

EXHIBIT B

August 19, 2013

VIA FIRST CLASS AND ELECTRONIC MAIL

Lawrence E. Buterman
U. S. Department of Justice
Antitrust Division
Liberty Square Building 450 5th Street, N.W., Suite 7100
Washington, D.C. 20001

Re: United States v. Apple Inc., et al., No. 12 CV 02826 (DLC)

Dear Larry:

This will respond to your letter of August 12, 2013. At the outset, we note that separate and apart from any litigation, Apple has a steadfast commitment to legal compliance, including antitrust compliance. Apple has already taken steps to fortify its antitrust compliance programs and policies and to ensure that its internal compliance procedures are rigorous and effective to protect the Company, its customers, employees, partners, and shareholders. Apple will continue to commit significant time and resources to that effort, independent of any litigation or litigation outcome.

You asked for a description of Apple's antitrust compliance practices both before and after April 2010, as well as a detailed proposal from Apple about additional antitrust compliance practices it may be willing to institute in connection with the Court's injunction in the above-captioned case.

Apple's compliance-related efforts prior to April 2010, included the following:

- Apple had a formal written antitrust policy that was provided to every employee.
- Apple's Business Conduct Policy included a section on "Competition and Trade Practices, along with useful FAQs. At that time, the Business Conduct Policy was available in 11 languages to help ensure a common understanding by employees.
- All Apple employees agreed that they had read, understood and would adhere to the Business Conduct Policy as part of their employment agreement with Apple.

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- All Apple employees were required to certify annually that they had read, understood and would adhere to the Business Conduct Policy – including to its provision on Competition and Trade Practices.
- All employees received an annual email from Apple's General Counsel emphasizing the importance of the Business Conduct Policy and requesting that employees report any violation of its provision or of the law.
- Apple employees were encouraged to use Apple's Business Conduct Helpline. The Helpline is a resource for guidance on ethics and compliance related issues, and is available to share concerns about potential violations of Apple's Business Conduct Policy or of the law. The Helpline is available 24 hours per day, seven days per week, and allows for anonymous reporting.
- Apple conducted mandatory compliance training to reinforce the importance of ethical and lawful behavior for its employees, except for the senior Executive team, whose members had direct access to lawyers who routinely provided them with legal advice and counseling (including on antitrust and competition). As part of the mandatory compliance training, Apple trained all sales and international employees on the principles of antitrust and competition law.
- Apple routinely retained outside antitrust counsel to advise it on antitrust compliance issues on a range of business issues, including transactions with third parties.

Since April 2010, Apple has continued the practices described above and has taken significant additional efforts to expand its internal antitrust compliance infrastructure in order to improve awareness of antitrust issues. These efforts include:

- New initiatives by Apple's Chief Compliance Officer, appointed in late 2009 to head up Apple's Business Conduct and Compliance program. For example, a major campaign was launched to raise awareness of compliance at Apple including use of the Compliance Helpline. This campaign included a complete redesign and simplification of the Compliance Website and redesigned online training and video marketing efforts. The net result of these efforts was an increase in the use of the Helpline by 485%. The responsibilities of the Chief Compliance officer include leading enterprise compliance efforts and designing and implementing internal controls, policies and procedures to assure compliance with local, state and federal laws and regulations. The individual does not report into any of Apple's businesses, and has direct reporting obligations to the company's Audit and Finance Committee.

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This includes regular in-person reporting to the Audit and Finance Committee on compliance related issues.

- Apple expanded the in-house legal resources available to address antitrust issues. Significantly, in November, 2010, Apple created a Competition Law & Policy Group within the Apple Legal Department, which reports directly to Apple's General Counsel. Apple recruited two senior government prosecutors out of leadership positions at the Federal Trade Commission with extensive experience both at the Federal Trade Commission and the Department of Justice's Antitrust Division.
- Apple also expanded the use and visibility of in-house and outside counsel in advising the legal and business teams – including Apple's senior executives – to ensure that Apple's business policies and dealings are in full compliance with antitrust law. In addition, the internal antitrust specialists have worked with other in-house counsel groups to develop training materials to be used in smaller briefings, tailored to particular business units.
- Apple's Business Conduct Policy (including its section on Competition and Trade Practices) was translated into an additional seven languages, making it now available in 18 languages for employees.
- Apple expanded its annual online Antitrust and Competition law training to all Apple employees (including all iTunes employees).

Moving forward, Apple intends to further strengthen its antitrust compliance programs by undertaking the following specific steps:

- Within the next three to six months, Apple plans to add at least two additional antitrust specialists with relevant government experience. One of the new hires will be directly responsible for implementing and managing the company's global antitrust compliance program.
- Establish an annual formal antitrust compliance training program – in addition to Apple's compliance training program described above.
- Mandate on-site, in person annual antitrust compliance training for senior executives.
- Publish a revised antitrust and competition compliance guide which will be distributed to all current and new Apple employees, setting forth Company policy and providing guidance on the underlying antitrust issues.

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- Institute regular monitoring and auditing by the Antitrust Compliance Director to evaluate and ensure compliance with Apple's antitrust policies and to evaluate and report on the effectiveness of its programs to the General Counsel, Chief Compliance Officer and Audit and Finance Committee of the Board of Directors.

Apple believes that this redoubled commitment to antitrust compliance, with additional resources, will foster a robust culture of antitrust compliance at Apple. Our proposal for discussion as part of the Judgment will incorporate, where applicable, these steps and principles, but the commitment will be independent of the Judgment and long-lasting.

Sincerely,



Orin Snyder /SA

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