

COOK TIMOTHY D

Form 4

August 28, 2018

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
COOK TIMOTHY D

(Last) (First) (Middle)

ONE APPLE PARK WAY

(Street)

CUPERTINO, CA 95014

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
APPLE INC [AAPL]

3. Date of Earliest Transaction
(Month/Day/Year)
08/24/2018

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)

Chief Executive Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	08/24/2018		M	Amount (1) (2) (3) 560,000	(A) or (D) A (4)	Price 1,438,425	D (5)
Common Stock	08/24/2018		F	294,840 (6)	D \$ 216.16	1,143,585	D (5)
Common Stock	08/27/2018		S	56,324 (7)	D \$ 216.96 (8)	1,087,261	D (5)
Common Stock	08/27/2018		S	190,746 (7)	D \$ 217.96 (9)	896,515	D (5)
	08/27/2018		S		D	878,425	D (5)

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Common	18,090	\$
Stock	<u>(7)</u>	218.54
		<u>(10)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Restricted Stock Unit	<u>(4)</u>	08/24/2018		M	560,000	<u>(11)</u> <u>(11)</u>	Common Stock 560,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
COOK TIMOTHY D ONE APPLE PARK WAY CUPERTINO, CA 95014	X Chief Executive Officer

Signatures

/s/ Sam Whittington, Attorney-in-Fact for Timothy D.
Cook 08/28/2018

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The number of restricted stock units (RSUs) includes 280,000 time-based RSUs and 280,000 performance-based RSUs.
- (2) The number of performance-based RSUs that vested was determined based on Apple's total shareholder return (TSR), relative to the other companies in the S&P 500 over a three-year period from August 25, 2015 through August 24, 2018. TSR is calculated based on the change in a company's stock price during the three-year period, taking into account any dividends paid during that period, which are assumed to be reinvested in the stock. In accordance with the terms of the award, the beginning value used for calculating TSR is the average closing stock price for the 20 trading days prior to August 25, 2015. Apple's beginning value was calculated to be \$116.28 (adjusted for dividends). Similarly, the ending value used for calculating TSR is the average closing price for the 20 trading days ending

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on August 24, 2018. Apple's ending value was calculated to be \$220.87 (adjusted for dividends).

- Mr. Cook's award provides that if Apple's relative TSR performance is within the top third of the companies that remain in the S&P 500 for the entire performance period, the 280,000 performance-based RSUs vest in full. If Apple's performance is in the middle third, the RSUs will be reduced by 50%, and if Apple's performance is in the bottom third, the RSUs will be reduced to zero. Apple needed to
- (3) achieve a TSR of at least 56.23% to outperform the middle third of the companies in the S&P 500 for the performance period, and at least 19.94% to outperform the bottom third of the companies. Apple's TSR for the three-year period was 89.94%, which ranked 50th of the 423 companies that were included in the S&P 500 for the entire period and placed Apple in the 88th percentile. Therefore, all 280,000 of the RSUs subject to performance requirements vested.
- (4) Each RSU represents the right to receive, at settlement, one share of common stock. This transaction represents the settlement of RSUs in shares of common stock on their scheduled vesting date.
- (5) These shares are held through Mr. Cook's trust.
- (6) 294,840 shares (52.65% of the total number of shares released) were withheld by Apple to satisfy tax withholding on vesting of RSUs.
- (7) This transaction was made pursuant to a Rule 10b5-1 trading plan adopted on May 4, 2018.
- (8) This transaction was executed in multiple trades at prices ranging from \$216.47 to \$217.46; the price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide full information regarding the number of shares and prices at which the transactions were effected upon request to the SEC staff, Apple, or a security holder of Apple.
- (9) This transaction was executed in multiple trades at prices ranging from \$217.465 to \$218.45; the price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide full information regarding the number of shares and prices at which the transactions were effected upon request to the SEC staff, Apple, or a security holder of Apple.
- (10) This transaction was executed in multiple trades at prices ranging from \$218.46 to \$218.68; the price reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide full information regarding the number of shares and prices at which the transactions were effected upon request to the SEC staff, Apple, or a security holder of Apple.
- (11) The remaining 2,380,000 restricted stock units in this award are scheduled to vest as follows: 700,000 restricted stock units vest on August 24, 2021; the balance of 1,680,000 restricted stock units vests in three equal annual installments commencing August 24, 2019, assuming continued employment through the applicable vesting date and, with respect to a portion of each annual installment, satisfaction of the applicable performance requirements.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.