator holding the Participant's Shares and/or other amounts acquired under the Plan to re-convey, transfer, or otherwise return such Shares and/or other amounts to the Company. By accepting this Award, the Participant further agrees to comply with any request or demand for repayment by the Company in order to comply with such policies or Applicable Laws. To the extent that the terms of this Agreement and any Company recoupment policy conflict, the terms of the recoupment policy shall prevail. This Section 9 is not the Company's exclusive remedy with respect to such matters.

**10. Adjustments Upon Specified Events.** Upon the occurrence of certain events relating to the Company's stock contemplated by Section 11 of the Plan (including, without limitation, an extraordinary cash dividend on such stock), the Committee shall make adjustments in accordance with such section in the number of RSUs then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which Dividend Equivalent Rights are credited pursuant to Section 5(b).

**11. Responsibility for Taxes.** The Participant acknowledges that, regardless of any action the Company and/or the Participant's employer ("**Employer**") take with respect to any Tax-Related Items, the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the RSUs, the vesting of the RSUs, the delivery of Shares, the subsequent sale of any Shares acquired at vesting, and the receipt of any dividends and/or Dividend Equivalent Rights; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is or becomes subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Participant shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion and pursuant to such procedures as they may specify from time to time, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from any wages or other cash compensation, including short-term cash incentives, payable to the Participant by the Company and/or the Employer;

(b) withholding otherwise deliverable Shares and/or from otherwise payable Dividend Equivalent Rights to be issued or paid upon vesting/settlement of the Award;

(c) arranging for the sale of Shares otherwise deliverable to the Participant (on the Participant's behalf and at the Participant's direction pursuant to this authorization), including selling Shares as part of a block trade with other Participants in the Plan;

(d) withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the Award; or

(e) any other method of withholding determined by the Company to be permitted under the Plan and, to the extent required by Applicable Law or under the Plan, approved by the Committee.

Notwithstanding the foregoing, if the Participant is an officer of the Company who is subject to Section 16 of the Exchange Act, then the Company must satisfy any withholding obligations arising upon the occurrence of a taxable or tax withholding event, as applicable, by withholding Shares otherwise deliverable or an amount otherwise payable upon settlement of Dividend Equivalent Rights pursuant to method (b), unless the Board or the Committee determines in its discretion to satisfy the obligation for Tax-Related Items by one or a combination of methods (a), (b), (c), and (d) above.

The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other withholding rates, including maximum rates applicable in the Participant's jurisdiction(s). If the maximum rate is used, any over-withheld amount may be refunded to the Participant in cash by the Company or Employer (with no entitlement to the Share equivalent) or if not refunded, the Participant may seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay additional Tax-Related Items directly to the applicable tax authority or to the Company or Employer. If the obligation for Tax-Related Items is satisfied by withholding a number of Shares as described herein, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. The Company may refuse to issue or deliver to the Participant any Shares or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

**12. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, deliver any documents related to the Award by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line or voice activated system established and maintained by the Company or a third party vendor designated by the Company.

**13. Data Privacy.** By participating in the Plan, the Participant acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 13. The Company, its related entities, and the Employer hold certain personal information about the Participant, including the Participant's name, home address and telephone number, email address, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares or equivalent benefits awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("**Data**"). The Company and its related entities may transfer Data amongst themselves as necessary for the purpose of implementation, administration, and management of the Participant's participation in the Plan, and the Company and its related entities may each further transfer Data to any third parties assisting the Company or any such related entity in the implementation, administration, and management of the Plan. The Participant acknowledges that the transferors and transferees of such Data may be located anywhere in the world and hereby authorizes each of them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering, and managing the Participant's participation in the Plan, including any transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or to other third party with whom the Participant may elect to deposit any Shares acquired under the Plan (whether pursuant to the Award or otherwise).

**14. Notices.** Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Company at its principal office to the attention of the Secretary, and to the Participant at the Participant's last address reflected on the Company's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be given only when

received, but if the Participant is no longer an employee of the Company, shall be deemed to have been duly given by the Company when enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government.

**15. Plan.** The Award and all rights of the Participant under this Award Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Award Agreement. The Participant acknowledges having read and understood the Plan, the Prospectus for the Plan, and this Award Agreement. Unless otherwise expressly provided in other sections of this Award Agreement, provisions of the Plan that confer discretionary authority on the Board or the Committee do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Committee so conferred by appropriate action of the Board or the Committee under the Plan after the date hereof.

**16. Entire Agreement.** This Award Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Award Agreement may be amended pursuant to Section 15 of the Plan. Such amendment must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not materially and adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

**17. Limitation on the Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Award Agreement creates only a contractual obligation on the part of the Company as to the RSUs and the settlement thereof and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to the settlement of RSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to RSUs, as and when settled hereunder.

**18. Section Headings.** The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

**19. Governing Law.** This Award Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California and applicable U.S. federal laws without regard to conflict of law principles thereunder.

**20. Choice of Venue.** For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Award Agreement, the parties hereby submit to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the Northern District of California, and no other courts, where this grant is made or to be performed.

**21. Construction.** It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Award Agreement shall be construed and interpreted consistent with that intent.

**22. Severability.** The provisions of this Award Agreement are severable and if any one of more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.



**23. Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**APPLE INC.  
2022 EMPLOYEE STOCK PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT  
PERFORMANCE AWARD**

**NOTICE OF GRANT**

Name: (the "Participant")

Employee ID:

Grant Number:

Target No. of Units  
Subject to Award:

Award Date: (the "Award Date")

Vesting Date:

Performance Period:

This restricted stock unit award (the "Award") is granted under and governed by the terms and conditions of the Apple Inc. 2022 Employee Stock Plan and the Terms and Conditions of Restricted Stock Unit Award - Performance Award (including Exhibit A thereto), which are incorporated herein by reference.

You do not have to accept the Award. If you wish to decline your Award, you should promptly notify Apple Inc.'s Stock Plan Group of your decision at [peoplesupport@apple.com](mailto:peoplesupport@apple.com). If you do not provide such notification by the last day of the calendar month prior to the Vesting Date, you will be deemed to have accepted your Award on the terms and conditions set forth herein.

**APPLE INC.  
2022 EMPLOYEE STOCK PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

**TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD**

**PERFORMANCE AWARD**

**1. General.** These Terms and Conditions of Restricted Stock Unit Award - Performance Award (these “**Terms**”) apply to a particular restricted stock unit award (the “**Award**”) granted by Apple Inc., a California corporation (the “**Company**”), and are incorporated by reference in the Notice of Grant (the “**Grant Notice**”) corresponding to that particular grant. The recipient of the Award identified in the Grant Notice is referred to as the “**Participant**.” The effective date of grant of the Award as set forth in the Grant Notice is referred to as the “**Award Date**.” The Award was granted under and is subject to the provisions of the Apple Inc. 2022 Employee Stock Plan, as amended from time to time (the “**Plan**”). Capitalized terms are defined in the Plan if not defined herein. The Award is discretionary and has been granted to the Participant in addition to, and not in lieu of, any other form of compensation otherwise payable or to be paid to the Participant. The Grant Notice and these Terms (including Exhibit A hereto, incorporated herein by this reference) are collectively referred to as the “**Award Agreement**” applicable to the Award.

**2. RSUs.** As used herein, the term “**RSU**” shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding Share solely for purposes of the Plan and this Award Agreement. The RSUs shall be used solely as a device for the determination of the Shares eventually to be issued to the Participant if such RSUs vest pursuant to this Award Agreement. The RSUs are an unfunded and unsecured right to receive Shares and shall not be treated as property or as a trust fund of any kind.

**3. Vesting.** Subject to Sections 4 and 8 below, the Award shall vest and become nonforfeitable as set forth in the Grant Notice and Exhibit A hereto. (The vesting date set forth in the Grant Notice is referred to herein as a “**Vesting Date**”).

**4. Continuance of Employment.** Except as provided in this Section 4 and in Section 8 below, vesting of the Award requires continued active employment or service through the Vesting Date as a condition to the vesting of the Award and the rights and benefits under this Award Agreement. Employment or service for only a portion of the performance or vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting of the Award. For purposes of this Award Agreement, active service shall include (a) the duration of an approved leave of absence (other than a personal leave of absence) and (b) the first thirty (30) days of an approved personal leave of absence, in each case as approved by the Company, in its sole discretion. The vesting of the Award shall be tolled beginning on the thirty-first (31st) day of a personal leave of absence.

Nothing contained in this Award Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Participant’s status as an employee at will who is subject to termination with or without cause, confers upon the Participant any right to remain employed by or in service to the Company or any Subsidiary, interferes in any way with the right of the Company or any Subsidiary at any time to terminate such employment or service, or affects the right of the Company or any Subsidiary to increase or decrease the Participant’s other compensation or benefits. Nothing in this Section 4, however, is intended to adversely affect any independent contractual right of the Participant without the Participant’s consent thereto.

## 5. Dividend and Voting Rights.

(a) **Limitations on Rights Associated with RSUs.** The Participant shall have no rights as a shareholder of the Company, no dividend rights (except as expressly provided in Section 5(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the Shares as reflected in the book entry evidencing such Shares.

(b) **Dividend Equivalent Rights.** As of any date that the Company pays an ordinary cash dividend on its Shares, the Company shall credit the Participant with a dollar amount equal to (i) the per share cash dividend paid by the Company on its Shares on such date, multiplied by (ii) the total target number of RSUs (with such total number adjusted pursuant to Section 11 of the Plan) subject to the Award that are outstanding on the record date for that dividend (a "**Dividend Equivalent Right**"). Any Dividend Equivalent Rights credited pursuant to the foregoing provisions of this Section 5(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original RSUs to which they relate, including the obligation to satisfy the Tax-Related Items; provided, however, that the amount of any vested Dividend Equivalent Rights shall be paid in cash. For purposes of clarity, the percentage of the Dividend Equivalent Rights that are paid will correspond to the percentage of the total target number of RSUs that vest on the Vesting Date, after giving effect to Exhibit A. No crediting of Dividend Equivalent Rights shall be made pursuant to this Section 5(b) with respect to any RSUs which, as of the record date for that dividend, have either been paid pursuant to Section 7 or terminated pursuant to Section 8 or Exhibit A.

6. **Restrictions on Transfer.** Except as provided in Section 4(c) of the Plan, the Award, the Dividend Equivalent Rights and any interest therein or amount or Shares issued in respect thereof shall not be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily.

7. **Timing and Manner of Settlement of RSUs.** On or as soon as administratively practical following the Vesting Date pursuant to Section 3 or Section 8 (and in all events not later than two and one-half (2 ½) months after such Vesting Date), the Company shall deliver to the Participant a number of Shares equal to the number of RSUs subject to the Award that vest on such vesting event (or, in the case of the Participant's Retirement, death or Disability, are scheduled to settle on such vesting event), less Tax-Related Items, unless such RSUs terminate prior to the Vesting Date pursuant to Section 8. The Company's obligation to deliver Shares or otherwise settle vested RSUs is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any Shares with respect to the vested RSUs deliver to the Company any representations or other documents or assurances required pursuant to Section 13(c) of the Plan. The Participant shall have no further rights with respect to any RSUs that are settled or that are forfeited pursuant to Section 8.

## 8. Effect of Termination of Service.

(a) Except as expressly provided in Section 4 or this Section 8, the Participant's RSUs (as well as the related Dividend Equivalent Rights) shall terminate and be forfeited to the extent such RSUs have not become vested prior to the date of the Participant's Termination of Service (the "**Severance Date**"), regardless of the reason for the Participant's Termination of Service, whether with or without cause, voluntarily or involuntarily or whether the Participant was employed or provided services for a portion of the vesting period prior to a Vesting Date.

(b) Notwithstanding the foregoing, and except as otherwise provided by the Committee, in the event of the Participant's Termination of Service due to the Participant's Retirement (defined below) on or after the first anniversary of the Award Date, death or Disability, any unvested

RSUs (as well as the related Dividend Equivalent Rights) shall continue to be eligible to vest on the Vesting Date without regard to the Participant's Termination of Service. For purposes of this Award Agreement, "**Retirement**" means the Participant's Termination of Service on or after the Participant both has reached the age of sixty (60) and has completed ten (10) years of service with the Company, or any Subsidiary (including service with any entity acquired by the Company), as of the Severance Date, as determined in the sole discretion of the Committee. In the event the Participant's Termination of Service occurs due to Retirement prior to the first anniversary of the Award Date, this Section 8(b) shall not apply, unless the Committee shall otherwise determine in its sole discretion.

(c) If any unvested RSUs are terminated hereunder, such RSUs (as well as the related Dividend Equivalent Rights) shall automatically terminate and be canceled as of the applicable Severance Date (or, to the extent that any RSUs remain outstanding following the Severance Date by reason of Section 8(b) but the applicable performance-based vesting conditions are not satisfied, such RSUs shall automatically terminate and be canceled as of the Vesting Date, as provided in Exhibit A) without payment of any consideration by the Company and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

**9. Recoupment.** Notwithstanding any other provision herein, the Award and any Shares or other amount or property that may be issued, delivered or paid in respect of the Award, as well as any consideration that may be received in respect of a sale or other disposition of any such Shares or property, shall be subject to any recoupment, "clawback" or similar provisions of Applicable Laws relevant to the Company's Shares and any recoupment, "clawback" or similar policy maintained by the Company from time to time. In addition, the Company may require the Participant to deliver or otherwise repay to the Company the Award and any Shares or other amount or property that may be issued, delivered or paid in respect of the Award, as well as any consideration that may be received in respect of a sale or other disposition of any such Shares or property, if the Company reasonably determines that one or more of the following has occurred:

(a) during the period of the Participant's employment or service with the Company or any of its Subsidiaries (the "**Employment Period**"), the Participant has committed a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(b) during the Employment Period or at any time thereafter, the Participant has committed or engaged in a breach of confidentiality, or an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information of the Company or any of its Subsidiaries;

(c) during the Employment Period or at any time thereafter, the Participant has committed or engaged in an act of theft, embezzlement or fraud, or materially breached any agreement to which the Participant is a party with the Company or any of its Subsidiaries.

For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator holding the Participant's Shares and/or other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company. By accepting this Award, the Participant further agrees to comply with any request or demand for repayment by the Company in order to comply with such policies or Applicable Laws. To the extent that the terms of this Agreement and any Company recoupment policy conflict, the terms of the recoupment policy shall prevail. This Section 9 is not the Company's exclusive remedy with respect to such matters.

**10. Adjustments Upon Specified Events.** Upon the occurrence of certain events relating to the Company's stock contemplated by Section 11 of the Plan (including, without limitation, an extraordinary cash dividend on such stock), the Committee shall make adjustments in accordance with

such section in the number of RSUs then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which Dividend Equivalent Rights are credited pursuant to Section 5(b).

**11. Responsibility for Taxes.** The Participant acknowledges that, regardless of any action the Company and/or the Participant's employer ("**Employer**") take with respect to any Tax-Related Items, the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the RSUs, the vesting of the RSUs, the delivery of Shares, the subsequent sale of any Shares acquired at vesting and the receipt of any dividends and/or Dividend Equivalent Rights; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is or becomes subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Participant shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion and pursuant to such procedures as they may specify from time to time, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from any wages or other cash compensation, including short-term cash incentives, payable to the Participant by the Company and/or the Employer;
- (b) withholding otherwise deliverable Shares and/or from otherwise payable Dividend Equivalent Rights to be issued or paid upon vesting/settlement of the Award;
- (c) arranging for the sale of Shares otherwise deliverable to the Participant (on the Participant's behalf and at the Participant's direction pursuant to this authorization), including selling Shares as part of a block trade with other Participants in the Plan;
- (d) withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the Award; or
- (e) any other method of withholding determined by the Company to be permitted under the Plan and, to the extent required by Applicable Law or under the Plan, approved by the Committee.

Notwithstanding the foregoing, if the Participant is an officer of the Company who is subject to Section 16 of the Exchange Act, then the Company must satisfy any withholding obligations arising upon the occurrence of a taxable or tax withholding event, as applicable, by withholding Shares otherwise deliverable or an amount otherwise payable upon settlement of Dividend Equivalent Rights pursuant to method (b), unless the Board or the Committee determines in its discretion to satisfy the obligation for Tax-Related Items by one or a combination of methods (a), (b), (c), and (d) above.

The Company may withhold or account for Tax-Related Items by considering statutory withholding amounts or other withholding rates, including maximum rates applicable in the Participant's jurisdiction(s). If the maximum rate is used, any over-withheld amount may be refunded to the Participant in cash by the Company or Employer (with no entitlement to the Share equivalent) or if not refunded, the Participant may seek a refund from the local tax authorities. In the event of under-withholding, the Participant may be required to pay additional Tax-Related Items directly to the applicable tax authority or to the Company or Employer. If the obligation for Tax-Related Items is satisfied by withholding a number of Shares as described herein, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items. The Company may refuse to issue or deliver to the Participant any Shares or the proceeds of the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax-Related Items.

**12. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, deliver any documents related to the Award by electronic means or request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line or voice activated system established and maintained by the Company or a third party vendor designated by the Company.

**13. Data Privacy.** By participating in the Plan, the Participant acknowledges and consents to the collection, use, processing and transfer of personal data as described in this Section 13. The Company, its related entities, and the Employer hold certain personal information about the Participant, including the Participant's name, home address and telephone number, email address, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares or equivalent benefits awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("**Data**"). The Company and its related entities may transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company and its related entities may each further transfer Data to any third parties assisting the Company or any such related entity in the implementation, administration and management of the Plan. The Participant acknowledges that the transferors and transferees of such Data may be located anywhere in the world and hereby authorizes each of them to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or to other third party with whom the Participant may elect to deposit any Shares acquired under the Plan (whether pursuant to the Award or otherwise).

**14. Notices.** Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Company at its principal office to the attention of the Secretary, and to the Participant at the Participant's last address reflected on the Company's records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be given only when received, but if the Participant is no longer an employee of the Company, shall be deemed to have been duly given by the Company when enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government.

**15. Plan.** The Award and all rights of the Participant under this Award Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Award Agreement. The Participant acknowledges having read and understood the Plan, the Prospectus for the Plan, and this Award Agreement. Unless otherwise expressly provided in other sections of this Award Agreement, provisions of the Plan that confer discretionary authority on the Board or the Committee do not (and shall not be

deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Committee so conferred by appropriate action of the Board or the Committee under the Plan after the date hereof.

**16. Entire Agreement.** This Award Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Award Agreement may be amended pursuant to Section 15 of the Plan. Such amendment must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not materially and adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

**17. Limitation on the Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Award Agreement creates only a contractual obligation on the part of the Company as to the RSUs and the settlement thereof and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to the settlement of RSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to RSUs, as and when settled hereunder.

**18. Section Headings.** The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

**19. Governing Law.** This Award Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California and applicable U.S. federal laws without regard to conflict of law principles thereunder.

**20. Choice of Venue.** For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or this Award Agreement, the parties hereby submit to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the Northern District of California, and no other courts, where this grant is made or to be performed.

**21. Construction.** It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Award Agreement shall be construed and interpreted consistent with that intent.

**22. Severability.** The provisions of this Award Agreement are severable and if any one of more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

**23. Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

\* \* \* \* \*



## PERFORMANCE AWARD

### EXHIBIT A

#### PERFORMANCE VESTING REQUIREMENTS

The RSUs (and related Dividend Equivalent Rights) subject to the Award that will vest on the Vesting Date will be determined based on the Company's relative total shareholder return ("**TSR**") Percentile for the Performance Period.

The percentage of the RSUs (and related Dividend Equivalent Rights) that vest on the Vesting Date will be determined as follows:

- If the Company's TSR Percentile for the Performance Period is at the [ ] ([ ]) percentile or greater, [ ] ([ ]%) of the target RSUs will vest on the Vesting Date.
- If the Company's TSR Percentile for the Performance Period is at the [ ] ([ ]) percentile, [ ] ([ ]%) of the target RSUs will vest on the Vesting Date.
- If the Company's TSR Percentile for the Performance Period is at the [ ] ([ ]) percentile, [ ] ([ ]%) of the target RSUs will vest on the Vesting Date.
- If the Company's TSR Percentile for the Performance Period is below the [ ] ([ ]) percentile, [ ] ([ ]%) of the RSUs will vest on the Vesting Date.

For TSR Percentile performance for the Performance Period between the levels indicated above, the portion of the RSUs that will vest on the Vesting Date will be determined on a straight-line basis (*i.e.*, linearly interpolated) between the two nearest vesting percentages indicated above.

Notwithstanding the foregoing, if the Company's TSR for the Performance Period is negative, in no event shall more than one hundred percent (100%) of the target RSUs vest.

The number of RSUs that vest on the Vesting Date will be rounded to the nearest whole unit, and the balance of the RSUs will not vest and will terminate on that Vesting Date.

For purposes of the Award, the following definitions will apply:

- "**TSR Percentile**" means the percentile ranking of the Company's TSR among the TSRs for the Comparison Group members for the Performance Period. In determining the Company's TSR Percentile for the Performance Period, in the event that the Company's TSR for the Performance Period is equal to the TSR(s) of one or more other Comparison Group members for that same period, the Company's TSR Percentile ranking will be determined by ranking the Company's TSR for that period as being greater than such other Comparison Group members.
- "**Comparison Group**" means the Company and each other company included in the Standard & Poor's 500 Index on the first day of the Performance Period and, except as provided below, the common stock (or similar equity security) of which continues to be listed or traded on a national securities exchange through the last trading day of the Performance Period. In the event a member of the Comparison Group files for bankruptcy or liquidates due to an insolvency, such company shall continue to be treated as a Comparison Group member, and such company's Ending Price will be treated as \$0 if the common stock (or similar equity security) of such company is no longer listed or

traded on a national securities exchange on the last trading day of the Performance Period. In the event of a formation of a new parent company by a Comparison Group member, substantially all of the assets and liabilities of which consist immediately after the transaction of the equity interests in the original Comparison Group member or the assets and liabilities of such Comparison Group member immediately prior to the transaction, such new parent company shall be substituted for the Comparison Group member to the extent (and for such period of time) as its common stock (or similar equity securities) are listed or traded on a national securities exchange but the common stock (or similar equity securities) of the original Comparison Group member are not. In the event of a merger or other business combination of two Comparison Group members (including, without limitation, the acquisition of one Comparison Group member, or all or substantially all of its assets, by another Comparison Group member), the surviving, resulting or successor entity, as the case may be, shall continue to be treated as a member of the Comparison Group, provided that the common stock (or similar equity security) of such entity is listed or traded on a national securities exchange through the last trading day of the Performance Period. With respect to the preceding two sentences, the applicable stock prices shall be equitably and proportionately adjusted to the extent (if any) necessary to preserve the intended incentives of the awards and mitigate the impact of the transaction.

- “**TSR**” shall be determined with respect to the Company and any other Comparison Group member by dividing: (a) the sum of (i) the difference obtained by subtracting the applicable Beginning Price from the applicable Ending Price and (ii) all dividends and other distributions during the Performance Period by (b) the applicable Beginning Price. Any non-cash distributions shall be valued at fair market value. For the purpose of determining TSR, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the date of distribution.
- “**Beginning Price**” means, with respect to the Company and any other Comparison Group member, the average of the closing market prices of such company’s common stock on the principal exchange on which such stock is traded for the twenty (20) consecutive trading days beginning with the first trading day of the Performance Period. For the purpose of determining Beginning Price, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the date of distribution.
- “**Ending Price**” means, with respect to the Company and any other Comparison Group member, the average of the closing market prices of such company’s common stock on the principal exchange on which such stock is traded for the twenty (20) consecutive trading days ending on the last trading day of the Performance Period. For the purpose of determining Ending Price, the value of dividends and other distributions shall be determined by treating them as reinvested in additional shares of stock at the closing market price on the date of distribution.

With respect to the computation of TSR, Beginning Price, and Ending Price, there shall also be an equitable and proportionate adjustment to the extent (if any) necessary to preserve the intended incentives of the awards and mitigate the impact of any stock split, stock dividend or reverse stock split occurring during the Performance Period (or during the applicable twenty (20)-day period in determining Beginning Price or Ending Price, as the case may be).

In the event of any ambiguity or discrepancy, the determination of the Committee shall be final and binding.

\* \* \* \* \*



# Insider Trading Policy

## **This policy is designed to prevent trading of securities when a person is aware of material nonpublic information.**

Trading while aware of material nonpublic information is a crime. Penalties for insider trading can include significant fines, monetary damages and prison time. In the United States, the Securities and Exchange Commission (the “SEC”) and the Department of Justice prioritize these types of cases. They dedicate significant resources and use sophisticated electronic surveillance techniques to identify illegal trading activities. The reason for the transaction, size of the transaction, or the amount of profit received does not have to be significant — even small insider trading violations may be monitored, aggressively investigated, and prosecuted. Agencies outside of the United States take a similar approach under local insider trading laws.

### **Who is Covered by this Policy?**

This policy applies to all Apple personnel, including directors, officers, employees, independent contractors, and consultants. It also applies to family members who reside with you or are financially dependent on you, and any other person or entity whose transactions in securities are directed by you or are subject to your influence or control. This includes entities such as family trusts, partnerships and foundations. You must ensure that people and entities whose trading activities you directly or indirectly influence or control, or those whose trading activity would reasonably be perceived by others to be under your influence or control, comply with the terms of this policy.

### **Insider Trading Prohibitions**

**No Trading While Aware of Material Nonpublic Information.** Never buy or sell Apple securities when aware of information that has not been publicly announced and that could have a material effect on the value of the securities. Information should be considered nonpublic for at least 24 hours after it has been distributed to the general public.

**No Tipping.** Do not disclose (“tip”) material nonpublic information to other persons, including family members, or make any recommendation about whether to buy or sell Apple securities while aware of material nonpublic information.

**No Third-Party Trading or Tipping.** Do not trade in the securities of another company when aware of material nonpublic information about that company in connection with your work at Apple. This includes trading in the stock of Apple suppliers, manufacturers, vendors or customers, such as cellular network carriers or other business partners. You must also not tip material nonpublic information about another company.

**No Trading During Restricted Trading Periods.** If you are subject to a restricted trading period, you must not buy or sell Apple securities while trading restrictions are in effect.

**No Short Sales, Hedging or Trading in Derivatives.** Short sales, transactions that hedge or offset, or are designed to hedge or offset, any decrease in the value of Apple securities, and transactions in derivatives of Apple securities, are prohibited at all times. This includes transactions involving prepaid variable forward contracts, equity swaps, collars, options, warrants, puts, calls, or similar instruments related to Apple securities. Additionally, members of Apple’s Board of Directors and executive officers are prohibited from pledging Apple stock as collateral.

**In addition to the above prohibitions, this policy includes important additional information.**

### **“Material” Nonpublic Information**

Determining whether information is “material” requires consideration of all relevant facts and circumstances. In general, information is material if it would likely be considered important by an investor who is deciding whether to buy or sell a security, or if the information is likely to have a significant effect on the market price of the security. Both positive and negative information may be material. “Materiality” is different for different companies. Information that is not material to Apple may be material to another company.

### **“Nonpublic” Information**

“Nonpublic” information means information that has not been previously disclosed to the general public and is otherwise not available to the general public. Information should be considered nonpublic for at least 24 hours after it has been distributed to the general public through a press release, filing with the SEC, or similar means. The circulation of rumors, even if accurate and reported in the media, is not considered effective public distribution.

### **Policy Violations**

Apple personnel who violate this policy may be subject to **disciplinary action**, including termination of employment and repayment of equity awards. Additionally, individuals who engage in illegal insider trading or tipping can be liable for substantial criminal and civil penalties.

If you have any doubt whether information is public or material, or have questions about this policy, consult Apple’s team by emailing [\*\*\*] or calling [\*\*\*].

## Restricted Trading Periods and Trading Windows

A restricted trading period is a specified period of time during which designated Apple personnel, and their covered family members and entities, may not buy or sell Apple securities. If you are subject to trading restrictions, you will be notified by Apple's Corporate Legal team.

A trading window (sometimes referred to as an "open trading window") is a specified period of time during which Apple personnel may buy or sell Apple securities, so long as the individual is not aware of material nonpublic information. Complying with restricted trading periods and trading windows may protect you and Apple from regulatory investigations or insider trading allegations. However, even if you are not subject to restricted trading periods or no such period is in effect, you must not trade in Apple securities if you are aware of material nonpublic information about Apple.

The regularly scheduled restricted trading period and trading window for each quarter is indicated below.

Fiscal Quarter	Trading Window Closed and Trading Restrictions Begin	Trading Restrictions End and Trading Window Opens
1 <sup>st</sup>	December 1	24 hours after public disclosure of first-quarter results (typically early February)
2 <sup>nd</sup>	March 1	24 hours after public disclosure of second-quarter results (typically early May)
3 <sup>rd</sup>	June 1	24 hours after public disclosure of third-quarter results (typically early August)
4 <sup>th</sup>	September 1	24 hours after public disclosure of year-end results (typically early November)

In addition to these regularly scheduled restricted trading periods, Apple may impose a special restricted trading period or extend a restricted trading period if necessary. If you become subject to a special or extended restricted trading period, you will be notified by Apple's Corporate Legal team. If you are notified about a special or extended restricted trading period, you should not discuss it with others.

## Permitted Transactions

The transactions listed below are not subject to this policy's restrictions, including during restricted trading periods and open trading windows:

- Vesting of restricted stock unit awards and the withholding of shares by Apple to satisfy tax-withholding requirements upon vesting;
- Purchases under Apple's Employee Stock Purchase Plan;
- Cash-settled stock option exercises under Apple's equity plans (i.e., cash-settled "exercise and hold" transactions);
- Transactions pursuant to a previously established contract, plan or instruction to trade in Apple's securities (a "Trading Plan") entered in accordance with Rule 10b5-1 ("Rule 10b5-1") under the Securities Exchange Act of 1934, as amended (the "Act"), and acknowledged by Apple's Corporate Legal team; and
- Bona fide gifts for estate planning purposes, including gifts to a trust, family limited partnership, charitable foundation or similar entity, as long as you or members of your immediate family remain the sole beneficiaries of the transferred shares and the terms of the transfer ensure that the shares remain subject to the same

restrictions that apply to you under this policy; provided, however, that in all other instances gifts of securities are subject to this policy, including the prohibition on trading during a restricted trading period and the requirement for Designated Individuals to seek pre-clearance.

### **Additional Information Regarding Section 16 and Designated Individuals**

Apple's General Counsel and one or more authorized delegates serve as Apple's Insider Trading Compliance Officer.

Members of the Board of Directors, executive officers and certain other individuals designated by Apple's Insider Trading Compliance Officer, and family members who reside with them or are financially dependent on them, and any other person or entity who such individuals direct, influence, or control (or may be reasonably perceived to direct, influence, or control), are subject to additional restrictions. These individuals and their covered family members and entities are referred to as "Designated Individuals." You will be notified by Apple's Corporate Legal team if these restrictions apply to you.

Except for those permitted transactions listed above, all Designated Individuals must **pre-clear all transactions** in Apple securities with Apple's Insider Trading Compliance Officer. A request for pre-clearance must be submitted at least two business days prior to the date of a proposed transaction. If cleared, the Insider Trading Compliance Officer will issue a pre-clearance notice. Pre-clearance is valid only for the period specified in the notice.

Each Designated Individual is responsible for ensuring they do not have material nonpublic information about Apple before engaging in a transaction. Therefore, when a request for preclearance is made, they should carefully consider whether they are aware of any material nonpublic information about Apple and should describe those circumstances fully to the Insider Trading Compliance Officer. An Insider Trading Compliance Officer may not trade in Apple securities unless another Insider Trading Compliance Officer has pre-cleared the trade.

Members of the Board of Directors, executive officers and any other individuals subject to Section 16 (the "Section 16 reporting persons") of the Act must also **comply with the reporting obligations and limitations on short-swing profit transactions** set forth in that section of the Act.

### **Rule 10b5-1 Trading Plans**

The trading restrictions set forth in this policy do not apply to transactions under a Trading Plan that:

- has been submitted to and pre-approved by Apple's Corporate Legal team;
- includes a "Cooling Off Period" for;
  - o Section 16 reporting persons (in which case the Cooling Off Period extends to the later of 90 days after adoption or modification of a Trading Plan or two business days after filing the Form 10-K or Form 10-Q covering the fiscal quarter in which the Trading Plan was adopted, up to a maximum of 120 days); and
  - o all other employees and other covered persons or entities, other than the company (in which case the Cooling Off Period extends to the later of 30 calendar days after the date the plan is executed and 24 hours after the public announcement of our earnings for the quarter in which the plan is executed).

- is established in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 or Apple's Insider Trading Policy;
- is established at a time when you are unaware of material nonpublic information;
- specifies the amount, price, and date of transactions (or includes a written formula, algorithm, or computer program for determining the amount, price, and date of transactions);
- does not permit you to exercise any subsequent influence over how, when, or whether to make purchases or sales;
- purchases or sales occur according to the Trading Plan without any deviation or alteration, and you do not enter into or alter a corresponding or hedging transaction or position with respect to the securities covered by the Trading Plan; and
- includes a representation in the Trading Plan that the Section 16 reporting person is (1) not aware of any material nonpublic information about Apple or its securities; and (2) adopting the Trading Plan in good faith and not as part of a plan or scheme to evade Rule 10b-5.

Apple's Insider Trading Compliance Officer may impose such other conditions on the implementation and operation of the Trading Plan as Apple's Insider Trading Compliance Officer deems necessary or advisable. Individuals may not adopt more than one Trading Plan at a time except under the limited circumstances permitted by Rule 10b5-1 and subject to preapproval by Apple's Insider Trading Compliance Officer.

An individual may only modify a Trading Plan during an open trading window at a time when they are not aware of material nonpublic information. Modifications to and terminations of a Trading Plan are subject to preapproval by Apple's Corporate Legal team and modifications of a Trading Plan that change the amount, price, or timing of the purchase or sale of the securities underlying a Trading Plan will trigger a new Cooling-Off Period.

Compliance of a Trading Plan with the terms of Rule 10b5-1 and the execution of transactions pursuant to the Trading Plan are the sole responsibility of the person initiating the Trading Plan.

## Questions

Insider trading laws often depend on specific facts and circumstances. This document provides only general guidance. Please contact [\*\*\*] or call [\*\*\*] if you have any questions regarding this policy, Trading Plans, or your specific situation. If you are aware of a possible violation of this policy, you should contact your manager and Apple's Corporate Legal team.



**Subsidiaries of  
Apple Inc.\***

	<u>Jurisdiction of Incorporation</u>
Apple Asia Limited	Hong Kong
Apple Asia LLC	Delaware, U.S.
Apple Canada Inc.	Canada
Apple Computer Trading (Shanghai) Co., Ltd.	China
Apple Distribution International Limited	Ireland
Apple India Private Limited	India
Apple Insurance Company, Inc.	Arizona, U.S.
Apple Japan, Inc.	Japan
Apple Korea Limited	South Korea
Apple Operations International Limited	Ireland
Apple Operations Limited	Ireland
Apple Operations Mexico, S.A. de C.V.	Mexico
Apple Pty Limited	Australia
Apple Sales International Limited	Ireland
Apple South Asia (Thailand) Limited	Thailand
Apple Vietnam Limited Liability Company	Vietnam
Braeburn Capital, Inc.	Nevada, U.S.
iTunes K.K.	Japan

\* Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of other subsidiaries of Apple Inc. are omitted because, considered in the aggregate, they would not constitute a significant subsidiary as of the end of the year covered by this report.

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-264555) pertaining to Apple Inc. Deferred Compensation Plan,
- (2) Registration Statement (Form S-8 No. 333-165214) pertaining to Apple Inc. 2014 Employee Stock Plan and Apple Inc. 2022 Employee Stock Plan,
- (3) Registration Statement (Form S-8 No. 333-195509) pertaining to Apple Inc. 2014 Employee Stock Plan and Apple Inc. 2022 Employee Stock Plan,
- (4) Registration Statement (Form S-8 No. 333-226986) pertaining to Apple Inc. Deferred Compensation Plan,
- (5) Registration Statement (Form S-8 No. 333-203698) pertaining to Apple Inc. Employee Stock Purchase Plan, and
- (6) Registration Statement (Form S-8 No. 333-60455) pertaining to Apple Inc. Non-Employee Director Stock Plan;

of our reports dated November 1, 2024, with respect to the consolidated financial statements of Apple Inc. and the effectiveness of internal control over financial reporting of Apple Inc. included in this Annual Report (Form 10-K) of Apple Inc. for the year ended September 28, 2024.

/s/ Ernst & Young LLP

San Jose, California  
November 1, 2024

**CERTIFICATION**

I, Timothy D. Cook, certify that:

1. I have reviewed this annual report on Form 10-K of Apple Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 1, 2024

By: /s/ Timothy D. Cook  
 Timothy D. Cook  
 Chief Executive Officer

## CERTIFICATION

I, Luca Maestri, certify that:

1. I have reviewed this annual report on Form 10-K of Apple Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 1, 2024

By:           /s/ Luca Maestri          

Luca Maestri  
Senior Vice President,  
Chief Financial Officer

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Timothy D. Cook, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Apple Inc. on Form 10-K for the fiscal year ended September 28, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents in all material respects the financial condition and results of operations of Apple Inc. at the dates and for the periods indicated.

Date: November 1, 2024

By: /s/ Timothy D. Cook  
Timothy D. Cook  
Chief Executive Officer

I, Luca Maestri, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report of Apple Inc. on Form 10-K for the fiscal year ended September 28, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-K fairly presents in all material respects the financial condition and results of operations of Apple Inc. at the dates and for the periods indicated.

Date: November 1, 2024

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

A signed original of this written statement required by Section 906 has been provided to Apple Inc. and will be retained by Apple Inc. and furnished to the Securities and Exchange Commission or its staff upon request.



## Rule 10D-1 Recovery Policy

### A. Introduction

This Rule 10D-1 Recovery Policy (the “Policy”) is administered by the People and Compensation Committee of the Board of Directors of Apple Inc. (the “Committee”), and covers Incentive-Based Compensation granted, awarded or paid by Apple Inc. or any of its subsidiaries (“Apple”) to any employee who is an “executive officer” of Apple (each a “Covered Executive”) as defined under Section 10D-1 of the Securities and Exchange Act of 1934 (“Exchange Act”). The Policy is intended to comply with, and as applicable to be administered and interpreted consistent with, and subject to the exceptions set forth in, Listing Rule 5608 adopted by the Nasdaq Stock Market to implement Rule 10D-1 under the Exchange Act (collectively referred to herein as “Rule 10D-1”). For avoidance of doubt the Policy only applies to Covered Executives who served as a Covered Executive for Apple at any point during the performance period for any Incentive-Based Compensation that is Received on or after October 2, 2023. The Policy explains when Apple will be required to seek recovery of erroneously awarded Incentive-Based Compensation from a Covered Executive.

### B. Incentive-Based Compensation

For purposes of this Policy, “Incentive-Based Compensation” means any compensation granted, earned or vested based in whole or in part upon the attainment of one or more financial reporting measures, that was Received (i) on or after October 2, 2023 and (ii) by a person who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation. Financial reporting measures are (i) any measure(s) that are determined and presented in accordance with the accounting principles used in Apple’s financial statements and any measure(s) derived in whole or in part from such measure(s) and (ii) any measure(s) that are based in whole or in part on Apple’s stock price or total shareholder return. For avoidance of doubt, Incentive-Based Compensation includes awards granted to a Covered Executive that are outstanding and unvested as of October 2, 2023. Incentive-Based Compensation is “Received” in the fiscal period that the relevant financial reporting measure is attained regardless of when it is paid or awarded.

For avoidance of doubt, incentive-based compensation that is not earned or vested based on the attainment of one or more financial measures, including but not limited to time-based restricted stock units, is not covered compensation under this Policy but may be recouped under the Apple Inc. Executive Team Compensation Recoupment Policy.

### **C. Administration**

The Committee is authorized and directed to consult with the full Board or such other committees of the Board as may be necessary or appropriate for the administration of this Policy and engage third parties as it deems necessary to evaluate erroneously awarded Incentive-Based Compensation Received. If the Committee determines Incentive-Based Compensation was erroneously awarded and recovery is required pursuant to this Policy, Apple shall make any required disclosures for any affected Covered Executives in its annual proxy statement. Apple will maintain and will provide to the Nasdaq Stock Market documentation of all determinations and actions taken in complying with the Policy. Any determinations made by the Committee under this Policy shall be final and binding on all affected individuals.

### **D. Section 10D-1 Recovery**

Pursuant to Rule 10D-1, the Committee will make reasonable efforts to recover any Incentive-Based Compensation Received by any Covered Executive during the three completed fiscal years immediately preceding the date that Apple is required to prepare an Accounting Restatement under Rule 10D-1 and any transition period of less than nine months that is within or immediately following such three years if the Committee determines the Incentive-Based Compensation was erroneously awarded. An "Accounting Restatement" is a correction to Apple's financial statements that, due to Apple's material noncompliance with any financial reporting requirement under U.S. federal securities laws, is (1) is material to a prior financial reporting period or (2) would be material to the current financial reporting period if corrected in the current period or left uncorrected in the current period.

Recovery will be limited to the amount of the gross, pre-tax, Incentive-Based Compensation that was erroneously Received because it exceeded the amount that would have been Received had it been determined based on any restated financial measures in the Accounting Restatement. If the Incentive-Based Compensation is based on stock price or total shareholder return, the Committee shall determine a reasonable estimate of the effect of the Accounting Restatement, if any, on the stock price or total shareholder return and based on that reasonable estimate, whether Incentive-Based Compensation was erroneously awarded.

If the erroneously awarded Incentive-Based Compensation cannot be recovered because recovery efforts are excessively burdensome, the recovery value exceeds the cost of recovery to Apple or recovery would be contrary to laws outside the United States, each as determined in accordance with Rule 10D-1, the Committee will make a determination whether further recovery efforts would be in shareholders' best interests and should continue or would otherwise be excusable under Rule 10D-1.

If the Committee determines a Covered Executive Received erroneously awarded Incentive-Based Compensation, the Committee shall determine the timing and method of recovery in its sole direction and direct Apple to recover any erroneously awarded amounts as soon as administratively practicable. The methods of recovery include but are not limited to, requiring reimbursement from the Covered Executive, electing to withhold or suspend unpaid Incentive-Based Compensation, by offset (subject to the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") if applicable), forcing the sale of shares issued pursuant to Incentive-Based Compensation, rescinding, cancelling, or otherwise causing the forfeiture of any unvested or unpaid Incentive-Based Compensation, deducting from amounts otherwise payable to the Covered Executive including base salary, commissions, time-based equity awards or other compensation, or by requiring incremental payments from the Covered Executive using one or more of the above methods or any other methods authorized by applicable law.

Apple shall not indemnify any Covered Executive for the loss of any Incentive-Based Compensation or the cost of any third-party insurance to cover the same.

#### **E. Rights and Remedies; Waiver; Amendment; Extension**

This Policy shall supplement and not limit any other rights or remedies Apple may have under applicable law, any other Apple policy, including the Apple Inc. Executive Team Compensation Recoupment Policy, any applicable plan, agreement, other arrangement, or otherwise, including, but not limited to, termination of employment, initiation of other disciplinary procedures, and/or the institution of civil or criminal proceedings, provided however, if Incentive-Based Compensation is recovered under this Policy it would not be subject to double recovery under any other Apple policy, plan, agreement or arrangement unless specifically required under applicable law.

This Policy may from time to time be waived, amended, or extended to other employees of Apple, as determined by the Committee, or as otherwise required under Rule 10D-1.

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## **APPENDIX II**

### **REPRODUCTION OF THE PRESS RELEASE DATED 31 OCTOBER 2024 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

The information set out below is a reproduction of the press release dated 31 October 2024 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2024.

## **RESULTS AT 30 SEPTEMBER 2024**

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### **Press release**

Paris, 31 October 2024

### **SOLID BUSINESS PERFORMANCE IN Q3 24, GROUP NET INCOME OF EUR 1.4 BILLION**

**Revenues of EUR 6.8 billion**, up +10.5% vs. Q3 23<sup>1</sup>, driven notably by the strong rebound in net interest income in France, in line with end of year estimate, and by another solid performance of Global Banking and Investor Solutions, in particular in Equities and Transaction Banking

**Strong positive jaws**, control of operating expenses, down by -0.8% vs. Q3 23

**Cost-to-income ratio at 63.3% in Q3 24**, improved by 7.1 points vs. Q3 23

**Stable cost of risk at 27 basis points in Q3 24**

**Profitability (ROTE) at 9.6%** vs. 3.8% for Q3 23

### **9M 24 NET INCOME UP 53% VS. 9M 23 AT EUR 3.2 BILLION, DRIVEN BY THE IMPROVEMENT IN OPERATING PERFORMANCE**

**Revenues of EUR 20.2 billion**, up +5.3% vs. 9M 23

**Stable operating expenses**, +0.1% vs. 9M 23

**Cost-to-income ratio at 68.8%**, improved by 3.6 percentage points vs. 9M 23

**Profitability (ROTE) at 7.1%** vs. 5.0% for 9M 23

### **SOLID CAPITAL AND LIQUIDITY RATIOS**

**CET 1 ratio of 13.2%<sup>2</sup> at end of Q3 24**, around 300 basis points above the regulatory requirement

**Liquidity Coverage Ratio at 152% at end of Q3 24**

**Distribution provision of EUR 1.66<sup>3</sup> per share** at end-September 2024

### **DECISIVE EXECUTION OF THE STRATEGIC PLAN**

**Capital build-up ahead of Capital Markets Day trajectory**

**Continuous improvement in efficiency and profitability**

**Reshaping of the business portfolio well underway**

**Slawomir Krupa, the Group's Chief Executive Officer, commented:**

*"We are publishing solid quarterly results that continue to show strong improvement. It demonstrates that we are executing our strategic plan which is impacting our results in a positive and tangible way. Our revenues are up thanks to the solid performance of our businesses with a strong rebound of the net interest income in France and another remarkable contribution from Global Banking and Investor Solutions. Operating expenses are stable and cost of risk is contained. We are posting a clear improvement of cost-to-income ratio and profitability, and our capital ratio continues to strengthen. For the past year we have been working relentlessly. Our teams are mobilized and we have made progress in three fundamental areas: capital build-up, improvement of profitability, and the reshaping of our business portfolio. We continue to implement our various strategic initiatives such as BoursoBank's development, LeasePlan's integration within Ayvens and the acceleration of our contribution to the energy transition. Our goal remains unchanged: a sustainable performance that will create long-term value."*

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Asterisks\* in the document refer to data at constant perimeter and exchange rates

<sup>1</sup> +5.8% excluding exceptional proceeds recorded in Corporate Centre (~EUR 0.3bn)

<sup>2</sup> Including IFRS 9 phasing, proforma including Q3 24 results

<sup>3</sup> Based on a pay-out ratio of 50% of the Group net income, at the high-end of the 40%-50% pay-out ratio, as per regulation, restated from non-cash items and after deduction of interest on deeply subordinated notes and undated subordinated notes

## 1. GROUP CONSOLIDATED RESULTS

In EURm	Q3 24	Q3 23	Change		9M 24	9M 23	Change	
Net banking income	6,837	6,189	+10.5%	+11.8%*	20,167	19,147	+5.3%	+6.5%*
Operating expenses	(4,327)	(4,360)	-0.8%	-0.3%*	(13,877)	(13,858)	+0.1%	+0.5%*
Gross operating income	2,511	1,829	+37.3%	+41.0%*	6,290	5,289	+18.9%	+22.4%*
Net cost of risk	(406)	(316)	+28.4%	+30.5%*	(1,192)	(664)	+79.6%	+81.0%*
Operating income	2,105	1,513	+39.1%	+43.2%*	5,098	4,625	+10.2%	+13.9%*
Net profits or losses from other assets	21	6	x 3.5	x 3.4*	(67)	(92)	+27.5%	+27.3%*
Income tax	(535)	(624)	-14.3%	-12.7%*	(1,188)	(1,377)	-13.7%	-11.3%*
Net income	1,591	563	x 2.8	x 3.0*	3,856	2,836	+35.9%	+41.3%*
O.w. non-controlling interests	224	268	-16.5%	-16.1%*	696	774	-10.1%	-11.2%*
Reported Group net income	1,367	295	x 4.6	x 5.1*	3,160	2,062	+53.2%	+62.2%*
ROE	8.4%	0.9%			6.2%	3.6%		
ROTE	9.6%	3.8%			7.1%	5.0%		
Cost to income	63.3%	70.4%			68.8%	72.4%		

Societe Generale's Board of Directors, which met on 30 October 2024 under the chairmanship of Lorenzo Bini Smaghi, examined Societe Generale Group's results for Q3 24 and for the first nine months of 2024.

### Net banking income

**Net banking income stood at EUR 6.8 billion**, up by +10.5% vs. Q3 23.

Revenues of **French Retail, Private Banking and Insurance** were up by +18.7% vs. Q3 23 and totalled EUR 2.3 billion in Q3 24. Net interest income continued its rebound in Q3 24 (+43% excluding PEL/CEL provision vs. Q3 23), in line with latest estimates, in the context of a still muted loan environment and the pursuit of increasing interest-bearing deposits. Assets under management in the **Private Banking and Insurance** businesses continued to rise, respectively recording a growth of +8% and +10% in Q3 24 vs. Q3 23. Last, **BoursoBank** continued its controlled client acquisition, onboarding once again more than 300,000 new clients over the quarter, reaching close to 6.8 million clients at end-September 2024. Likewise, assets under administration rose by over 14% vs. Q3 23. As in Q2 24, BoursoBank posted a positive contribution to Group net income in Q3 24.

**Global Banking and Investor Solutions** registered a +4.9% increase in revenues relative to Q3 23. Revenues totalled EUR 2.4 billion over the quarter, still driven by strong dynamics of **Global Markets'** and **Global Transaction & Payment Services'** activities, with revenues increasing by a respective +7.6% and +9.0% in Q3 24 vs. Q3 23. Within Global Markets, revenues of Equity businesses grew by +10.1%. This is the second best third quarter ever. **Fixed income and Currencies** also recorded a solid performance, with a +6.1% increase in revenues amid a falling interest rates. **Financing and Advisory's** revenues totalled EUR 843 million, stable vs. Q3 23. The commercial momentum in the securitisation businesses remained very solid and the performance of financing activities continued to be good, albeit slower relative to an elevated Q3 23. Likewise, **Global Transaction & Payment Services'** activities posted an +9.0% increase in revenues vs. Q3 23, driven by a favourable market environment and sustained commercial development in the cash management and correspondent banking activities.

**Mobility, International Retail Banking and Financial Services'** revenues were down by -5.4% vs. Q3 23 mainly owing to base effects at Ayvens. **International Retail Banking** recorded a +1.4% increase in revenues vs. Q3 23 to EUR 1.1 billion, driven by favourable momentum across all regions. **Mobility and Financial Services'** revenues contracted by -11.4% vs. Q3 23 owing to an unfavourable non-recurring base effect on Ayvens.

The **Corporate Centre** recorded revenues of EUR +54 million in Q3 24. They include the booking of exceptional proceeds of approximately EUR 0.3 billion<sup>1</sup>.

**Over 9M 24, net banking income increased by +5.3% vs. 9M 23.**

### **Operating expenses**

**Operating expenses came to EUR 4,327 million in Q3 24, down -0.8% vs. Q3 23.**

**The cost-to-income ratio stood at 63.3% in Q3 24, a sharp decrease vs. Q3 23 (70.4%) and Q2 24 (68.4%).**

**Over 9M 24**, operating expenses were stable (+0.1% vs. 9M 23) and the cost-to-income ratio came to 68.8% (vs. 72.4% for 9M 23), which is lower than the 71% target set for FY 2024.

### **Cost of risk**

**The cost of risk was stable and contained over the quarter at 27 basis points**, i.e., EUR 406 million. This comprises a EUR 400 million provision for doubtful loans (around 27 basis points) and a provision on performing loan outstandings for EUR +6 million.

At end-September 2024, the Group's provisions on performing loans amounted to EUR 3,122 million, down by a slight EUR -56 million relative to 30 June 2024 notably as per the application of IFRS5 accounting standards on activities under disposal. The EUR -450 million contraction relative to 31 December 2023 is mainly owing to the application of IFRS 5 accounting standards for activities under disposal.

The gross non-performing loan ratio stood at 2.95%<sup>2,3</sup> at 30 September 2024, down vs. end of June 2024 (3.03%). The net coverage ratio on the Group's non-performing loans stood at 84%<sup>4</sup> at 30 September 2024 (after netting of guarantees and collateral).

### **Net profits from other assets**

In Q3 24, the Group booked net profit of EUR 21 million driven, on the one hand, by the sale of the headquarters of KB in the Czech Republic and, on the other hand, by the accounting impacts mainly owing to the current sale of assets.

### **Group net income**

**Group net income stood at EUR 1,367 million in Q3 24**, equating to a Return on Tangible Equity (ROTE) of 9.6%.

**Over 9M 24, Group net income came to EUR 3,160 million**, equating to a Return on Tangible Equity (ROTE) of 7.1%.

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<sup>1</sup> As stated in Q2 24 results press release

<sup>2</sup> Ratio calculated according to European Banking Authority (EBA) methodology published on 16 July 2019

<sup>3</sup> Ratio excluding loans outstanding of companies currently being disposed of in compliance with IFRS 5

<sup>4</sup> Ratio of S3 provisions, guarantees and collaterals over gross outstanding non-performing loans

## 2. STRATEGIC PLAN FULLY ON TRACK

Since announcing its strategic plan in September 2023, the Group has made significant progress in its implementation, the benefits of which are starting to materialise, including on financials aspects. Fundamental milestones have notably been reached in three major areas: capital build-up, the continuous improvement in efficiency and profitability and the reshaping of the business portfolio.

Regarding the business portfolio, the Group has been proactive in recent months, announcing the disposal of several non-core and non-synergistic assets. These latest divestments not only contribute to simplifying the Group but will also reinforce the capital ratio by around 60 basis points, of which around 15 basis points are expected by year-end.

At the same time, the Group is preparing the future by investing in our core franchises, as demonstrated by the development of BoursoBank, the integration of LeasePlan in Ayvens, the creation of Bernstein, the partnership with Brookfield, the merger of our networks in France and the digitalization of our networks in the Czech Republic.

The rollout of our ESG roadmap is also progressing well, particularly on the alignment of our portfolio. The Group has already reduced by more than 50% its upstream Oil & Gas exposure at Q2 24 compared to 2019<sup>1</sup>.

Last quarter, the Group reached its EUR 300 billion sustainable finance target set between 2022-2025. Societe Generale announces today a new sustainable finance target to facilitate EUR 500 billion over the 2024-2030 period that breaks down as follows:

- EUR 400 billion in financing and EUR 100 billion in sustainable bonds<sup>2</sup>
- EUR 400 billion in environmental activities and EUR 100 billion in social

A major portion of financing will be for dedicated transactions in clean energy, sustainable real estate, low carbon mobility, and other industry and environmental transition topics.

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<sup>1</sup> Target: -80% upstream exposure reduction by 2030 vs. 2019, with an intermediary step in 2025 at -50% vs. 2019

<sup>2</sup> Only the Societe Generale participation is taken into account

### 3. THE GROUP'S FINANCIAL STRUCTURE

At 30 September 2024, the Group's **Common Equity Tier 1** ratio stood at 13.2%<sup>1</sup>, around 300 basis points above the regulatory requirement. Likewise, the Liquidity Coverage Ratio (LCR) was well ahead of regulatory requirements at 152% at end-September 2024 (156% on average for the quarter), and the Net Stable Funding Ratio (NSFR) stood at 116% at end-September 2024.

All liquidity and solvency ratios are well above the regulatory requirements.

	30.09.2024	31.12.2023	Requirements
CET1 <sup>(1)</sup>	13.2%	13.1%	10.22%
CET1 fully loaded	13.2%	13.1%	10.22%
Tier 1 ratio <sup>(1)</sup>	15.5%	15.6%	12.15%
Total Capital <sup>(1)</sup>	18.2%	18.2%	14.71%
Leverage ratio <sup>(1)</sup>	4.25%	4.25%	3.60%
TLAC (% RWA) <sup>(1)</sup>	27.8%	31.9%	22.29%
TLAC (% leverage) <sup>(1)</sup>	7.6%	8.7%	6.75%
MREL (% RWA) <sup>(1)</sup>	32.2%	33.7%	27.56%
MREL (% leverage) <sup>(1)</sup>	8.8%	9.2%	6.23%
End of period LCR	152%	160%	>100%
Period average LCR	156%	155%	>100%
NSFR	116%	119%	>100%

In EURbn	30.09.2024	31.12.2023
Total consolidated balance sheet	1,580	1,554
Group shareholders' equity	67	66
Risk-weighted assets	392	389
O.w. credit risk	331	326
Total funded balance sheet	948	970
Customer loans	453	497
Customer deposits	608	618

At 11 October 2024, the parent company had issued a total of EUR 38.0 billion in medium/long-term debt, of which EUR 17.5 billion in vanilla notes. The 2024 long-term vanilla funding programme is completed. The subsidiaries had issued EUR 4.6 billion. In all, the Group has issued a total of EUR 42.6 billion.

The Group is rated by four rating agencies: (i) FitchRatings - long-term rating "A-", stable outlook, senior preferred debt rating "A", short-term rating "F1" (ii) Moody's - long-term rating (senior preferred debt) "A1", negative outlook, short-term rating "P-1" (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", stable outlook, short-term rating "A-1".

<sup>1</sup> Including IFRS 9 phasing, proforma including Q3 24 results

## 4. FRENCH RETAIL, PRIVATE BANKING AND INSURANCE

In EURm	Q3 24	Q3 23	Change	9M 24	9M 23	Change
Net banking income	2,254	1,900	+18.7%	6,390	6,090	+4.9%
<i>Net banking income excl. PEL/CEL</i>	2,259	1,895	+19.2%	6,392	6,090	+5.0%
Operating expenses	(1,585)	(1,608)	-1.4%	(4,962)	(5,073)	-2.2%
<b>Gross operating income</b>	<b>669</b>	<b>292</b>	<b>x 2.3</b>	<b>1,428</b>	<b>1,017</b>	<b>+40.5%</b>
Net cost of risk	(178)	(144)	+23.4%	(597)	(342)	+74.7%
<b>Operating income</b>	<b>491</b>	<b>148</b>	<b>x 3.3</b>	<b>831</b>	<b>675</b>	<b>+23.1%</b>
Net profits or losses from other assets	(1)	0	n/s	7	4	x 2.1
<b>Reported Group net income</b>	<b>368</b>	<b>109</b>	<b>x 3.4</b>	<b>631</b>	<b>506</b>	<b>+24.8%</b>
RONE	9.4%	2.8%		5.4%	4.4%	
Cost to income	70.3%	84.7%		77.7%	83.3%	

### Commercial activity

#### SG Network, Private Banking and Insurance

Average outstanding deposits of the SG Network amounted to EUR 236 billion in Q3 24, up by +0.6% vs. the previous quarter (-1% vs. Q3 23), with a continued rise in interest-bearing deposits and financial savings.

The SG Network's average loan outstandings contracted by -5% vs. Q3 23 to EUR 195 billion. Outstanding loans to corporate and professional clients were stable vs. Q3 23 (excluding government-guaranteed PGE loans), with the share of medium to long-term loans increasing relative to Q2 24. Home loan production continued its recovery (2.4x vs. Q3 23 and +15% vs. Q2 24).

The average loan to deposit ratio came to 82.5% in Q3 24, down by -3.3 percentage points relative to Q3 23.

**Private Banking** activities saw their assets under management<sup>1</sup> reach a new record of EUR 154 billion in Q3 24, up by +8% vs. Q3 23. Net gathering stood at EUR 5.9 billion in 9M 24, the net asset gathering pace (net new money divided by AuM) has risen by +5.5% since the start of the year. Net banking income stood at EUR 368 million over the quarter, stable vs. Q3 23. Over 9M 24, net banking income came to EUR 1,121 million, a +1% increase vs. 9M 23.

**Insurance**, which covers activities in and outside France, posted a very strong commercial performance. Life insurance outstandings increased sharply by +10% vs. Q3 23 to reach a record EUR 145 billion at end-September 2024. The share of unit-linked products remained high at 40%. Gross life insurance savings inflows amounted to EUR 3.6 billion in Q3 24, up by +35% vs. Q3 23.

Personal protection and P&C premia were up by +5% vs. Q3 23.

#### BoursoBank

BoursoBank registered almost 6.8 million clients at end-September 2024, a +27% increase vs. Q3 23 (an increase of around 1.4 million clients year on year). The pace of new client acquisition (around 310,000 new clients in Q3 24) is fully in line with the target of 7 million clients by the end of 2024. BoursoBank can build on an active, loyal and high-quality client base. The brokerage activity registered two million transactions, up by +18% vs. Q3 23. Last, proof of the efficiency of the model and of the very high client satisfaction level, the churn rate has remained low at around 3% and below the market rate.

<sup>1</sup> France and International, including Switzerland and United Kingdom

Average loan outstandings rose by +4,2% compared to Q3 23, at EUR 15 billion in Q3 24.

Average outstanding savings including deposits and financial savings were +13.8% higher vs. Q3 23 at EUR 63 billion. Deposits outstanding totalled EUR 38 billion at Q3 24, posting another sharp increase of +16.2% vs. Q3 23. Life insurance outstandings came to EUR 12 billion in Q3 24 and rose by +7.3% vs. Q3 23 (o/w 47% unit-linked products, a +3.3 percentage points increase vs. Q3 23). The activity continued to register strong gross inflows over the quarter (+55% vs. Q3 23, around 53% unit-linked products).

For the second quarter in a row, BoursoBank recorded a positive contribution to Group net income in Q3 24.

### **Net banking income**

**Over the quarter**, revenues came to EUR 2,254 million, up +19% vs. Q3 23 and up +6% vs Q2 24. Net interest income grew by +43% vs. Q3 23 (excluding PEL/CEL) and +19% (EUR 169 million) vs. Q2 24. Fee income rose by +5.0% relative to Q3 23.

**Over 9M 24** revenues came to EUR 6,390 million, up by +4.9% vs. 9M 23. Net interest income excluding PEL/CEL was up by +15.9% vs. 9M 23. Fee income increased by +1.7% relative to 9M 23.

### **Operating expenses**

**Over the quarter**, operating expenses came to EUR 1,585 million, down -1.4% vs. Q3 23. Operating expenses for Q3 24 include EUR 12 million in transformation costs. The cost-to-income ratio stood at 70.3% for Q3 24, improving by more than +14 percentage points vs. Q3 23.

**Over 9M 24**, operating expenses came to EUR 4,962 million (-2.2% vs. 9M 23). The cost-to-income ratio stood at 77.7% and improved by +5.7 percentage points vs. 9M 23.

### **Cost of risk**

**In Q3 24**, the cost of risk amounted to EUR 178 million or 30 basis points stable on Q2 24 (29 basis points).

**Over 9M 24**, the cost of risk totalled EUR 597 million or 34 basis points.

### **Group net income**

**Over the quarter**, Group net income totalled EUR 368 million. RONE stood at 9.4% in Q3 24.

**Over 9M 24**, Group net income totalled EUR 631 million. RONE stood at 5.4% in 9M 24.



## 5. GLOBAL BANKING AND INVESTOR SOLUTIONS

In EUR m	Q3 24	Q3 23	Variation		9M 24	9M 23	Change	
Net banking income	2,422	2,309	+4.9%	+5.2%*	7,666	7,457	+2.8%	+2.8%*
Operating expenses	(1,494)	(1,478)	+1.1%	+1.3%*	(4,898)	(5,187)	-5.6%	-5.5%*
Gross operating income	928	831	+11.6%	+12.0%*	2,768	2,270	+21.9%	+21.8%*
Net cost of risk	(27)	(14)	+95.3%	x 2.0*	(29)	8	n/s	n/s
Operating income	901	817	+10.2%	+10.5%*	2,739	2,278	+20.2%	+20.0%*
Reported Group net income	699	645	+8.2%	+8.5%*	2,160	1,814	+19.1%	+18.8%*
RONE	18.0%	16.8%			19.0%	15.6%		
Cost to income	61.7%	64.0%			63.9%	69.6%		

### Net banking income

**Global Banking and Investor Solutions** continued to deliver very strong performances, posting revenues of EUR 2,422 million, up +4.9% versus Q3 23.

**Over 9M 24**, revenues climbed by +2.8% vs. 9M 23 (EUR 7,666 million vs. EUR 7,457 million).

**Global Markets and Investor Services** recorded a rise in revenues over the quarter vs. Q3 23 of +7.6% to EUR 1,579 million. Over 9M 24, revenues totalled EUR 5,063 million, i.e., a +3.1% increase vs. 9M 23. Growth was mainly driven by **Global Markets** which recorded revenues of EUR 1,410 million in Q3 24, up by +8.6% relative to Q3 23 amid a positive environment that was particularly conducive to Equities. Over 9M 24, revenues totalled EUR 4,553 million, up by +4.5% vs. 9M 23.

**The Equities business** again delivered a solid performance, recording revenues of EUR 880 million in Q3 24, up by a strong +10.1% vs. Q3 23, notably on the back of a very good performance from derivatives amid favourable market conditions. This is the second best third quarter ever. Over 9M 24, revenues increased sharply by +12.9% relative to 9M 23 to EUR 2,739 million.

**Fixed Income and Currencies** registered a +6.1% increase in revenues to EUR 530 million in Q3 24, notably owing to robust demand for rates and forex flow activities, particularly from US clients. Over 9M 24, revenues decreased by -6.0% to EUR 1,814 million.

**Securities Services'** revenues were up +0.6% versus Q3 23 at EUR 169 million, but increased by +9.9% excluding the impact of equity participations. The business continued to reap the benefit of a positive fee generation trend and robust momentum in private market and fund distribution. Over 9M 24, revenues were down by -8.2%, but rose by +2.1% excluding equity participations. Assets under Custody and Assets under Administration amounted to EUR 4,975 billion and EUR 614 billion, respectively.

**The Financing and Advisory** business posted revenues of EUR 843 million, stable versus Q3 23. Over 9M 24, revenues totalled EUR 2,602 million, up by +2.3% vs. 9M 23.

The **Global Banking and Advisory** business posted a -3.2% decline in revenues relative to Q3 23. Securitised products again delivered a solid performance and momentum was strong in the distribution activity. Financing activities posted a good performance, albeit down on the high baseline in Q3 23. Investment banking activities turned in resilient performances. Over 9M 24, revenues dipped slightly by -0.3% relative to 9M 23.

**Global Transaction & Payment Services** again delivered a very robust performance compared with Q3 23, posting an +9.0% increase in revenues, driven by strong momentum in cash management and the correspondent banking activities. Over 9M 24, revenues grew by +10.1%.

## Operating expenses

**Operating expenses came to EUR 1,494 million over the quarter** and included EUR 21 million in transformation costs. Operating expenses rose by +1.1% compared with Q3 23, equating to a cost-to-income ratio of 61.7% in Q3 24.

**Over 9M 24**, operating expenses decreased by -5.6% compared with 9M 23 and the cost-to-income ratio came to 63.9%.

## Cost of risk

**Over the quarter**, the cost of risk was low at EUR 27 million, or 7 basis points vs. 3 basis points in Q3 23.

**Over 9M 24**, the cost of risk was EUR 29 million, or 2 basis points.

## Group net income

Group net income increased by +8.2% vs. Q3 23 to **EUR 699 million**. Over 9M 24, Group net income rose sharply by +19.1% to EUR 2,160 million.

Global Banking and Investor Solutions reported **high RONE of 18.0% for the quarter and RONE of 19.0% for 9M 24**.

## 6. MOBILITY, INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

In EURm	Q3 24	Q3 23	Change		9M 24	9M 23	Change	
Net banking income	2,108	2,228	-5.4%	-2.8%*	6,403	6,491	-1.4%	+1.8%*
Operating expenses	(1,221)	(1,239)	-1.4%	+0.3%*	(3,832)	(3,479)	+10.2%	+12.7%*
Gross operating income	887	989	-10.4%	-6.6%*	2,570	3,013	-14.7%	-10.9%*
Net cost of risk	(201)	(175)	+14.9%	+18.1%*	(572)	(349)	+63.7%	+65.9%*
Operating income	685	814	-15.8%	-12.0%*	1,998	2,663	-25.0%	-21.2%*
Net profits or losses from other assets	94	1	x 77.0	x 76.7*	98	0	x 375.7	x 304.1
Non-controlling interests	223	237	-6.1%	-3.6%*	623	674	-7.6%	-7.8%*
Reported Group net income	367	377	-2.4%	+3.1%*	956	1,325	-27.8%	-22.1%*
RONE	14.1%	14.9%			12.2%	18.6%		
Cost to income	57.9%	55.6%			59.9%	53.6%		

### Commercial activity

#### International Retail Banking

**International Retail Banking**<sup>1</sup> posted robust commercial momentum in Q3 24, with an increase in loan outstandings of +4.2%\* vs. Q3 23 (+1.8%, outstandings of EUR 68 billion in Q3 24) and growth of +4.1%\* vs. Q3 23 (+1.2%, outstandings of EUR 83 billion in Q3 24).

Activity in **Europe** was solid across client segments for both entities. Loan outstandings increased by +6.0%\* vs. Q3 23 (+3.1% at current perimeter and exchange rates, outstandings of EUR 43 billion in Q3 24), driven by home loans and medium and long-term corporate loans in a lower rates environment. Deposit outstandings increased by +4.6%\* vs. Q3 23 (+1.9% at current perimeter and exchange rates, outstandings of EUR 55 billion in Q3 24), mainly on interest-bearing products.

In **Africa, Mediterranean Basin and French Overseas Territories**, loan outstandings totalled EUR 25 billion in Q3 24 (+1.2%\* vs. Q3 23, stable at current perimeter and exchange rates) on back of a +5.6%\* rise vs. Q3 23 in sub-Saharan Africa (stable vs. Q3 23 at current perimeter and exchange rates). Deposit outstandings totalled EUR 27 billion at Q3 24. They increased by +3.0%\* vs. Q3 23 (stable at current perimeter and exchange rates) across all client segments in Africa.

#### Mobility and Financial Services

Overall, **Mobility and Financial Services** maintained a good commercial performance.

Ayvens' earning assets totalled EUR 53.1 billion at end-September 2024, a +5.8% increase vs. end-September 2023.

The **Consumer Finance** business posted loans outstanding of EUR 23 billion for Q3 24, down -4.5% vs. Q3 23 in a still uncertain environment.

**Equipment Finance** posted outstandings of EUR 15 billion in Q3 24, the same level as in Q3 23.

### Net banking income

**Over the quarter, Mobility, International Retail Banking and Financial Services'** revenues totalled EUR 2,108 million, a decrease of -2.8%\* vs. Q3 23 (-5.4% at current perimeter and exchange rates).

<sup>1</sup> Including entities reported under IFRS 5

**Over 9M 24**, revenues came to EUR 6,403 million, up slightly by +1.8%\* vs. 9M 23 (-1.4% at current perimeter and exchange rates).

**International Retail Banking** recorded a solid performance over the quarter, with a net banking income of EUR 1,058 million, up by +5.1%\* vs. Q3 23 (+1.4% at current perimeter and exchange rates). Over 9M 24, revenues totalled EUR 3,131 million, a +4.0%\* increase vs. 9M 23 (stable at current perimeter and exchange rates).

**Europe** recorded revenues of EUR 506 million in Q3 24, an increase for both entities (+3.0%\* vs. Q3 23, stable at current perimeter and exchange rates).

The **Africa, Mediterranean Basin and French Overseas Territories** region continued to post robust commercial momentum with revenues of EUR 552 million in Q3 24. These increased by +7.2%\* vs. Q3 23 (+2.8% at current perimeter and exchange rates), driven by a significant rise in net interest income in Africa (+10.5%\* vs. Q3 23).

In Q3 24, **Mobility and Financial Services'** revenues decreased by -11.4% vs. Q3 23 to EUR 1,049 million. Over the first nine months of 2024, they contracted by -2.9% to EUR 3,271 million.

**Ayvens'** net banking income stood at EUR 732 million, a decrease of -14,8% in Q3 24 vs. Q3 23 and of -4,0% restated from non-recurring items<sup>1</sup>. The amount of underlying margins was stable vs. Q3 23 at around EUR 690 million<sup>1</sup>. The average used car sale result per vehicle (UCS) continued to normalise but remained at a high level of EUR 1,420<sup>1</sup> per unit in Q3 24 vs. EUR 1,480<sup>1</sup> in Q2 24.

**Consumer Finance** activities, down by -3.5% vs. Q3 23, have stabilised since Q2 24 with the business posting net banking income of EUR 218 million in Q3 24. **Equipment Finance** revenues were also stable vs. Q3 23 (EUR 99 million in Q3 24).

## Operating expenses

**Over the quarter**, operating expenses were stable (+0.3%\* vs. Q3 23, -1.4%) at EUR 1,221 million and included EUR 29 million in transformation costs. The cost-to-income ratio came to 57.9% in Q3 24.

**Over 9M 24**, operating expenses totalled EUR 3,832 million, up +12.7%\* vs. 9M 23 (+10.2% at current perimeter and exchange rates). They include around EUR 148 million of transformation charges.

In a context of a strong transformation, **International Retail Banking** costs rose by +3.4%\* vs. Q3 23 (stable at current perimeter and exchange rates, EUR 567 million in Q3 24), notably due to the impact of a new banking tax in Romania which entered into force in January 2024.

The **Mobility and Financial Services** business recorded a decrease in operating expenses compared to Q3 23 (-2.4% vs. Q3 23, EUR 654 million in Q3 24).

## Cost of risk

**Over the quarter**, the cost of risk normalised at 48 basis points (or EUR 201 million).

**Over 9M 24**, the cost of risk stood at 45 basis points vs. 32 basis points in 9M 23.

## Group net income

**Over the quarter**, Group net income came to EUR 367 million, down -2.4% vs. Q3 23. RONE stood at 14.1% in Q3 24. RONE was 21.4% for International Retail Banking (positive impact on Group net income

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<sup>1</sup> Excluding non-recurring items on either margins or UCS (mainly linked to fleet revaluation at EUR 114m in Q3 23 vs EUR 0m in Q3 24, the net impact related to prospective depreciation and Purchase Price Allocation for ~EUR 35m vs. Q3 23, hyperinflation in Turkey at EUR 46m in Q3 23 vs. EUR 10m in Q3 24 and MtM of derivatives at EUR -82m in Q3 23 vs. EUR -55m in Q3 24)

of around EUR 40 million related to the sale of KB head office premises), and 9.2% in Mobility and Financial Services in Q3 24.

**Over 9M 24**, Group net income came to EUR 956 million, down by -27.8% vs. 9M 23. RONE stood at 12.2% for 9M 24. RONE was 16.4% in International Retail Banking, and 9.5% in Mobility and Financial Services in 9M 24.

## 7. CORPORATE CENTRE

In EURm	Q3 24	Q3 23	Change		9M 24	9M 23	Change	
Net banking income	54	(249)	n/s	n/s	(291)	(891)	+67.3%	+67.8%*
Operating expenses	(27)	(35)	-22.8%	-25.8%*	(185)	(119)	+55.2%	+48.2%*
<b>Gross operating income</b>	<b>27</b>	<b>(283)</b>	<b>n/s</b>	<b>n/s</b>	<b>(476)</b>	<b>(1,010)</b>	<b>+52.9%</b>	<b>+54.2%*</b>
Net cost of risk	1	17	+95.9%	+95.9%*	6	19	+70.6%	+70.6%*
Net profits or losses from other assets	(73)	4	n/s	n/s	(172)	(96)	-78.9%	-79.1%*
Income tax	(26)	(214)	-87.7%	-87.5%*	118	(85)	n/s	n/s
<b>Reported Group net income</b>	<b>(67)</b>	<b>(836)</b>	<b>+92.0%</b>	<b>+92.2%*</b>	<b>(587)</b>	<b>(1,582)</b>	<b>+62.9%</b>	<b>+63.7%*</b>

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects, as well as several costs incurred by the Group that are not re-invoiced to the businesses.

### Net banking income

Over the quarter, the Corporate Centre's net banking income totalled EUR +54 million vs. EUR -249 million in Q3 23. It includes the booking of exceptional proceeds received of approximately EUR 0.3 billion<sup>1</sup>.

### Operating expenses

Over the quarter, operating expenses totalled EUR 27 million vs. EUR 35 million in Q3 23.

### Net losses from other assets

Pursuant notably to the application of IFRS 5, the Group booked in Q3 24 various impacts from ongoing disposals of assets.

### Group net income

Over the quarter, the Corporate Centre's Group net income totalled EUR -67 million vs. EUR -836 million in Q3 23.

<sup>1</sup> As stated in Q2 24 results press release

## 8. 2024 AND 2025 FINANCIAL CALENDAR

### 2024 and 2025 Financial communication calendar

February 6 <sup>th</sup> , 2025	Fourth quarter and full year 2024 results
April 30 <sup>th</sup> , 2025	First quarter 2025 results
May 20 <sup>th</sup> , 2025	2024 Combined General Meeting

**The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, cost of risk in basis points, ROE, ROTE, RONE, net assets and tangible net assets are presented in the methodology notes, as are the principles for the presentation of prudential ratios.**

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the section "Risk Factors" in our Universal Registration Document filed with the French Autorité des Marchés Financiers (which is available on <https://investors.societegenerale.com/en>).

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

## 9. APPENDIX 1: FINANCIAL DATA

### GROUP NET INCOME BY CORE BUSINESS

In EURm	Q3 24	Q3 23	Variation	9M 24	9M 23	Variation
French Retail, Private Banking and Insurance	368	109	x 3.4	631	506	+24.8%
Global Banking and Investor Solutions	699	645	+8.2%	2,160	1,814	+19.1%
Mobility, International Retail Banking & Financial Services	367	377	-2.4%	956	1,325	-27.8%
<b>Core Businesses</b>	<b>1,434</b>	<b>1,131</b>	<b>+26.7%</b>	<b>3,747</b>	<b>3,644</b>	<b>+2.8%</b>
Corporate Centre	(67)	(836)	+92.0%	(587)	(1,582)	+62.9%
<b>Group</b>	<b>1,367</b>	<b>295</b>	<b>x 4.6</b>	<b>3,160</b>	<b>2,062</b>	<b>+53.2%</b>

### MAIN EXCEPTIONAL ITEMS

In EURm	Q3 24	Q3 23	9M 24	9M 23
<b>Net Banking Income - Total exceptional items</b>	<b>287</b>	<b>0</b>	<b>287</b>	<b>(240)</b>
One-off legacy items - Corporate Centre	0	0	0	(240)
Exceptional proceeds received - Corporate Centre	287	0	287	0
<b>Operating expenses - Total one-off items and transformation charges</b>	<b>(62)</b>	<b>(145)</b>	<b>(538)</b>	<b>(662)</b>
Transformation charges	<b>(62)</b>	<b>(145)</b>	<b>(538)</b>	<b>(627)</b>
<i>Of which French Retail, Private Banking and Insurance</i>	(12)	(46)	(139)	(330)
<i>Of which Global Banking &amp; Investor Solutions</i>	(21)	(41)	(204)	(102)
<i>Of which Mobility, International Retail Banking &amp; Financial Services</i>	(29)	(58)	(148)	(195)
<i>Of which Corporate Centre</i>	0	0	(47)	0
One-off items	<b>0</b>	<b>0</b>	<b>0</b>	<b>(35)</b>
<i>Of which French Retail, Private Banking and Insurance</i>	0	0	0	60
<i>Of which Global Banking &amp; Investor Solutions</i>	0	0	0	(95)
<b>Other one-off items - Total</b>	<b>13</b>	<b>(625)</b>	<b>13</b>	<b>(704)</b>
Net profits or losses from other assets	13	(17)	13	(96)
<i>Of which Mobility, International Retail Banking and Financial Services</i>	86	0	86	0
<i>Of which Corporate Centre</i>	(73)	(17)	(73)	(96)
Goodwill impairment - Corporate Centre	0	(338)	0	(338)
Provision of Deferred Tax Assets - Corporate Centre	0	(270)	0	(270)



## CONSOLIDATED BALANCE SHEET

In EUR m	30.09.2024	31.12.2023
Cash, due from central banks	199,140	223,048
Financial assets at fair value through profit or loss	528,259	495,882
Hedging derivatives	8,265	10,585
Financial assets at fair value through other comprehensive income	93,795	90,894
Securities at amortised cost	29,908	28,147
Due from banks at amortised cost	87,153	77,879
Customer loans at amortised cost	446,576	485,449
Revaluation differences on portfolios hedged against interest rate risk	(330)	(433)
Insurance and reinsurance contracts assets	438	459
Tax assets	4,535	4,717
Other assets	75,523	69,765
Non-current assets held for sale	39,940	1,763
Investments accounted for using the equity method	384	227
Tangible and intangible fixed assets	60,970	60,714
Goodwill	5,031	4,949
<b>Total</b>	<b>1,579,587</b>	<b>1,554,045</b>

In EUR m	30.09.2024	31.12.2023
Due to central banks	10,134	9,718
Financial liabilities at fair value through profit or loss	391,788	375,584
Hedging derivatives	14,621	18,708
Debt securities issued	162,997	160,506
Due to banks	105,320	117,847
Customer deposits	526,100	541,677
Revaluation differences on portfolios hedged against interest rate risk	(5,074)	(5,857)
Tax liabilities	2,516	2,402
Other liabilities	93,909	93,658
Non-current liabilities held for sale	29,802	1,703
Insurance contracts related liabilities	150,295	141,723
Provisions	3,954	4,235
Subordinated debts	15,985	15,894
<b>Total liabilities</b>	<b>1,502,347</b>	<b>1,477,798</b>
<b>Shareholder's equity</b>	-	-
<b>Shareholders' equity, Group share</b>	-	-
Issued common stocks and capital reserves	21,166	21,186
Other equity instruments	8,918	8,924
Retained earnings	34,074	32,891
Net income	3,160	2,493
<b>Sub-total</b>	<b>67,318</b>	<b>65,494</b>
Unrealised or deferred capital gains and losses	128	481
<b>Sub-total equity, Group share</b>	<b>67,446</b>	<b>65,975</b>
Non-controlling interests	9,794	10,272
<b>Total equity</b>	<b>77,240</b>	<b>76,247</b>
<b>Total</b>	<b>1,579,587</b>	<b>1,554,045</b>

## 10. APPENDIX 2: METHODOLOGY

**1 - The financial information presented for the third quarter and nine-month 2024 was examined by the Board of Directors on October 30<sup>th</sup>, 2024** and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. This information has not been audited.

### 2 - Net banking income

The pillars' net banking income is defined on page 42 of Societe Generale's 2024 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

### 3 - Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 5 to the Group's consolidated financial statements as at December 31<sup>st</sup>, 2023. The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 42 of Societe Generale's 2024 Universal Registration Document.

### 4 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk is defined on pages 43 and 770 of Societe Generale's 2024 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

In EURm		Q3 24	Q3 23	9M 24	9M 23
French Retail, Private Banking and Insurance	Net Cost Of Risk	178	144	597	342
	Gross loan Outstandings	234,420	243,740	236,286	248,757
	<b>Cost of Risk in bp</b>	<b>30</b>	<b>24</b>	<b>34</b>	<b>18</b>
Global Banking and Investor Solutions	Net Cost Of Risk	27	14	29	(8)
	Gross loan Outstandings	163,160	167,057	163,482	170,165
	<b>Cost of Risk in bp</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>(1)</b>
Mobility, International Retail Banking & Financial Services	Net Cost Of Risk	201	175	572	349
	Gross loan Outstandings	168,182	162,873	167,680	145,227
	<b>Cost of Risk in bp</b>	<b>48</b>	<b>43</b>	<b>45</b>	<b>32</b>
Corporate Centre	Net Cost Of Risk	(1)	(17)	(6)	(19)
	Gross loan Outstandings	25,121	22,681	24,356	19,364
	<b>Cost of Risk in bp</b>	<b>(1)</b>	<b>(31)</b>	<b>(3)</b>	<b>(13)</b>
Societe Generale Group	Net Cost Of Risk	406	316	1,192	664
	Gross loan Outstandings	590,882	596,350	591,804	583,512
	<b>Cost of Risk in bp</b>	<b>27</b>	<b>21</b>	<b>27</b>	<b>15</b>

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

## 5 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on pages 43 and 44 of Societe Generale's 2024 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2024 Universal Registration Document.

Group net income used for the ratio numerator is the accounting Group net income adjusted for "Interest paid and payable to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisation". For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to the accounting equity in order to calculate ROE and ROTE for the period are given in the table below:

### ROTE calculation: calculation methodology

End of period (in EURm)	Q3 24	Q3 23	9M 24	9M 23
Shareholders' equity Group share	67,446	68,077	67,446	68,077
Deeply subordinated and undated subordinated notes	(8,955)	(11,054)	(8,955)	(11,054)
Interest payable to holders of deeply & undated subordinated notes, issue premium amortisation <sup>(1)</sup>	(45)	(102)	(45)	(102)
OCI excluding conversion reserves	560	853	560	853
Distribution provision <sup>(2)</sup>	(1,319)	(1,059)	(1,319)	(1,059)
Distribution N-1 to be paid	-	-	-	-
<b>ROE equity end-of-period</b>	<b>57,687</b>	<b>56,715</b>	<b>57,687</b>	<b>56,715</b>
<b>Average ROE equity</b>	<b>57,368</b>	<b>56,572</b>	<b>56,896</b>	<b>56,326</b>
Average Goodwill <sup>(3)</sup>	(4,160)	(4,279)	(4,079)	(3,991)
Average Intangible Assets	(2,906)	(3,390)	(2,933)	(3,128)
<b>Average ROTE equity</b>	<b>50,302</b>	<b>48,903</b>	<b>49,884</b>	<b>49,207</b>
<b>Group net Income</b>	<b>1,367</b>	<b>295</b>	<b>3,160</b>	<b>2,063</b>
Interest paid and payable to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisation	(165)	(165)	(521)	(544)
Cancellation of goodwill impairment	-	338	-	338
<b>Adjusted Group net Income</b>	<b>1,202</b>	<b>468</b>	<b>2,639</b>	<b>1,858</b>
<b>ROTE</b>	<b>9.6%</b>	<b>3.8%</b>	<b>7.1%</b>	<b>5.0%</b>

### RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q3 24	Q3 23	Change	9M 24	9M 23	Change
French Retail , Private Banking and Insurance	15,695	15,564	+0.8%	15,602	15,457	+0.9%
Global Banking and Investor Solutions	15,490	15,324	+1.1%	15,149	15,485	-2.2%
Mobility, International Retail Banking & Financial Services	10,433	10,136	+2.9%	10,425	9,505	+9.7%
<b>Core Businesses</b>	<b>41,618</b>	<b>41,024</b>	<b>+1.4%</b>	<b>41,177</b>	<b>40,448</b>	<b>+1.8%</b>
Corporate Center	15,750	15,548	+1.3%	15,719	15,878	-1.0%
<b>Group</b>	<b>57,368</b>	<b>56,572</b>	<b>+1.4%</b>	<b>56,896</b>	<b>56,326</b>	<b>+1.0%</b>

<sup>1</sup> Interest net of tax

<sup>2</sup> The dividend to be paid is calculated based on a pay-out ratio of 50%, restated from non-cash items and after deduction of interest on deeply subordinated notes and on undated subordinated notes

<sup>3</sup> Excluding goodwill arising from non-controlling interests

## 6 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 45 of the Group's 2024 Universal Registration Document. The items used to calculate them are presented below:

End of period (in EURm)	9M 24	H1 24	2023
Shareholders' equity Group share	67,446	66,829	65,975
Deeply subordinated and undated subordinated notes	(8,955)	(9,747)	(9,095)
Interest of deeply & undated subordinated notes, issue premium amortisation <sup>(1)</sup>	(45)	(19)	(21)
Book value of own shares in trading portfolio	97	96	36
<b>Net Asset Value</b>	<b>58,543</b>	<b>57,159</b>	<b>56,895</b>
Goodwill <sup>(2)</sup>	(4,178)	(4,143)	(4,008)
Intangible Assets	(2,895)	(2,917)	(2,954)
<b>Net Tangible Asset Value</b>	<b>51,471</b>	<b>50,099</b>	<b>49,933</b>
<b>Number of shares used to calculate NAPS<sup>(3)</sup></b>	<b>796,498</b>	<b>787,442</b>	<b>796,244</b>
<b>Net Asset Value per Share</b>	<b>73.5</b>	<b>72.6</b>	<b>71.5</b>
<b>Net Tangible Asset Value per Share</b>	<b>64.6</b>	<b>63.6</b>	<b>62.7</b>

## 7 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 44 of Societe Generale's 2024 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE.

The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	9M 24	H1 24	2023
Existing shares	802,314	802,980	818,008
<b>Deductions</b>			
Shares allocated to cover stock option plans and free shares awarded to staff	4,548	4,791	6,802
Other own shares and treasury shares	2,930	3,907	11,891
<b>Number of shares used to calculate EPS<sup>(4)</sup></b>	<b>794,836</b>	<b>794,282</b>	<b>799,315</b>
<b>Group net Income (in EUR m)</b>	<b>3,160</b>	<b>1,793</b>	<b>2,493</b>
Interest on deeply subordinated notes and undated subordinated notes (in EUR m)	(521)	(356)	(759)
<b>Adjusted Group net income (in EUR m)</b>	<b>2,638</b>	<b>1,437</b>	<b>1,735</b>
<b>EPS (in EUR)</b>	<b>3.32</b>	<b>1.81</b>	<b>2.17</b>

**8 - The Societe Generale Group's Common Equity Tier 1 capital** is calculated in accordance with applicable CRR2/CRD5 rules. The fully loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in following the same rationale as solvency ratios.

<sup>1</sup> Interest net of tax

<sup>2</sup> Excluding goodwill arising from non-controlling interests

<sup>3</sup> The number of shares considered is the number of ordinary shares outstanding at end of period, excluding treasury shares and buybacks, but including the trading shares held by the Group (expressed in thousand of shares)

<sup>4</sup> The number of shares considered is the average number of ordinary shares outstanding during the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

## 9 – Funded balance sheet, loan to deposit ratio

**The funded balance sheet** is based on the Group financial statements. It is obtained in two steps:

- A first step aiming at reclassifying the items of the financial statements into aggregates allowing for a more economic reading of the balance sheet. Main reclassifications:
  - Insurance: grouping of the accounting items related to insurance within a single aggregate in both assets and liabilities.
  - Customer loans: include outstanding loans with customers (net of provisions and write-downs, including net lease financing outstanding and transactions at fair value through profit and loss); excludes financial assets reclassified under loans and receivables in accordance with the conditions stipulated by IFRS 9 (these positions have been reclassified in their original lines).
  - Wholesale funding: Includes interbank liabilities and debt securities issued. Financing transactions have been allocated to medium/long-term resources and short-term resources based on the maturity of outstanding, more or less than one year.
  - Reclassification under customer deposits of the share of issues placed by French Retail Banking networks (recorded in medium/long-term financing), and certain transactions carried out with counterparties equivalent to customer deposits (previously included in short term financing).
  - Deduction from customer deposits and reintegration into short-term financing of certain transactions equivalent to market resources.
- A second step aiming at excluding the contribution of insurance subsidiaries, and netting derivatives, repurchase agreements, securities borrowing/lending, accruals and “due to central banks”.

The Group **loan/deposit ratio** is determined as the division of the customer loans by customer deposits as presented in the funded balance sheet.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale’s website [www.societegenerale.com](http://www.societegenerale.com) in the “Investor” section.

### Societe Generale

Societe Generale is a top tier European Bank with more than 126,000 employees serving about 25 million clients in 65 countries across the world. We have been supporting the development of our economies for nearly 160 years, providing our corporate, institutional, and individual clients with a wide array of value-added advisory and financial solutions. Our long-lasting and trusted relationships with the clients, our cutting-edge expertise, our unique innovation, our ESG capabilities and leading franchises are part of our DNA and serve our most essential objective - to deliver sustainable value creation for all our stakeholders.

The Group runs three complementary sets of businesses, embedding ESG offerings for all its clients:

- **French Retail, Private Banking and Insurance**, with leading retail bank SG and insurance franchise, premium private banking services, and the leading digital bank BoursoBank.
- **Global Banking and Investor Solutions**, a top tier wholesale bank offering tailored-made solutions with distinctive global leadership in equity derivatives, structured finance and ESG.
- **Mobility, International Retail Banking and Financial Services**, comprising well-established universal banks (in Czech Republic, Romania and several African countries), Ayvens (the new ALD I LeasePlan brand), a global player in sustainable mobility, as well as specialized financing activities.

Committed to building together with its clients a better and sustainable future, Societe Generale aims to be a leading partner in the environmental transition and sustainability overall. The Group is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

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