

APPLE COMPUTER, INC.
AUDIT AND FINANCE COMMITTEE CHARTER

There shall be a Committee of the Board of Directors (the "Board") of Apple Computer, Inc. (the "Corporation") to be known as the Audit and Finance Committee ("Committee") with purpose, composition, duties, authority, and responsibilities, as follows:

I. Purpose of the Committee. The primary purpose of the Committee is to assist the Board in oversight and monitoring of: (i) the Corporation's financial statements and other financial information provided by the Corporation to its shareholders, and others; (ii) compliance with legal and regulatory requirements; (iii) the independent auditors, including their qualifications and independence; (iv) the Corporation's systems of internal controls, including the Internal Audit function; and (v) the auditing, accounting, and financial reporting process generally. The Committee shall prepare the report required by the rules of the Securities and Exchange Commission ("SEC") to be included in the Corporation's annual proxy statement. The Committee does not itself prepare financial statements or perform audits, and its members are not auditors or certifiers of the Corporation's financial statements. It is not the duty of the Committee to conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with Generally Accepted Accounting Principles and applicable rules and regulations. These are the responsibilities of Management and the independent auditors.

II. Composition of the Committee. The members of the Committee shall be appointed by the Board. The Committee will be composed of not less than three members and shall be composed of directors satisfying the independence requirements of applicable Nasdaq and SEC rules. The Chairman of the Committee shall be designated by the Board. Each member shall be able to read and understand fundamental financial statements, in accordance with the Nasdaq National Market Audit Committee requirements, and, to the extent practicable, at least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background, including a current or past position as a principal financial officer or other senior officer with financial oversight responsibilities.

III. Committee Meetings. The Committee shall meet at least quarterly, or more frequently as circumstances dictate. The Committee shall meet at least quarterly with Management, the Director of Internal Audit, and the independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Committee shall meet with the independent auditors and Management quarterly to review the Corporation's financial information. The Committee shall report to the full Board with respect to its meetings. The Chairman of the Board, any member of the Committee, or the Secretary of the Corporation may call meetings of the Committee. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

- IV. Authority and Resources.** The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditor to attend a Committee meeting or to meet with any members of, or consultants to, the Committee. The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or other advisors and experts to assist in any investigation and performance of its functions at the Corporation's expense.
- V. Duties and Responsibilities.** To fulfill its responsibilities and duties the Committee shall:

Independent Auditor

1. Appoint, compensate, and oversee the work of the independent auditors (including resolving disagreements between Management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
2. Pre-approve audit and non-audit services to be provided to the Corporation by the independent auditors. In this regard, the Committee shall have the sole authority to approve the hiring and firing of the independent auditors and all fees and terms of audit and non-audit engagements with the independent auditors, in each case as may be permissible and compatible with the auditors' independence. The Committee shall also review and approve disclosures with respect to non-audit services.
3. Review and provide guidance with respect to the external audit and the Corporation's relationship with its independent auditors by (i) reviewing the independent auditors' proposed audit scope, approach and independence; (ii) obtaining on a periodic basis a statement from the independent auditors regarding relationships and services with the Corporation which may impact independence and presenting this statement to the Board, and to the extent there are relationships, monitoring and investigating them; (iii) ensuring that the independent auditors submit to the Committee on an annual basis a written statement (consistent with Independence Standards Board Standards No. 1) delineating all relationships and services that may impact the objectivity and independence of the independent auditors; and (iv) reviewing reports submitted to the Committee by the independent auditors in accordance with the applicable SEC requirements.
4. Obtain and review an annual report from the independent auditors describing (i) the independent auditors' internal quality control procedures and (ii) any material issues raised by the recent internal quality control

review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and steps taken to deal with any such issues.

5. Review the experience and qualifications of the senior members of the independent auditor team.
6. Review and concur with the Corporation's hiring of employees of the independent auditor who were engaged on the Corporation's account.
7. Review the performance of the independent auditors on an annual basis.
8. Periodically discuss with the independent auditors, (i) their judgments about the quality, appropriateness, and acceptability of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, and (ii) the completeness and accuracy of the Corporation's financial statements.

Financial Reporting

9. Review with Management and the independent auditor:
 - The Corporation's annual audited financial statements, and related footnotes, and quarterly unaudited financial statements, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing the Corporation's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, respectively, with the SEC.
 - The independent auditors' audit of the annual financial statements and his or her report thereon.
 - The accompanying Management Letter and any reports with respect to interim periods.
 - Any major changes to the Corporation's accounting principals and practices.
 - Any significant changes required in the independent auditors' audit plan.
 - Any difficulties or disputes with Management encountered during the course of the audit.

- Other matters related to the conduct of the audit that are to be communicated to the Committee under Generally Accepted Auditing Standards.
10. Review with Management, the independent auditors, and the Corporation's counsel, as appropriate, any legal and regulatory matters that may have a material impact on the financial statements, related compliance policies, and programs and reports received from regulators.
 11. Review and discuss earnings press releases prior to public disclosure.
 12. Provide a report for inclusion in the Corporation's proxy statement in accordance with the rules and regulations of the SEC.
 13. Oversee compliance with the requirements of the SEC for disclosure of auditors' services and audit committee member qualifications and activities.
 14. Discuss with the independent auditors the financial statements and audit findings, including any significant adjustments, Management judgments and accounting estimates, significant new accounting policies and disagreements with Management and any other matters described in SAS No. 61, as may be modified or supplemented.

Internal Controls

15. Review the adequacy of the Corporation's internal controls and the procedures designed to ensure compliance with applicable laws and regulations, including computerized information system controls and security.
16. Consider and review with the independent auditor and the Director of Internal Audit the adequacy of the Corporation's internal controls and any related significant findings and recommendations of the independent auditor and internal auditing together with Management's responses thereto.
17. Establish procedures for receiving, retaining and treating complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Internal Audit

18. Review and concur with the appointment, replacement, reassignment, or dismissal of the Director of Internal Audit.
19. Consider, in consultation with the Director of Internal Audit and the independent auditor, the audit scope and plan of the internal auditors and the independent auditors.
20. Review with the Director of Internal Audit and the independent auditor the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
21. Consider and review with Management and the Director of Internal Audit:
 - Significant findings during the year and Management's responses thereto.
 - Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.
 - Any changes required in the planned scope of their audit plan.
 - The Internal Audit department budget and staffing.

Management Discussions

22. Review and discuss with Management (i) Management's financial risk assessment and risk management policies, (ii) the Corporation's major financial risk exposures and the steps Management has taken to monitor and control such exposures.
23. Review with Management and the independent auditors any correspondence with regulators or governmental agencies and any employee complaints regarding the Corporation's financial statements or accounting policies.
24. Periodically review separately with each of Management, the independent auditors, and the Director of Internal Audit (i) any disagreements between Management and the auditors in connections with any audits, (ii) any difficulties encountered during the course of audits, including restrictions

in scope or access to required information, and (iii) Management's response.

25. Consider and approve, if appropriate, significant changes to the Corporation's accounting principles and financial disclosure practices as recommended by Management and the independent auditors. Review with Management and the independent auditors, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
26. Inquire about the application of the Corporation's accounting policies and its consistency from period to period, and the compatibility of these accounting policies with Generally Accepted Accounting Principles, and, when applicable, the provisions for future occurrences that may have a material impact on the financial statements of the Corporation.
27. Review and discuss with Management the program that Management has established to monitor compliance with the Corporation's code of business ethics and conduct.
28. Review and discuss with Management all disclosures made by the Corporation concerning any material changes in the financial condition or operations of the Corporation.
29. Review annually the independent auditors' letter of recommendations to Management and Management's responses.
30. Review any Management decision to seek a second opinion from independent auditors other than the Corporation's regular independent auditors with respect to any significant accounting issues.
31. Review with Management and the independent auditors the sufficiency and quality of the Internal Audit Department staff and other financial and accounting personnel of the Corporation.

Treasury and Finance

32. Review periodically the capital structure of the Corporation, and, when necessary, recommend to the Board transactions or alterations to the Corporation's capital structure.
33. Review and recommend to the Board changes in the Corporation's treasury resolutions and expenditure authorizations.

34. Periodically review matters pertaining to the Corporation's investment practices for cash management, foreign exchange, investments, and derivatives.
35. Review for approval or disapproval special transactions or expenditures as specifically delegated by the Board, or such other special transactions or expenditures not specifically delegated by the Board if determined by the Committee that approval by the full Board is not necessary or convenient, such as transactions that require relatively rapid decisions
36. Review and discuss with Management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), leases and other relationships of the Corporation with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves, or significant components of revenues or expenses.
37. Review with Management the sale or acquisition of equity investments and asset acquisitions or dispositions that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves, or significant components of revenues or expenses.

Other

38. Provide an open avenue of communication between the internal auditors, the independent auditor, and the Board.
39. Review the Committee's charter, structure, processes, and membership requirements at least once a year.
40. Report Committee actions to the Board with such recommendations as the Committee deems appropriate.
41. Review and approve in advance any proposed related party transactions and report to the full Board on any approved transactions.
42. The Committee can delegate any of its responsibilities to the extent allowed under applicable law.
43. The Committee will perform such other functions as assigned by law, the Corporation's charter or bylaws, or the Board.