



QUALCOMM Incorporated
5775 Morehouse Dr.
San Diego, California 92121-1714, U.S.A.

**AMENDED AND RESTATED QUALCOMM INCORPORATED
2001 EMPLOYEE STOCK PURCHASE PLAN, AS AMENDED (THE "ESPP")**

**Prospectus for the employees of certain European Economic Area ("EEA") subsidiaries
of QUALCOMM Incorporated, subject to the applicable legislation in each country**



Pursuant to articles L. 412-1 and L. 621-8 of the *Code Monétaire et Financier* and its General Regulation, in particular articles 211-1 to 216-1 thereof, the *Autorité des marchés financiers* (the "AMF") has attached visa number 17-639 dated December 15, 2017 onto this prospectus. This prospectus was established by the issuer and incurs the responsibility of its signatories. The visa, pursuant to the provisions of Article L. 621-8-1-I of the *Code Monétaire et Financier*, was granted after the AMF has verified that the document is complete and comprehensible, and that the information it contains is consistent. The visa represents neither the approval of the worthiness of the operation nor the authentication of the financial and accounting information presented.

This prospectus will be made available in printed form to employees of the EEA subsidiaries of QUALCOMM Incorporated based in countries in which offerings under the ESPP are considered public offerings, subject to the applicable legislation in each country, at the respective head offices of their employers. In addition, this prospectus along with summary translations (as applicable) will be posted on QUALCOMM Incorporated's intranet, and free copies will be available to the employees upon request by contacting the human resources departments of their employers. This prospectus and the French translation of its summary will also be available on the website of the AMF, www.amf-france.org.

NOTE TO THE PROSPECTUS

This prospectus contains material information concerning QUALCOMM Incorporated and was established pursuant to articles 211-1 to 216-1 of the AMF General Regulation. Pursuant to Article 25 of Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended (the "Prospectus Regulation"), this prospectus is composed of the following parts in the following order

- (1) a table of contents,
- (2) the summary provided for in Article 5(2) of Directive 2003/71/EC of the European Parliament and of the European Council of 4 November 2003, as amended (the "Prospectus Directive") (Part I constitutes the prospectus summary),
- (3) the risk factors linked to the issuer and the type of security covered by the issue, and
- (4) excerpts from Annexes I and III of the Prospectus Regulation which, by application of Articles 3, 4, and 6 of the Prospectus Regulation and question 71 of the European Securities and Markets Authority ("ESMA") Q&A,¹ are required for this offering of equity securities to employees of QUALCOMM Incorporated and its affiliates.

This prospectus also contains supplemental information concerning the ESPP (Part II - Section B) as well as the following document (Exhibit):

- Amended and Restated QUALCOMM Incorporated 2001 Employee Stock Purchase Plan, as amended.

When used in this prospectus, the terms "we," "us" or "our" mean QUALCOMM Incorporated and its subsidiaries and affiliates.

In this prospectus, "\$" refers to U.S. dollars.

¹ Questions and Answers, Prospectuses: 27th updated version – October 2017 (20 October 2017| ESMA-31-62-780).

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COMPANY REPRESENTATIVE FOR PROSPECTUS

- 1.1** George S. Davis, Executive Vice President and Chief Financial Officer, acting for and on behalf of QUALCOMM Incorporated.
- 1.2** To my knowledge, and after having taken all reasonable measures for this purpose, the information contained in this prospectus fairly reflects the current situation, and no material omission has been made.
- 1.3** QUALCOMM Incorporated has obtained a letter from its independent registered public accounting firm in relation to this prospectus. The independent registered public accounting firm has, in accordance with the professional standards and interpretations applicable to it in the United States of America in PCAOB Auditing Standard 2710, *Other Information in Documents Containing Audited Financial Statements*, for the purpose of identifying material inconsistencies with the audited financial statements or a material misstatement of fact, read the prospectus, including the financial information concerning QUALCOMM Incorporated for the fiscal years ended September 27, 2015, September 25, 2016 and September 24, 2017 in Part I - Element B.7 and the Selected Financial Data contained in Part II - Section B.10.1 of this prospectus.

/s/ George S. Davis

George S. Davis

Executive Vice President and Chief Financial Officer

QUALCOMM Incorporated

San Diego, California, United States of America

December 14, 2017

PART I — PROSPECTUS SUMMARY

VISA NUMBER 17-639 DATED DECEMBER 15, 2017 OF THE AMF

Summaries are made up of disclosure requirements known as "Elements." These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable."

SECTION A — INTRODUCTION AND WARNINGS

A.1	Warning to the reader	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent to use of the prospectus	Not applicable. There is no subsequent resale or final placement of securities by financial intermediaries.

SECTION B — ISSUER

B.1	Legal and commercial name of the issuer	QUALCOMM Incorporated ("Qualcomm" or the "Company").
B.2	Domicile and legal form of Qualcomm, the legislation under which it operates and its country of incorporation	The Company's principal offices are located at 5775 Morehouse Dr., San Diego, California 92121-1714, U.S.A. The Company is a corporation incorporated under the laws of the State of Delaware, U.S.A.

<p>B.3</p>	<p>Description of the nature of Qualcomm's current operations and its principal activities</p>	<p>The Company and its subsidiaries develop, design, manufacture, have manufactured on its behalf and market digital communications products, which principally consist of integrated circuits and system software based on Code Division Multiple Access ("CDMA"), Orthogonal Frequency Division Multiple Access ("OFDMA") and other technologies, for use in mobile devices, wireless networks, devices used in the Internet of Things ("IoT"), broadband gateway equipment, consumer electronic devices and automotive telematics and infotainment systems. The Company also grants licenses to use portions of its intellectual property portfolio, which includes certain patent rights essential to and/or useful in the manufacture and sale of certain wireless products and receives fixed license fees (payable in one or more installments) as well as ongoing royalties based on sales by licensees of wireless products incorporating its patented technologies.</p> <p>The Company is organized on the basis of products and services and has three reportable segments. The Company conducts business primarily through its QCT (Qualcomm CDMA Technologies) semiconductor business and its QTL (Qualcomm Technology Licensing) licensing business. QCT develops and supplies integrated circuits (also known as chips or chipsets) and system software based on CDMA, OFDMA and other technologies for use in mobile devices, wireless networks, devices used in the IoT, broadband gateway equipment, consumer electronic devices and automotive telematics and infotainment systems. QTL grants licenses to use portions of Qualcomm's intellectual property portfolio, which includes certain patent rights essential to and/or useful in the manufacture and sale of certain wireless products. Its QSI (Qualcomm Strategic Initiatives) reportable segment makes strategic investments. The Company also has nonreportable segments, including its mobile health, data center, small cell and other wireless technology and service initiatives.</p> <p>Revenues in fiscal 2017, 2016 and 2015 for its reportable segments were as follows (in millions):</p> <table border="1" data-bbox="568 1260 1443 1417"> <thead> <tr> <th></th> <th>QCT</th> <th>QTL</th> <th>QSI</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>\$ 16,479</td> <td>\$ 6,445</td> <td>\$ 113</td> </tr> <tr> <td>2016</td> <td>\$ 15,409</td> <td>\$ 7,664</td> <td>\$ 47</td> </tr> <tr> <td>2015</td> <td>\$ 17,154</td> <td>\$ 7,947</td> <td>\$ 4</td> </tr> </tbody> </table> <p>Consolidated revenues from international customers and licensees as a percentage of total revenues were 98%, 98% and 99% in fiscal 2017, 2016 and 2015, respectively. During fiscal 2017, 65% and 16% of the Company's revenues were from customers and licensees based in China (including Hong Kong) and South Korea, respectively, compared to 57% and 17% during fiscal 2016, respectively, and 53% and 16% during fiscal 2015, respectively. The Company reports revenues from external customers by country based on the location to which its products or services are delivered, which for QCT is generally the country in which its customers manufacture their products, or for licensing revenues, the invoiced addresses of its licensees. As a result, the revenues by country presented herein are not necessarily indicative of either the country in which the devices containing its products and/or intellectual property are ultimately sold to consumers or the country in which the companies that sell the devices are headquartered. For</p>		QCT	QTL	QSI	2017	\$ 16,479	\$ 6,445	\$ 113	2016	\$ 15,409	\$ 7,664	\$ 47	2015	\$ 17,154	\$ 7,947	\$ 4
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		<p>example, China revenues could include revenues related to shipments of integrated circuits to a company that is headquartered in South Korea but that manufactures devices in China, which devices are then sold to consumers in Europe and/or the United States.</p> <p>In fiscal 2017, 2016 and 2015, revenues from suppliers to Apple Inc. ("Apple") and from Samsung Electronics each comprised more than 10% of consolidated revenues. Combined revenues from GuangDong OPPO Mobile Telecommunications Corp. Ltd. and vivo Communication Technology Co., Ltd., and their respective affiliates, also comprised more than 10% of consolidated revenues in fiscal 2017.</p>																																																
B.4a	Recent trends	<p>Financial Results</p> <p>On November 1, 2017, the Company announced results for its fiscal fourth quarter and year ended September 24, 2017.</p> <p>Fourth quarter fiscal 2017 results on a Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP") basis were:</p> <table border="1"> <thead> <tr> <th></th> <th>Q4 Fiscal 2017</th> <th>Q4 Fiscal 2016</th> <th>Year-Over- Year Change</th> </tr> </thead> <tbody> <tr> <td>Revenues</td> <td>\$5.9B</td> <td>\$6.2B</td> <td>(5%)</td> </tr> <tr> <td>Operating income</td> <td>\$0.3B</td> <td>\$1.8B</td> <td>(82%)</td> </tr> <tr> <td>Net income ⁽¹⁾</td> <td>\$0.2B</td> <td>\$1.6B</td> <td>(89%)</td> </tr> <tr> <td>Diluted earnings per share ⁽¹⁾</td> <td>\$0.11</td> <td>\$1.07</td> <td>(90%)</td> </tr> <tr> <td>Operating cash flow</td> <td>\$2.4B</td> <td>\$2.1B</td> <td>+16%</td> </tr> </tbody> </table> <p>Fiscal 2017 results on a U.S. GAAP basis were:</p> <table border="1"> <thead> <tr> <th></th> <th>Fiscal 2017</th> <th>Fiscal 2016</th> <th>Year-Over- Year Change</th> </tr> </thead> <tbody> <tr> <td>Revenues</td> <td>\$22.3B</td> <td>\$23.6B</td> <td>(5%)</td> </tr> <tr> <td>Operating income</td> <td>\$2.6B</td> <td>\$6.5B</td> <td>(60%)</td> </tr> <tr> <td>Net income ⁽¹⁾</td> <td>\$2.5B</td> <td>\$5.7B</td> <td>(57%)</td> </tr> <tr> <td>Diluted earnings per share ⁽¹⁾</td> <td>\$1.65</td> <td>\$3.81</td> <td>(57%)</td> </tr> <tr> <td>Operating cash flow</td> <td>\$4.7B</td> <td>\$7.4B</td> <td>(37%)</td> </tr> </tbody> </table> <p>(1) Net income and diluted earnings per share are attributable to Qualcomm (i.e., after adjustments for noncontrolling interests).</p> <p>Acquisitions</p> <p>RF360 Holdings. On February 3, 2017, Qualcomm completed the formation of a joint venture with TDK Corporation ("TDK"), under the name RF360 Holdings Singapore Pte. Ltd. ("RF360 Holdings"), to enable delivery of radio frequency front-end ("RFFE") modules and radio frequency ("RF") filters into fully integrated products for mobile devices and IoT applications, among others. The joint venture is owned 51% by Qualcomm Global Trading Pte. Ltd. ("Qualcomm Global Trading"), a Singapore corporation and wholly-owned subsidiary of Qualcomm, and 49% by EPCOS AG ("EPCOS"), a German wholly-owned subsidiary of TDK. Certain intellectual property, patents and filter and module design and manufacturing assets were carved out of existing TDK businesses and are owned by the joint venture, and certain assets were acquired directly by affiliates of Qualcomm. Qualcomm Global Trading has the option to acquire (and EPCOS has an option to sell) EPCOS's interest in the joint venture for \$1.15 billion 30 months after the Closing Date. The total purchase price was \$3.1</p>		Q4 Fiscal 2017	Q4 Fiscal 2016	Year-Over- Year Change	Revenues	\$5.9B	\$6.2B	(5%)	Operating income	\$0.3B	\$1.8B	(82%)	Net income ⁽¹⁾	\$0.2B	\$1.6B	(89%)	Diluted earnings per share ⁽¹⁾	\$0.11	\$1.07	(90%)	Operating cash flow	\$2.4B	\$2.1B	+16%		Fiscal 2017	Fiscal 2016	Year-Over- Year Change	Revenues	\$22.3B	\$23.6B	(5%)	Operating income	\$2.6B	\$6.5B	(60%)	Net income ⁽¹⁾	\$2.5B	\$5.7B	(57%)	Diluted earnings per share ⁽¹⁾	\$1.65	\$3.81	(57%)	Operating cash flow	\$4.7B	\$7.4B	(37%)
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		<p>billion. EPCOS is entitled to up to a total of \$200 million in payments based on sales of RF filter functions over the three-year period after the Closing Date, which is a substitute for and in lieu of the right of EPCOS to receive any profit sharing, distributions, dividends or other payments of any kind or nature. RF360 Holdings, which is included in Qualcomm's QCT segment, is a Singapore corporation with research and development and manufacturing and/or sales locations in the United States, Europe and Asia and its headquarters in Munich, Germany.</p> <p>NXP Semiconductors N.V. On October 27, 2016, the Company announced a definitive agreement under which Qualcomm River Holdings, B.V. ("Qualcomm River"), an indirect, wholly owned subsidiary of the Company, will acquire NXP Semiconductors N.V. ("NXP"). Pursuant to the definitive agreement, Qualcomm River has commenced a tender offer to acquire all of the issued and outstanding common shares of NXP for \$110 per share in cash, for estimated total cash consideration to be paid to NXP's shareholders of \$38 billion. NXP is a leader in high-performance, mixed-signal semiconductor electronics in automotive, broad-based microcontrollers, secure identification, network processing and RF power products.</p> <p>The transaction is subject to receipt of regulatory approvals in various jurisdictions and other closing conditions, including the tender of at least 80% of the issued and outstanding common shares of NXP in the offer (provided that the minimum tender threshold may be reduced to a percentage not less than 70% with the prior written consent of NXP). While Qualcomm continues to work to close by the end of calendar 2017, the transaction may close in early 2018. At an Extraordinary General Meeting of NXP's shareholders held on January 27, 2017, NXP's shareholders approved certain matters relating to the transaction, including the appointment of designees of Qualcomm River to NXP's board of directors (effective upon the closing of the transaction) and certain transactions that are intended to be consummated after the completion of the tender offer.</p> <p>In May 2017, Qualcomm issued an aggregate principal amount of \$11.0 billion of unsecured floating- and fixed-rate notes with varying maturities, of which a portion will be used to fund the purchase price and other related transactions. In addition, Qualcomm has secured \$4.0 billion in committed financing through a Term Loan Facility,² which is expected to be drawn on at the close of the NXP transaction. The remaining amount will be funded with cash held by Qualcomm's foreign entities.</p> <p>Qualcomm River and NXP may terminate the definitive agreement under certain circumstances. If the definitive agreement is terminated by NXP in certain circumstances, NXP will be required to pay Qualcomm River a termination fee of \$1.25 billion. If the definitive agreement is terminated by Qualcomm River under certain circumstances involving the failure to obtain the required regulatory approvals or the failure of NXP to complete certain pre-closing reorganization steps in all material respects, Qualcomm River will be required to pay NXP a termination fee of \$2.0 billion.</p>
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² In November 2016, the Company entered into a Credit Agreement that provides for senior unsecured delayed-draw term facility loans in an aggregate amount of \$4.0 billion ("Term Loan Facility").

		<p>On November 17, 2017, Qualcomm announced that Qualcomm River has extended the offering period of its previously announced cash tender offer to purchase all of the outstanding common shares of NXP. The tender offer is being made pursuant to the Purchase Agreement, dated as of October 27, 2016, by and between Qualcomm River and NXP. The tender offer is now scheduled to expire on December 15, 2017, unless extended or earlier terminated, in either case pursuant to the terms of the Purchase Agreement.</p> <p>American Stock Transfer & Trust Company, LLC, the depository for the tender offer, has advised Qualcomm River that as of November 16, 2017, the last business day prior to the announcement of the extension of the offer, 8,131,355 NXP common shares (excluding 18,439 shares tendered pursuant to guaranteed delivery procedures that have not yet been delivered in settlement or satisfaction of such guarantee), representing approximately 2.4% of the outstanding NXP common shares, have been validly tendered pursuant to the tender offer and not properly withdrawn.</p> <p>On December 11, 2017, Qualcomm reiterated that it was fully committed to closing the acquisition of NXP and believed that the agreed-upon price of \$110 is full and fair.</p> <p>Looking Forward</p> <p>The Company expects continued growth in the coming years in consumer demand for 3G, 3G/4G multimode and 4G products and services around the world, driven primarily by smartphones. The Company also expects growth in new device categories and industries, driven by the expanding adoption of certain technologies that are already commonly used in smartphones by industry segments outside traditional cellular industries, such as automotive, IoT and networking. As the Company looks forward to the next several months and beyond, it expects its business to be impacted by the following key items:</p> <ul style="list-style-type: none"> • The proposed acquisition of NXP described above. • Regulatory authorities in certain jurisdictions continue to investigate Qualcomm's business practices, and other regulatory authorities may do so in the future. Unfavorable resolutions of one or more of these matters have had and could in the future have a material adverse effect on its business with remedies that include, among others, injunctions, monetary damages or fines or other orders to pay money, and the issuance of orders to cease certain conduct and/or modify its business practices. • The Company is currently in dispute with Apple surrounding what the Company believes is an attempt by Apple to reduce the amount of royalties that its contract manufacturers are required to pay to the Company for use of its intellectual property. QTL revenues and earnings before taxes in fiscal 2017 were negatively impacted as a result of actions taken by Apple and its contract manufacturers. Such contract manufacturers did not fully report and did not pay royalties due on sales of Apple products for a portion of the fiscal year. The Company has taken action against Apple's contract manufacturers to compel such licensees to pay the required royalties, and against Apple. • The Company continues to believe that certain licensees,
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		<p>particularly in China, are not fully complying with their contractual obligations to report their sales of licensed products to the Company, and certain companies, including unlicensed companies, particularly in emerging regions, including China, are delaying execution of new license agreements. The Company has made substantial progress in reaching agreements with many companies, primarily in China. However, negotiations with certain licensees and unlicensed companies are ongoing.</p> <p>Other Events from Fiscal 2017</p> <p>In January 2017, the Company received a formal written decision from the Korea Fair Trade Commission ("KFTC") in connection with its investigation of Qualcomm, which ordered certain remedial actions and imposed a fine of approximately 1.03 trillion Korean Won (approximately \$927 million). The fine was paid in March 2017.</p> <p>On October 11, 2017, the Taiwan Fair Trade Commission ("TFTC") announced that it had reached a decision in its investigation of the Company and found the Company to be in violation of the Taiwan Fair Trade Act ("TFTA"). On October 23, 2017, the Company received the TFTC's written decision, which prohibits certain conduct, allows for certain competing chip companies and handset manufacturers to request to amend or enter into patent license and other relevant agreements, and imposes a fine of approximately 23.4 billion Taiwan Dollars (approximately \$778 million based on the exchange rate at September 24, 2017), which was recorded as a charge to other expense in the fourth quarter of fiscal 2017.</p> <p>In May 2017, in connection with the arbitration decision, the Company entered into a Joint Stipulation Regarding Final Award Agreement with BlackBerry Limited ("BlackBerry") and paid to BlackBerry \$940 million to cover the award amount, prejudgment interest and attorney's fees. This amount, which was recorded as a reduction to revenues, also reflected certain amounts that were owed to the Company by BlackBerry.</p> <p>Broadcom's Unsolicited Proposal</p> <p>On November 6, 2017, Qualcomm confirmed that it has received a non-binding, unsolicited proposal from Broadcom Limited ("Broadcom") to acquire all of the outstanding shares of Qualcomm common stock, par value \$0.0001 per share ("Shares") for per Share consideration of \$60.00 in cash and \$10.00 in Broadcom shares.</p> <p>The Qualcomm Board of Directors (the "Board") and management have continued to execute on its strategy to position the Company for the next phase of profitable growth by making focused investments to extend its leadership in mobile into new opportunities, while maintaining financial discipline and a robust capital return program. Qualcomm has significant opportunities to drive substantial additional value for its shareholders as its technology and product roadmap move into new industries.</p> <p>On November 13, 2017, Qualcomm announced that its Board has unanimously rejected the unsolicited proposal announced by Broadcom on November 6, 2017. After a comprehensive review, conducted in consultation with Qualcomm's financial and legal advisors, the Board has concluded that Broadcom's proposal dramatically undervalues</p>
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		<p>Qualcomm and comes with significant regulatory uncertainty.</p> <p>Qualcomm currently expects that the Company's 2018 Annual Meeting of Stockholders will be held on Tuesday, March 6, 2018 (the "2018 Annual Meeting").</p> <p>On December 4, 2017, Qualcomm confirmed receipt of Broadcom's nomination of a slate of candidates to replace Qualcomm's existing Board at the 2018 Annual Meeting.</p> <p>Qualcomm reminded of the November 13, 2017 Board decision and stated that the Company is exceptionally well positioned and leading the transition to 5G. Finally, Qualcomm stated that Broadcom and Silver Lake Partners are effectively asking stockholders to foreclose options and make a decision now on a non-binding proposed transaction which could not be completed for well over a year, if ever, given the magnitude of regulatory issues, the absence of commitments by Broadcom to resolve those issues, Broadcom's lack of committed financing, and the uncertainty surrounding its transition from Singapore to the United States. The Board is composed of 11 world-class directors, 9 of whom are independent and 4 of whom have been added in the last 3 years, and all of whom are firmly committed to acting in the best interests of all Qualcomm stockholders. Qualcomm believes that this action is a blatant attempt to seize control of the Board in order to advance Broadcom's acquisition agenda. These nominees are inherently conflicted given Broadcom's desire to acquire Qualcomm in a manner that dramatically undervalues Qualcomm to Broadcom's benefit.</p>
B.5	Organizational structure	<p>The Company operates its businesses through its parent company, Qualcomm, and multiple direct and indirect subsidiaries. The Company has developed its corporate structure in order to address various legal, regulatory, tax, contractual compliance, operations and other matters. Substantially all of its products and services businesses, including QCT, and substantially all of its engineering, research and development functions, are operated by QUALCOMM Technologies, Inc. ("QTI"), a wholly-owned subsidiary of Qualcomm, and QTI's subsidiaries. QTL is operated by Qualcomm, which owns the vast majority of Qualcomm's patent portfolio. Neither QTI nor any of its subsidiaries has any right, power or authority to grant any licenses or other rights under or to any patents owned by the Company.</p> <p>As of September 24, 2017, there were four significant subsidiaries of the Company.</p> <p>Please also refer to the disclosure made in Element B.4a above.</p>
B.6	Interests in Qualcomm's capital or voting rights	<p>Not applicable. Pursuant to its Q&A, ESMA considers that Item 18 of Annex I of the Prospectus Regulation is generally not pertinent for offers of shares to employees and can thus be omitted from the prospectus in accordance with Article 23.4 of the Prospectus Regulation.</p>

B.7	Financial information concerning Qualcomm for the fiscal years ended September 24, 2017, September 25, 2016 and September 27, 2015									
<p>The consolidated statement of operations and the consolidated balance sheet data of Qualcomm for the fiscal years ended September 24, 2017, September 25, 2016 and September 27, 2015, set out in this prospectus have been derived from Qualcomm's audited consolidated financial statements prepared in accordance with U.S. GAAP.</p>										
SELECTED THREE-YEAR FINANCIAL DATA										
<p style="text-align: center;">Years Ended (1)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center;">September 24, 2017</th> <th style="text-align: center;">September 25, 2016</th> <th style="text-align: center;">September 27, 2015</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;">(In millions, except per share data)</td> </tr> </tbody> </table>				September 24, 2017	September 25, 2016	September 27, 2015	(In millions, except per share data)			
	September 24, 2017	September 25, 2016	September 27, 2015							
(In millions, except per share data)										
Statement of Operations Data:										
Revenues (2)	\$ 22,291	\$ 23,554	\$ 25,281							
Operating income (2)	2,614	6,495	5,776							
Net income	2,465	5,702	5,268							
Net income attributable to Qualcomm	2,466	5,705	5,271							
Per Share Data:										
Basic earnings per share attributable to Qualcomm	\$ 1.67	\$ 3.84	\$ 3.26							
Diluted earnings per share attributable to Qualcomm	\$ 1.65	\$ 3.81	\$ 3.22							
Dividends per share announced	2.20	2.02	1.80							
Balance Sheet Data:										
Cash and cash equivalents	\$ 35,029	\$ 5,946	\$ 7,560							
Current marketable securities	2,279	12,702	9,761							
Long-term marketable securities	1,270	13,702	13,626							
Total assets	65,486	52,359	50,796							
Short-term debt (3)	2,495	1,749	1,000							
Long-term debt (4)	19,398	10,008	9,969							
Other long-term liabilities (5)	2,432	895	817							
Total stockholders' equity	30,746	31,768	31,414							
<p>(1) Qualcomm's fiscal year ends on the last Sunday in September. The fiscal years ended September 24, 2017, September 25, 2016 and September 27, 2015 each included 52 weeks.</p> <p>(2) Revenues in fiscal 2017 were negatively impacted by actions taken by Apple and its contract manufacturers as well as the previously disclosed dispute with another licensee, who did not fully report or fully pay royalties due in the last three quarters of fiscal 2017, as well as the \$940 million reduction to revenues recorded related to the BlackBerry arbitration. Operating income was further negatively impacted by \$927 million and \$778 million in charges related to the fines imposed by the KFTC and the TFTC, respectively.</p> <p>(3) Short-term debt was comprised of outstanding commercial paper and, in fiscal 2017, the current portion of long-term debt.</p> <p>(4) Long-term debt was comprised of floating- and fixed-rate notes.</p> <p>(5) Other long-term liabilities in this balance sheet data exclude unearned revenues.</p>										
B.8	Pro forma financial information	Not applicable. Pursuant to its Q&A, ESMA considers that Item 20.2 of Annex I of the Prospectus Regulation is generally not pertinent for offers of shares to employees and can thus be omitted from the prospectus in accordance with Article 23.4 of the Prospectus Regulation.								

B.9	Profit forecast or estimate	Not applicable. This prospectus does not contain any profit forecast or estimate.
B.10	Qualifications in the audit report on the historical financial information	Not applicable. There are no such qualifications in the auditors' reports for fiscal years 2017, 2016 or 2015.
B.11	Working capital statement	Not applicable. Qualcomm's working capital is sufficient for its present requirements.

SECTION C — SECURITIES		
C.1	Type and class of the securities being offered, including the security identification code	<p>The Shares offered under the ESPP can be either authorized but unissued or reacquired Shares.</p> <p>The Shares are or will be, after their issuance, listed on the NASDAQ Stock Market LLC ("NASDAQ") under the symbol "QCOM." The CUSIP number for the Shares is 747525103.</p>
C.2	Currency of the securities issue	The United States Dollar is the currency of the securities issue.
C.3	Number of shares issued	<p>As of September 24, 2017, Qualcomm was authorized to issue 6 billion Shares. As of October 30, 2017, there were approximately 1.5 billion Shares outstanding.</p> <p>The Company has 8 million shares of preferred stock authorized for issuance in one or more series, at a par value of \$0.0001 per share. At September 24, 2017, no shares of preferred stock were outstanding.</p>
C.4.	Rights attached to the securities	<p>Eligible employees who enroll and participate in the ESPP are referred to as the "Participants."</p> <p>No Participant shall have any voting, dividend, or other stockholder rights with respect to any offering under the ESPP until the Shares have been purchased and delivered to the Participant. Following such purchase and delivery, the Participant shall be entitled to the rights attached to the Shares, as further described below.</p> <p>Dividend Rights. Dividend rights are provided for in the Company's Bylaws, as amended and restated on July 11, 2016 (the "Bylaws"). Dividends upon the capital stock of the Company, subject to the provisions of the Company's Restated Certificate of Incorporation, as Amended (the "Certificate of Incorporation"), if any, may be declared by the Board of Directors of the Company (the "Board") pursuant to law at any regular or special meeting.</p> <p>Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names Shares stand on the stock records of the Company on the record date, as provided in Section 12 of the Bylaws, shall be entitled to vote at any meeting of stockholders.</p>

		<p>Right to Receive Liquidation Distributions. Upon any liquidation, dissolution or winding up of the Company, the holders of Shares are entitled to share ratably in all assets remaining after payment of liabilities and any liquidation preference of any outstanding preferred stock.</p> <p>Preemptive, Redemptive or Conversion Provisions. The Company's Shares have no preemptive rights, conversion rights or other subscription rights or redemption or sinking fund provisions.</p>																																																
C.5	Transferability restrictions	Not applicable. The Shares in this offering are registered on Form S-8 with the U.S. Securities and Exchange Commission (the "SEC") and are generally freely transferable.																																																
C.6	Admission to trading on a regulated market	As noted in Element C.1 above, the Shares are listed on NASDAQ.																																																
C.7	Dividend policy	<p>On October 10, 2017, the Company announced a cash dividend of \$0.57 per Share, payable on December 15, 2017 to stockholders of record as of the close of business on November 29, 2017. Dividends charged to retained earnings in fiscal 2017, 2016 and 2015 were as follows (in millions, except per share data):</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">2017</th> <th colspan="2">2016</th> <th colspan="2">2015</th> </tr> <tr> <th>Per Share</th> <th>Total</th> <th>Per Share</th> <th>Total</th> <th>Per Share</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>First quarter</td> <td>\$ 0.53</td> <td>\$ 801</td> <td>\$ 0.48</td> <td>\$ 730</td> <td>\$ 0.42</td> <td>\$ 710</td> </tr> <tr> <td>Second quarter</td> <td>0.53</td> <td>798</td> <td>0.48</td> <td>726</td> <td>0.42</td> <td>702</td> </tr> <tr> <td>Third quarter</td> <td>0.57</td> <td>858</td> <td>0.53</td> <td>794</td> <td>0.48</td> <td>771</td> </tr> <tr> <td>Fourth quarter</td> <td>0.57</td> <td>857</td> <td>0.53</td> <td>796</td> <td>0.48</td> <td>749</td> </tr> <tr> <td></td> <td><u>\$ 2.20</u></td> <td><u>\$3,314</u></td> <td><u>\$ 2.02</u></td> <td><u>\$3,046</u></td> <td><u>\$ 1.80</u></td> <td><u>\$2,932</u></td> </tr> </tbody> </table> <p>The Company intends to continue to pay quarterly dividends, subject to capital availability and its view that cash dividends are in the best interests of its stockholders. Future dividends may be affected by, among other items, its views on potential future capital requirements, including those relating to research and development, creation and expansion of sales distribution channels, investments and acquisitions, legal risks, withholding of payments by one or more of its significant licensees and/or customers, fines by government agencies and/or adverse rulings by a court or arbitrator in a legal matter, stock repurchase programs, debt issuance, changes in federal and state income tax law and changes to its business model.</p>		2017		2016		2015		Per Share	Total	Per Share	Total	Per Share	Total	First quarter	\$ 0.53	\$ 801	\$ 0.48	\$ 730	\$ 0.42	\$ 710	Second quarter	0.53	798	0.48	726	0.42	702	Third quarter	0.57	858	0.53	794	0.48	771	Fourth quarter	0.57	857	0.53	796	0.48	749		<u>\$ 2.20</u>	<u>\$3,314</u>	<u>\$ 2.02</u>	<u>\$3,046</u>	<u>\$ 1.80</u>	<u>\$2,932</u>
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SECTION D — RISKS

D.1	Key risks related to Qualcomm or its industry	<p>Set forth below are summaries of the key risks, uncertainties and other factors that may affect Qualcomm's future results. The risks and uncertainties described below are not the only ones facing Qualcomm.</p> <ul style="list-style-type: none"> Qualcomm's proposed acquisition of NXP involves a number of risks, including, among others, the risk that the Company fails to complete the acquisition, in a timely manner or at all, regulatory risks, risks associated with its use of a significant portion of its cash
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		<p>and its taking on significant indebtedness, other financial risks, integration risks, and risk associated with the reactions of customers, suppliers and employees.</p> <ul style="list-style-type: none"> • Qualcomm's revenues depend on commercial network deployments, expansions and upgrades of CDMA, OFDMA and other communications technologies; its customers' and licensees' sales of products and services based on these technologies; and customers' demand for its products and services. • Qualcomm's industry is subject to competition in an environment of rapid technological change that could result in decreased demand and/or declining average selling prices for its products and/or those of its customers and/or licensees. • Qualcomm derives a significant portion of its consolidated revenues from a small number of customers and licensees. If revenues derived from these customers or licensees decrease or the timing of such revenues fluctuates, its business and results of operations could be negatively affected. • Qualcomm derives a significant portion of its consolidated revenues from the premium-tier device segment. If sales of premium-tier devices decrease, and/or sales of its premium-tier integrated circuit products decrease, its results of operations could be negatively affected. • Efforts by some communications equipment manufacturers or their customers to avoid paying fair and reasonable royalties for the use of Qualcomm's intellectual property may require the investment of substantial management time and financial resources and may result in legal decisions and/or actions by governments, courts, regulators or agencies, Standards Development Organizations ("SDOs") or other industry organizations that harm its business. • Qualcomm's business, particularly its licensing business, may suffer as a result of adverse rulings in government investigations or proceedings. • The enforcement and protection of Qualcomm's intellectual property rights may be expensive, could fail to prevent misappropriation or unauthorized use of its proprietary intellectual property rights, could result in the loss of its ability to enforce one or more patents, and/or could be adversely affected by changes in patent laws, by laws in certain foreign jurisdictions that may not effectively protect its intellectual property rights and/or by ineffective enforcement of laws in such jurisdictions. • Qualcomm's growth increasingly depends on its ability to extend its technologies, products and services into new and expanded product areas, such as RFFE, and adjacent industry segments outside of traditional cellular industries, such as automotive, IoT and networking, among others. Qualcomm's research, development and other investments in these new and expanded product areas and industry segments, and related technologies, products and services, as well as in its existing technologies, products and services and new technologies, such as 5G, may not generate operating income or contribute to future results of operations that meet its expectations.
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		<ul style="list-style-type: none"> • The continued and future success of Qualcomm's licensing programs can be impacted by the deployment of other technologies in place of technologies based on CDMA, OFDMA and their derivatives; the success of its licensing programs for 4G single mode products and emerging industry segments; and the need to extend license agreements that are expiring and/or to cover additional future patents. • Qualcomm depends on a limited number of third-party suppliers for the procurement, manufacture and testing of its products manufactured in a fabless production model. If it fails to execute supply strategies that provide technology leadership, supply assurance and low cost, its business and results of operations may be harmed. Qualcomm is also subject to order and shipment uncertainties that could negatively impact its results of operations. • Claims by other companies that Qualcomm infringes their intellectual property could adversely affect its business. Please also refer to the disclosure made in Element B.4a above. • There are risks associated with Qualcomm's indebtedness. • Qualcomm's business and operations could suffer in the event of security breaches or other misappropriation of its intellectual property or proprietary or confidential information.
D.3	Key risks related to the shares	<ul style="list-style-type: none"> • Qualcomm's stock price, earnings and the fair value of its investments are subject to substantial quarterly and annual fluctuations and to market downturns. • Participants assume the risk of any currency and/or market fluctuations at the time of (i) their contribution to the ESPP by payroll deductions and (ii) the selling of their Shares.

SECTION E — OFFER

E.1	Net proceeds	Assuming that each of the 8,671 eligible employees ³ in Austria, Belgium, the Czech Republic, France, Germany, the Netherlands, Romania and the United Kingdom would purchase the maximum amount of Shares under the ESPP offered pursuant to this prospectus,
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³ As of the date of the prospectus, there were 255 Qualcomm eligible employees in France, 1,682 Qualcomm eligible employees in Germany and 803 Qualcomm eligible employees in the United Kingdom. As of the date of the prospectus, there are no Qualcomm eligible employees or less than 150 Qualcomm eligible employees in Austria, Belgium, the Czech Republic, the Netherlands and Romania. However, Qualcomm has decided to offer the NXP employees based in the said countries the opportunity to participate in the ESPP as soon as reasonably practicable after the NXP transaction closes. As stated above, the NXP acquisition is currently expected to close by the end of calendar 2017/early 2018. As a result, should the NXP transaction close as expected, the 150 threshold set forth in Article 3(2)(b) of the Prospectus Directive would be crossed in Austria, Belgium, the Czech Republic, the Netherlands and Romania during the validity of this prospectus and the offering of securities under the ESPP in such EEA countries would be considered a public offering of securities pursuant to Prospectus Directive. After the NXP transaction closes, there will be a total of 662 eligible employees in Austria, 131 eligible employees in Belgium, 225 eligible employees in the Czech Republic, 1,163 eligible employees in France, 2,826 eligible employees in Germany, 2,377 eligible employees in the Netherlands, 330 eligible employees in Romania and 957 eligible employees in the United Kingdom. Note that the number of eligible employees in Belgium is subject to fluctuations and may, as a consequence of new hires during the regular course of business, cross the 150 threshold set forth in Article 3(2)(b) of the Prospectus Directive, during the validity of this prospectus. The calculation related to the net proceeds and the maximum dilution items set forth in this prospectus are based on the combined number of eligible employees from Qualcomm and NXP as if the NXP transaction had closed.

		that is, a total of 374 whole Shares each, for a maximum of \$21,209.54 in contributions per person, at \$56.71 (85% of a hypothetical Share price of \$66.72 which was the closing price of the Shares on November 17, 2017), and assuming that the Shares offered under the ESPP would all be newly issued, then the gross proceeds of Qualcomm in connection with the offer under the ESPP pursuant to this prospectus would be \$183,907,921.34. After deducting approximately \$100,000 in legal and accounting expenses in connection with the offer, the net proceeds would be approximately \$183,807,921.34.
E.2a	Reasons for the offer and use of proceeds	<p>The purpose of the ESPP is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward eligible employees of the Company and its subsidiaries and by motivating such persons to contribute to the growth and profitability of the Company and its subsidiaries. The ESPP provides such eligible employees with an opportunity to acquire a proprietary interest in the Company through the purchase of Shares.</p> <p>The net proceeds will be used for general corporate purposes.</p>
E.3	Description of the terms and conditions of the offer	<p>The Company will offer eligible employees of the Company and certain of its subsidiaries residing in the EEA the right to purchase Shares under the ESPP. The ESPP is administered by the Compensation Committee, a committee of the Board (the "Committee").</p> <p>The offering of the ESPP may be considered a public offering of securities pursuant to Prospectus Directive in the following EEA countries, subject to the applicable legislation in each country: Austria, Belgium, the Czech Republic, France, Germany, the Netherlands, Romania and the United Kingdom. The offering of the ESPP may also be made in the following EEA countries: Denmark, Finland, Hungary, Ireland, Italy, Spain and Sweden. However, such offering is not considered a public offering of securities and/or the obligation to publish a prospectus does not apply to the offering under the legislation implementing the Prospectus Directive in such countries. The total amount of the offering of the ESPP in the EEA is more than €5 million over a 12-month period.</p> <p>This prospectus will be made available in printed form to employees of the subsidiaries of the Company based in the above named countries where the offering of the ESPP may be considered a public offering of securities at the respective head offices of their employers.</p> <p>The ESPP is offered in a series of sequential 6-month offering periods ("Offering Periods"). Generally, eligible employees may elect to participate in the ESPP by completing a subscription agreement provided by the Company and submitting such form during the open enrollment period set by the Committee for each Offering Period. Offering Periods commence on February 1 and August 1 of each year (each an "Offering Date"), and end on July 31 and January 31, respectively, or on such other dates as the Committee shall determine. The open enrollment periods for the Offering Periods commencing February 1, 2018 and August 1, 2018 shall be January 4, 2018 through January 18, 2018, and on or around July 5, 2018 through July 19, 2018, respectively.</p> <p>In the subscription agreement, eligible employees authorize their</p>

	<p>employer to make deductions from their paychecks in any whole percentage between 1% and 15% of their eligible compensation. Once enrolled, Participants may purchase Shares at a discount under the ESPP. On the last day of each Offering Period, which shall be July 31 for the Offering Period commencing February 1 and January 31 for the Offering Period commencing August 1 (each, a "Purchase Date"), Participants' accumulated payroll deductions will be used to purchase Shares at a price equal to 85% of the lesser of (1) the Fair Market Value of a Share on the Offering Date and (2) the Fair Market Value of a Share on the Purchase Date. The "Fair Market Value" of a Share for purposes of the ESPP is the closing sale price of a Share on the NASDAQ on the applicable date or, if such date is not a market trading day, then the date of determination shall be: (A) in the case of the Offering Date, the first market trading day following the Offering Date; (B) in the case of the Purchase Date, the last market trading day prior to the Purchase Date.</p> <p>The maximum number of Shares that a Participant may purchase under the ESPP on any Purchase Date in an Offering Period shall not exceed the number of whole Shares determined by dividing \$12,500 by the Fair Market Value of a Share on the Offering Date of such Offering Period, subject to other purchase limitations set forth in the ESPP.</p> <p>Provided that a Participant remains an eligible employee, such Participant's participation in the ESPP and payroll deduction elections will continue for subsequent Offering Periods unless such Participant withdraws from the ESPP or elects to change the rate of his or her payroll deductions. Under current plan rules, during an Offering Period, a Participant may decrease his or her rate of payroll deductions once, but may not elect any increases. A Participant may however increase his or her rate of payroll deductions for the next Offering Period. In each case, a Participant may change the rate of his or her payroll deductions by submitting the prescribed form by the time and in the manner specified by the Committee. In addition, a Participant may withdraw from the ESPP and receive a refund of all payroll deductions not yet used for the purchase of Shares by submitting a notice of withdrawal at least ten days prior to the last day of the Offering Period, or such other date as the Committee may establish.</p> <p>There is no charge to Participants for the acquisition or holding of Shares under the ESPP.</p> <p>In December 2000, the Company adopted the ESPP, which originally became effective on February 27, 2001. On December 3, 2017, the Committee amended the ESPP to increase the maximum number of Shares authorized for issuance over the term of the ESPP by 30.0 million Shares. Qualcomm's stockholders will vote on such amendment to the ESPP at the 2018 Annual Meeting. As of September 24, 2017, approximately 14,648,000 Shares were reserved for issuance under the ESPP (out of a maximum of approximately 71,709,000 Shares that had been authorized for as of September 24, 2017). If Qualcomm's stockholders approve the amendment to the ESPP, the number of Shares authorized under the ESPP will be increased to from 71,709,000 Shares to 101,709,000 Shares. If Qualcomm stockholders do not approve the amendment to the ESPP, Qualcomm will continue to offer participation in the ESPP as described</p>
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		herein and the number of Shares authorized under the ESPP will remain at 71,709,000 Shares.									
E.4	Description of material interest to the offer including conflict of interests	Not applicable. There are no such interests.									
E.5	Name of the entity offering to sell the security	QUALCOMM Incorporated.									
E.6	Maximum dilution	<p>Assuming that the Shares offered under the ESPP pursuant to this prospectus to the 8,671 eligible employees in Austria, Belgium, the Czech Republic, France, Germany, the Netherlands, Romania and the United Kingdom would all be newly issued, the holdings of a stockholder of Qualcomm currently holding 1% of the total outstanding share capital of Qualcomm as of October 30, 2017, i.e., 14,741,646 Shares, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:</p> <table border="1"> <thead> <tr> <th></th> <th>Percentage of the total outstanding Shares</th> <th>Total number of outstanding Shares</th> </tr> </thead> <tbody> <tr> <td>Before the offering (as of October 30, 2017)</td> <td>1.00%</td> <td>1,474,164,639</td> </tr> <tr> <td>After issuance of 3,242,954 Shares under the ESPP</td> <td>0.998%</td> <td>1,477,407,593</td> </tr> </tbody> </table>		Percentage of the total outstanding Shares	Total number of outstanding Shares	Before the offering (as of October 30, 2017)	1.00%	1,474,164,639	After issuance of 3,242,954 Shares under the ESPP	0.998%	1,477,407,593
	Percentage of the total outstanding Shares	Total number of outstanding Shares									
Before the offering (as of October 30, 2017)	1.00%	1,474,164,639									
After issuance of 3,242,954 Shares under the ESPP	0.998%	1,477,407,593									
E.7	Estimated expenses charged to the investor	Not applicable. There are no such expenses.									

THE FOLLOWING INFORMATION IS NOT PART OF THE PROSPECTUS SUMMARY

PART II — PROSPECTUS

SECTION A — RISK FACTORS

You should consider each of the following factors in evaluating our business and our prospects. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also negatively impact our business and results of operations, and require significant management time and attention. In that case, the trading price of the Shares could decline. You should also consider the other information set forth in Qualcomm's Annual Report on Form 10-K for the fiscal year ended September 24, 2017 filed with the SEC on November 1, 2017 ("Qualcomm's Form 10-K") in evaluating our business and our prospects, including but not limited to our financial statements and the related notes, and "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

I. RISKS RELATED TO QUALCOMM'S BUSINESSES

Our proposed acquisition of NXP involves a number of risks, including, among others, the risk that we fail to complete the acquisition, in a timely manner or at all, regulatory risks, risks associated with our use of a significant portion of our cash and our taking on significant indebtedness, other financial risks, integration risks, and risk associated with the reactions of customers, suppliers and employees.

Our and NXP's obligations to consummate the proposed transaction are subject to the satisfaction or waiver of certain conditions, including, among others: (i) the tender of a minimum number of NXP's outstanding common shares in the tender offer commenced by a subsidiary of Qualcomm; (ii) the receipt of regulatory clearance under European Union and certain other foreign antitrust laws; (iii) the absence of any law or order prohibiting the proposed transaction; (iv) there being no event that would have a material adverse effect on NXP; (v) the accuracy of the representations and warranties of NXP, subject to certain exceptions, and NXP's material compliance with its covenants, in the definitive agreement; and (vi) the completion of certain internal reorganization steps with respect to NXP and the disposition of certain non-core assets of NXP. We cannot provide assurance that the conditions to the completion of the proposed transaction will be satisfied in a timely manner or at all, and if the proposed transaction is not completed, we would not realize any of the expected benefits.

The regulatory approvals required in connection with the proposed transaction may not be obtained or may contain materially burdensome conditions. If any conditions or changes to the structure of the proposed transaction are required to obtain these regulatory approvals, they may have the effect of jeopardizing or delaying completion of the proposed transaction or reducing our anticipated benefits. If we agree to any material conditions in order to obtain any approvals required to complete the proposed transaction, our business and results of operations may be adversely affected.

In addition, the use of a significant portion of our cash and the incurrence of substantial indebtedness in connection with the financing of the proposed transaction will reduce our liquidity, and may limit our flexibility in responding to other business opportunities and increase our vulnerability to adverse economic and industry conditions. See the Risk Factor entitled "*There are risks associated with our indebtedness.*"

If the proposed transaction is not completed, our stock price could fall to the extent that our current price reflects an assumption that we will complete it. Furthermore, if the proposed transaction is not completed and the purchase agreement is terminated, we would not realize any of the expected benefits of the

proposed transaction, and we may suffer other consequences that could adversely affect our business, results of operations and stock price, including, among others:

- we could be required to pay a termination fee to NXP of \$2.0 billion;
- we will have incurred and may continue to incur costs relating to the proposed transaction, many of which are payable by us whether or not the proposed transaction is completed;
- matters relating to the proposed transaction (including integration planning) require substantial commitments of time and resources by our management team and numerous others throughout our organization, which could otherwise have been devoted to other opportunities;
- we may be subject to legal proceedings related to the proposed transaction or the failure to complete the proposed transaction;
- the failure to consummate the proposed transaction may result in negative publicity and a negative perception of us in the investment community; and
- any disruptions to our business resulting from the announcement and pendency of the proposed transaction, including any adverse changes in our relationships with our customers, suppliers, partners or employees, may continue or intensify in the event the proposed transaction is not consummated.

The proposed transaction will be our largest acquisition to date, by a significant margin. The benefits we expect to realize from the proposed transaction will depend, in part, on our ability to integrate the businesses successfully and efficiently. See the Risk Factor entitled "*We may engage in strategic acquisitions, transactions or make investments that could adversely affect our results of operations or fail to enhance stockholder value.*"

Furthermore, uncertainties about the proposed transaction may cause our and/or NXP's current and prospective employees to experience uncertainty about their futures. These uncertainties may impair our and/or NXP's ability to retain, recruit or motivate key management, engineering, technical and other personnel. Similarly, our and/or NXP's existing or prospective customers, licensees, suppliers and/or partners may delay, defer or cease purchasing products or services from or providing products or services to us or NXP; delay or defer other decisions concerning us or NXP; or otherwise seek to change the terms on which they do business with us or NXP. Any of the above could harm us and/or NXP, and thus decrease the benefits we expect to receive from the proposed transaction.

The proposed transaction may also result in significant charges or other liabilities that could adversely affect our results of operations, such as cash expenses and non-cash accounting charges incurred in connection with our acquisition and/or integration of the business and operations of NXP. Further, our failure to identify or accurately assess the magnitude of certain liabilities we are assuming in the proposed transaction could result in unexpected litigation or regulatory exposure, unfavorable accounting charges, unexpected increases in taxes due, a loss of anticipated tax benefits or other adverse effects on our business, results of operations, financial condition or cash flows.

Our revenues depend on commercial network deployments, expansions and upgrades of CDMA, OFDMA and other communications technologies; our customers' and licensees' sales of products and services based on these technologies; and customers' demand for our products and services.

We develop, patent and commercialize technology and products based on CDMA, OFDMA and other communications technologies, which are primarily wireless. We depend on operators of wireless networks and our customers and licensees to adopt and/or implement the latest generation of these technologies for use in their networks, devices and services. We also depend on our customers and licensees to

develop devices and services based on these technologies with value-added features to drive consumer demand for new 3G, 3G/4G multimode and 4G devices, and in the future 5G devices, as well as establishing the selling prices for such devices. Further, we depend on the timing of our customers' and licensees' deployments of new devices and services based on these technologies. Increasingly, we also depend on operators of wireless networks, our customers and licensees and other third parties to incorporate these technologies into new device types and into industries beyond traditional cellular communications, such as automotive, the IoT (including the connected home, smart cities, wearables, voice and music and robotics), data center, networking, computing, and machine learning, among others. We are also impacted by consumers' rates of replacement of smartphones and other computing devices.

Our revenues and/or growth in revenues could be negatively impacted, our business may be harmed and our substantial investments in these technologies may not provide us an adequate return, if:

- wireless operators and industries beyond traditional cellular communications deploy alternative technologies;
- wireless operators delay next-generation network deployments, expansions or upgrades and/or delay moving 2G customers to 3G, 3G/4G multimode or 4G wireless devices;
- LTE, an OFDMA-based 4G wireless technology, is not more widely deployed or further commercial deployment is delayed;
- government regulators delay making sufficient spectrum available for 3G, 4G, new unlicensed technologies that we are developing in conjunction with 3G and 4G, as well as for 5G, thereby restricting the ability of wireless operators to deploy or expand the use of these technologies;
- wireless operators delay or do not drive improvements in 3G, 4G or 3G/4G multimode network performance and/or capacity;
- our customers' and licensees' revenues and sales of products, particularly premium-tier products, and services using these technologies do not grow or do not grow as quickly as anticipated due to, for example, the maturity of smartphone penetration in developed regions;
- our intellectual property and technical leadership included in the 5G standardization effort is different than in 3G and 4G standards;
- the standardization and/or deployment of 5G technology is delayed; and/or
- we are unable to drive the adoption of our products and services into networks and devices, including devices beyond traditional cellular applications, based on CDMA, OFDMA and other communications technologies.

Our industry is subject to competition in an environment of rapid technological change that could result in decreased demand and/or declining average selling prices for our products and/or those of our customers and/or licensees.

Our products, services and technologies face significant competition. We expect competition to increase as our current competitors expand their product offerings or reduce the prices of their products as part of a strategy to attract new business and/or customers, as new opportunities develop and as new competitors enter the industry. Competition in wireless communications is affected by various factors that include, among others: device manufacturer concentrations and vertical integration; growth in demand, consumption and competition in certain geographic regions; government intervention and/or support of national industries and/or competitors; evolving industry standards and business models; evolving methods of transmission of voice and data communications; increasing data traffic and densification of wireless networks; convergence and aggregation of connectivity technologies (including Wi-Fi and LTE)

in both devices and access points; consolidation of wireless technologies and infrastructure at the network edge; networking and connectivity trends (including cloud services); use of both licensed and unlicensed spectrum; the evolving nature of computing (including demand for always on, always connected capabilities); the speed of technological change (including the transition to smaller geometry process technologies); value-added features that drive selling prices as well as consumer demand for new 3G, 3G/4G multimode and 4G devices; turnkey, integrated products that incorporate hardware, software, user interface, applications and reference designs; scalability; and the ability of the system technology to meet customers' immediate and future network requirements. We anticipate that additional competitors will introduce products as a result of growth opportunities in wireless communications, the trend toward global expansion by foreign and domestic competitors, technological and public policy changes and relatively low barriers to entry in certain segments of the industry. Additionally, the semiconductor industry has experienced and may continue to experience consolidation, which could result in significant changes to the competitive landscape.

We expect that our future success will depend on, among other factors, our ability to:

- differentiate our integrated circuit products with innovative technologies across multiple products and features (e.g., modem, RFFE, graphics and/or other processors, camera and connectivity) and with smaller geometry process technologies that drive performance;
- develop and offer integrated circuit products at competitive cost and price points to effectively cover both emerging and developed geographic regions and all device tiers;
- continue to drive the adoption of our integrated circuit products into the most popular device models and across a broad spectrum of devices, such as smartphones, tablets, laptops, other computing devices, automobiles, wearables and voice and music and other connected devices and infrastructure products;
- maintain and/or accelerate demand for our integrated circuit products at the premium device tier, while increasing the adoption of our products in mid- and low-tier devices, in part by strengthening our integrated circuit product roadmap for, and developing channel relationships in, emerging geographic regions, such as China and India, and by providing turnkey products, which incorporate our integrated circuits, for low- and mid-tier smartphones, tablets and laptops;
- continue to be a leader in 4G technology evolution, including expansion of our LTE-based single mode licensing program in areas where single-mode products are commercialized, and continue to innovate and introduce 4G turnkey, integrated products and services that differentiate us from our competition;
- be a leader serving original equipment manufacturers, high level operating systems (HLOS) providers, operators, cloud providers and other industry participants as competitors, new industry entrants and other factors continue to affect the industry landscape;
- be a preferred partner (and sustain preferred relationships) providing integrated circuit products that support multiple operating system and infrastructure platforms to industry participants that effectively commercialize new devices using these platforms;
- increase and/or accelerate demand for our semiconductor component products, including RFFE, and our wired and wireless connectivity products, including networking products for consumers, carriers and enterprise equipment and connected devices;
- identify potential acquisition targets that will grow or sustain our business or address strategic needs, reach agreement on terms acceptable to us and effectively integrate these new businesses and/or technologies;

- create standalone value and/or contribute to the success of our existing businesses through acquisitions, joint ventures and other transactions (and/or by developing customer, licensee and/or vendor relationships) in new industry segments and/or disruptive technologies, products and/or services (such as products for automotive, IoT (including the connected home, smart cities, wearables, voice and music and robotics), data center, networking, computing, and machine learning, among others);
- become a leading supplier of RFFE products, which are designed to address cellular RF band fragmentation while improving RF performance and assist original equipment manufacturers in developing multiband, multimode mobile devices;
- be a leader in 5G technology development, standardization, intellectual property creation and licensing and develop and commercialize 5G integrated circuit products and services; and/or
- continue to develop brand recognition to effectively compete against better known companies in computing and other consumer driven segments and to deepen our presence in significant emerging geographic regions.

Competition in any or all product tiers may result in the loss of certain business or customers, which would negatively impact our revenues, results of operations and cash flows. Such competition may also reduce average selling prices for our chipset products and/or the products of our customers and licensees. Certain of these dynamics are particularly pronounced in emerging geographic regions where competitors may have lower cost structures and/or may have a willingness and ability to accept lower prices and/or lower or negative margins on their products (particularly in China). Reductions in the average selling prices of our chipset products, without a corresponding increase in volumes, would negatively impact our revenues, and without corresponding decreases in average unit costs, would negatively impact our margins. In addition, reductions in the average selling prices of our licensees' products, unless offset by an increase in volumes, would generally decrease total royalties payable to us, negatively impacting our licensing revenues.

Companies that promote standards that are neither CDMA- nor OFDMA-based (e.g., GSM) as well as companies that design integrated circuits based on CDMA, OFDMA, Wi-Fi or their derivatives are generally competitors or potential competitors. Examples (some of which are strategic partners of ours in other areas) include Broadcom Limited, Cirrus Logic, Cypress Semiconductor Corporation, HiSilicon Technologies, Intel, Marvell Technology, Maxim Integrated Products, MediaTek, Microchip Technology Inc., Murata Manufacturing Co., Ltd., Nordic Semiconductor, Nvidia, Qorvo Inc., Realtek Semiconductor, Renesas Electronics Corporation, Samsung Electronics, Sequans Communications S.A., Skyworks Solutions Inc., Sony Corporation and Spreadtrum Communications (which is controlled by Tsinghua Unigroup). Some of these current and potential competitors may have advantages over us that include, among others: motivation by our customers in certain circumstances to utilize their own internally-developed integrated circuit products, to use our competitors' integrated circuit products and/or sell such products to others, including by bundling with other products, or to choose alternative technologies; lower cost structures and/or a willingness and ability to accept lower prices and lower or negative margins for their products, particularly in China; foreign government support of other technologies or competitors; better known brand names; ownership and control of manufacturing facilities and greater expertise in manufacturing processes; more extensive relationships with local distribution companies and original equipment manufacturers in certain geographic regions (such as China) and/or experience in adjacent industry segments outside traditional cellular industries (such as automotive and IoT); and/or a more established presence in certain regions.

We derive a significant portion of our consolidated revenues from a small number of customers and licensees. If revenues derived from these customers or licensees decrease or the timing of such revenues fluctuates, our business and results of operations could be negatively affected.

Our QCT segment derives a significant portion of its revenues from a small number of customers, and we expect this trend to continue in the foreseeable future. Our industry is experiencing and may continue to experience concentration of device share among a few companies, particularly at the premium tier, contributing to this trend. In addition, certain of our largest integrated circuit customers develop their own integrated circuit products, which they have in the past chosen, and may in the future choose, to utilize in certain of their devices rather than our integrated circuit products (and/or sell their integrated circuit products to third parties in competition with us). Also, one of our largest integrated circuit customers has utilized products of one of our competitors in certain of their devices rather than our products.

The loss of any one of our significant customers, a reduction in the purchases of our products by such customers or the cancelation of significant purchases by any of these customers, whether due to the use of their own integrated circuit products, our competitors' integrated circuit products or otherwise, would reduce our revenues and could harm our ability to achieve or sustain expected results of operations, and a delay of significant purchases, even if only temporary, would reduce our revenues in the period of the delay. Any such reduction in revenues would also impact our cash resources available for other purposes, such as research and development. Further, the concentration of device share among a few companies, and the corresponding purchasing power of these companies, may result in lower prices for our products which, if not accompanied by a sufficient increase in the volume of purchases of our products, could have an adverse effect on our revenues and margins. In addition, the timing and size of purchases by our significant customers may be impacted by the timing of such customers' new or next generation product introductions, over which we have no control, and the timing of such introductions may cause our revenues and results of operations to fluctuate. Accordingly, if current industry dynamics and concentrations continue, our QCT segment's revenues will continue to depend largely upon, and be impacted by, future purchases, and the timing and size of any such future purchases, by these significant customers.

One of our largest customers purchases our Mobile Data Modem (MDM) products, which do not include our integrated application processor technology and which have lower revenue and margin contributions than our combined modem and application processor products. To the extent such customer takes device share from our other customers who purchase our integrated modem and application processor products, our revenues and margins may be negatively impacted.

Further, companies that develop HLOS for devices, including leading technology companies, now sell their own devices. If we fail to effectively partner or continue partnering with these companies, or with their partners or customers, they may decide not to purchase (either directly or through their contract manufacturers), or to reduce or discontinue their purchases of, our integrated circuit products.

In addition, there has been and continues to be litigation among certain of our customers and other industry participants, and the potential outcomes of such litigation, including but not limited to injunctions against devices that incorporate our products and/or intellectual property, or rulings on certain patent law or patent licensing issues that create new legal precedent, could impact our business, particularly if such action impacts one of our larger customers.

Although we have several hundred licensees, our QTL segment derives a significant portion of its licensing revenues from a limited number of licensees. In the event that one or more of our significant licensees fail to meet their reporting and/or payment obligations, or we are unable to renew or modify one or more of such license agreements under similar terms, our revenues, results of operations and cash flows would be adversely impacted. Moreover, the future growth and success of our core licensing business will depend in part on the ability of our licensees to develop, introduce and deliver high-volume products that achieve and sustain customer acceptance. We have no control over the product development, sales efforts or pricing of products by our licensees, and our licensees might not be successful. Reductions in the average selling prices of wireless devices sold by our significant licensees,

without a sufficient increase in the volumes of such devices sold, would generally have an adverse effect on our licensing revenues.

We derive a significant portion of our consolidated revenues from the premium-tier device segment. If sales of premium-tier devices decrease, and/or sales of our premium-tier integrated circuit products decrease, our results of operations could be negatively affected.

We derive a significant portion of our revenues from the premium-tier device segment, and we expect this trend to continue in the foreseeable future. We have experienced, and expect to continue to experience, slowing growth in the premium-tier device segment due to, among other factors, lengthening replacement cycles in developed regions, where premium-tier smartphones are common; increasing consumer demand in emerging regions, particularly China and India, where premium-tier smartphones are less common and replacement cycles are on average longer than in developed regions; and/or a maturing premium-tier smartphone industry in which demand is increasingly driven by new product launches and/or innovation cycles.

In addition, as discussed in the prior risk factor, our industry is experiencing concentration of device share among a few companies at the premium tier, which gives them significant supply chain leverage. Further, those companies may utilize their own internally-developed integrated circuit products, or our competitors' integrated circuit products, rather than our products in a portion of their devices. These dynamics may result in lower prices for and/or reduced sales of our premium-tier integrated circuit products.

A reduction in sales of premium-tier devices, or a reduction in sales of our premium-tier integrated circuit products (which have a higher revenue and margin contribution than our lower-tier integrated circuit products), may reduce our revenues and margins and may harm our ability to achieve or sustain expected financial results. Any such reduction in revenues would also impact our cash resources available for other purposes, such as research and development.

Efforts by some communications equipment manufacturers or their customers to avoid paying fair and reasonable royalties for the use of our intellectual property may require the investment of substantial management time and financial resources and may result in legal decisions and/or actions by governments, courts, regulators or agencies, SDOs or other industry organizations that harm our business.

From time to time, companies initiate various strategies to attempt to renegotiate, mitigate and/or eliminate their need to pay royalties to us for the use of our intellectual property. These strategies have included: (i) litigation, often alleging infringement of patents held by such companies, patent misuse, patent exhaustion, patent invalidity and/or unenforceability of our patents and/or licenses, that we do not license our patents on fair, reasonable and nondiscriminatory ("FRAND") terms, or some form of unfair competition or competition law violation; (ii) taking positions contrary to our understanding of their contracts with us; (iii) appeals to governmental authorities; (iv) collective action, including working with wireless operators, standards bodies, other like-minded companies and other organizations, on both formal and informal bases, to adopt intellectual property policies and practices that could have the effect of limiting returns on intellectual property innovations; (v) lobbying governmental regulators and elected officials for the purpose of seeking the reduction of royalty rates or the base on which royalties are calculated, the imposition of some form of compulsory licensing and/or to weaken a patent holder's ability to enforce its rights or obtain a fair return for such rights; and (vi) licensees using various strategies to attempt to shift their royalty obligation to their suppliers that results in lowering the wholesale (i.e., licensee's) selling price on which the royalty is calculated.

In addition, certain licensees have disputed, underreported, underpaid, not reported and/or not paid royalties owed to us under their license agreements or reported to us in a manner that is not in compliance with their contractual obligations, and certain companies have yet to enter into or delayed entering into or renewing license agreements with us for their use of our intellectual property, and licensees and/or companies may continue to do so in the future. The fact that one or more licensees dispute, underreport, underpay, do not report and/or do not pay royalties owed to us may encourage

other licensees to take similar actions and may encourage other licensees or unlicensed companies to delay entering into, or not enter into, new license agreements. Further, to the extent such licensees and/or companies increase their device share, the negative impact of their underreporting, underpayment, non-payment and/or non-reporting on our business, revenues, results of operations, financial condition and/or cash flows will be exacerbated.

We are currently subject to various litigation and governmental investigations and/or proceedings, some of which have arisen and may continue to arise out of the strategies described above. Certain legal matters are described more fully in this prospectus under "Legal and Regulatory Proceedings" included in Part II - Section 5.3. The unfavorable resolution of one or more of these matters could have a material adverse effect on our business, results of operations, financial condition and/or cash flows. Depending on the type of matter, various remedies that could result from an unfavorable resolution include, among others, injunctions, monetary damages or fines or other orders to pay money and the issuance of orders to cease certain conduct and/or modify our business practices. Further, a governmental body in a particular country or region may assert, and may be successful in imposing, remedies with effects that extend beyond the borders of that country or region. See also the Risk Factor entitled "If we are required to change our patent licensing practices due to governmental investigations and/or private legal proceedings challenging those practices, our business and results of operations could be adversely impacted."

In addition, in connection with our participation in SDOs, we, like other patent owners, generally have made contractual commitments to such organizations to license those of our patents that would necessarily be infringed by standard-compliant products as set forth in those commitments. Some manufacturers and users of standard-compliant products advance interpretations of these commitments that are adverse to our licensing business, including interpretations that would limit the amount of royalties that we could collect on the licensing of our patent portfolio.

Further, some companies or entities have proposed significant changes to existing intellectual property policies for implementation by SDOs and other industry organizations with the goal of significantly devaluing standard-essential patents. For example, some have put forth proposals which would require a maximum aggregate intellectual property royalty rate for the use of all standard-essential patents owned by all of the member companies to be applied to the selling price of any product implementing the relevant standard. They have further proposed that such maximum aggregate royalty rate be apportioned to each member company with standard-essential patents based upon the number of standard-essential patents held by such company. Others have proposed that injunctions not be an available remedy for infringement of standard-essential patents and/or have made proposals that could severely limit damage awards and other remedies by courts for patent infringement (e.g., by severely limiting the base upon which the royalty percentage may be applied). A number of these strategies are purportedly based on interpretations of the policies of certain SDOs concerning the licensing of patents that are or may be essential to industry standards and on our (and/or other companies') alleged failure to abide by these policies.

Some SDOs, courts and governmental agencies have adopted and may in the future adopt some or all of these interpretations or proposals in a manner adverse to our interests, including in litigation to which we may not be a party.

We expect that such proposals, interpretations and strategies will continue in the future, and if successful, our business model would be harmed, either by limiting or eliminating our ability to collect royalties (or by reducing the royalties we can collect) on all or a portion of our patent portfolio, limiting our return on investment with respect to new technologies, limiting our ability to seek injunctions against infringers of our standard-essential patents, constraining our ability to make licensing commitments when submitting our technology for inclusion in future standards (which could make our technology less likely to be included in such standards) or forcing us to work outside of SDOs or other industry groups to promote our new technologies, and our revenues, results of operations and/or cash flows could be negatively impacted. In addition, the legal and other costs associated with asserting or defending our positions have been and continue to be significant. We assume that such challenges, regardless of their merits, will

continue into the foreseeable future and may require the investment of substantial management time and financial resources.

Our business, particularly our licensing business, may suffer as a result of adverse rulings in government investigations or proceedings.

We are currently subject to various governmental investigations and/or proceedings, particularly with respect to our licensing business, and certain such matters are described more fully in this prospectus under "Legal and Regulatory Proceedings" included in Part II - Section 5.3. Key allegations in those matters include, among others, that we do not license our cellular standard-essential patents separately from our other patents, that we violate FRAND licensing commitments by refusing to grant licenses to chipset makers, that our royalty rates are too high and/or that the base on which our royalties are calculated should be something less than the wholesale (i.e., licensee's) selling price of the applicable device (minus certain permitted deductions). The unfavorable resolution of one or more of these matters could have a material adverse effect on our business, results of operations, financial condition and/or cash flows. Depending on the type of matter, various remedies that could result from an unfavorable resolution include, among others, injunctions, monetary damages or fines or other orders to pay money, and the issuance of orders to cease certain conduct and/or modify our business practices. Further, a governmental body in a particular country or region may assert, and may be successful in imposing, remedies with effects that extend beyond the borders of that country or region. See also the Risk Factor entitled "If we are required to change our patent licensing practices due to governmental investigations and/or private legal proceedings challenging those practices, our business and results of operations could be adversely impacted."

If we are required to change our patent licensing practices due to governmental investigations and/or private legal proceedings challenging those practices, our business and results of operations could be adversely impacted.

We are currently subject to various governmental investigations and private legal proceedings challenging our patent licensing practices as described more fully in this prospectus under "Legal and Regulatory Proceedings" included in Part II - Section 5.3. Key allegations in those matters include, among others, that we do not license our cellular standard-essential patents separately from our other patents, that we violate FRAND licensing commitments by refusing to grant licenses to chipset makers, that our royalty rates are too high and/or that the base on which our royalties are calculated should be something less than the wholesale (i.e., licensee's) selling price of the applicable device (minus certain permitted deductions). We believe that the ultimate intent of these investigations and legal proceedings is to reduce the amount of royalties that licensees are required to pay to us for their use of our intellectual property.

We have historically licensed our cellular standard-essential patents together with our other patents that may be useful to licensed products because licensees typically have desired to obtain the commercial benefits of receiving such broad patent rights from us. However, we also have licensed only our cellular standard-essential patents to certain licensees who have requested such licenses. In addition, in connection with our resolution with the China National Development and Reform Commission (NDRC) in China, our standard practice in China since 2015 is to offer licenses for our 3G and 4G standard-essential Chinese patents for branded devices sold for use in China separately from licenses to our other patents. If we were required to separately license our cellular standard-essential patents to all of our licensees worldwide, and more licensees chose such a license instead of a portfolio license than has historically been the case, our licensing revenues and earnings would be negatively impacted unless we were able to license our other patents at rates that offset all or a portion of any difference between the royalties previously received for licenses of substantially all of our patent portfolio as compared to licenses of only our cellular standard-essential patents and/or there was a sufficient increase in the overall volume of sales of devices upon which royalties are paid.

If we were required to grant patent licenses to chipset manufacturers (i.e., to implement a more complex, tiered licensing structure in which we license certain portions of our patent portfolio to chipset manufacturers and other portions to device manufacturers), we would incur additional transaction costs,

which may be significant, and we may incur delays in recognizing revenues until license negotiations were completed. In addition, our licensing revenues and earnings would be negatively impacted if we were not able to obtain, in the aggregate, equivalent revenues under such a multi-level licensing structure.

If we were required to reduce the royalty rates we charge under our patent license agreements, our revenues and earnings would be negatively impacted absent a sufficient increase in the volume of sales of devices upon which royalties are paid. Similarly, if we were required to reduce the base on which our royalties are calculated, our revenues, results of operations and/or cash flows would be negatively impacted unless there was a sufficient increase in the volume of sales of devices upon which royalties are paid and/or we were able to increase our royalty rates to offset the decrease in revenues resulting from such lower royalty base (assuming the absolute royalty dollars were below any relevant royalty caps).

To the extent that we were required to implement any of these new licensing practices by modifying or renegotiating our existing license agreements, we would incur additional transaction costs, which may be significant, and we may incur delays in recognizing revenues until license negotiations were completed. The impact of any such changes to our licensing practices could vary widely and by jurisdiction, depending on the specific outcomes and the geographic scope of such outcomes. In addition, if we were required to make modifications to our licensing practices in one jurisdiction, licensees and/or governmental agencies in other jurisdictions may attempt to obtain similar outcomes for themselves and/or for such other jurisdictions, as applicable.

The enforcement and protection of our intellectual property rights may be expensive, could fail to prevent misappropriation or unauthorized use of our intellectual property rights, could result in the loss of our ability to enforce one or more patents, and/or could be adversely affected by changes in patent laws, by laws in certain foreign jurisdictions that may not effectively protect our intellectual property rights and/or by ineffective enforcement of laws in such jurisdictions.

We rely primarily on patent, copyright, trademark and trade secret laws, as well as nondisclosure and confidentiality agreements, international treaties and other methods, to protect our proprietary information, technologies and processes, including our patent portfolio. Policing unauthorized use of our products, technologies and proprietary information is difficult and time consuming. The steps we have taken have not always prevented, and we cannot be certain the steps we will take in the future will prevent, the misappropriation or unauthorized use of our proprietary information and technologies, particularly in foreign countries where the laws may not protect our proprietary intellectual property rights as fully or as readily as United States laws or where the enforcement of such laws may be lacking or ineffective. Some industry participants who have a vested interest in devaluing patents in general, or standard-essential patents in particular, have mounted attacks on certain patent systems, increasing the likelihood of changes to established patent laws. In the United States, there is continued discussion regarding potential patent law changes and current and potential future litigation regarding patents, the outcomes of which could be detrimental to our licensing business. The laws in certain foreign countries in which our products are or may be manufactured or sold, including certain countries in Asia, may not protect our intellectual property rights to the same extent as the laws in the United States. We expect that the European Union will adopt a unitary patent system in the next few years that may broadly impact that region's patent regime. We cannot predict with certainty the long-term effects of any potential changes. In addition, we cannot be certain that the laws and policies of any country or the practices of any standards bodies, foreign or domestic, with respect to intellectual property enforcement or licensing or the adoption of standards, will not be changed in the future in a way detrimental to our licensing program or to the sale or use of our products or technologies.

We have had and may in the future have difficulty in certain circumstances in protecting or enforcing our intellectual property rights and/or contracts, including collecting royalties for use of our patent portfolio due to, among others: refusal by certain licensees to report and/or pay all or a portion of the royalties they owe to us; policies of foreign governments; challenges to our licensing practices under competition laws; adoption of mandatory licensing provisions by foreign jurisdictions (either with controlled/regulated royalties or royalty free); failure of foreign courts to recognize and enforce judgments of contract breach

and damages issued by courts in the United States; and/or challenges before competition agencies to our licensing business and/or the pricing and integration of additional features and functionality into our chipset products. Certain licensees have disputed, underreported, underpaid, not reported and/or not paid royalties owed to us under their license agreements with us or reported to us in a manner that is not in compliance with their contractual obligations, and certain companies have yet to enter into or delayed entering into or renewing license agreements for their use of our intellectual property, and such licensees and/or companies may continue to do so in the future. The fact that one or more licensees dispute, underreport, underpay, do not report and/or do not pay royalties owed to us may encourage other licensees to take similar actions and may encourage other licensees or unlicensed companies to delay entering into, or not enter into, new license agreements. Additionally, although our license agreements provide us with the right to audit the books and records of licensees, audits can be expensive, time consuming, incomplete and subject to dispute. Further, certain licensees may not comply with the obligation to provide full access to their books and records. To the extent we do not aggressively enforce our rights under our license agreements, licensees may not comply with their existing license agreements, and to the extent we do not aggressively pursue unlicensed companies to enter into license agreements with us for their use of our intellectual property, other unlicensed companies may not enter into license agreements.

We have entered into litigation in the past and may need to further litigate in the future to enforce our contract and/or intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights of others. We are currently engaged in litigation matters related to protecting or enforcing our contract and/or intellectual property rights, and certain such matters are described more fully in this prospectus under "Legal and Regulatory Proceedings" included in Part II - Section 5.3. As a result of any such litigation, we could lose our ability to enforce one or more patents, portions of our license agreements could be determined to be invalid or unenforceable (which may in turn result in other licensees either not complying with their existing license agreements and/or initiating litigation) and/or we could incur substantial costs. Any action we take to enforce our contract or intellectual property rights could be costly and could absorb significant management time and attention, which, in turn, could negatively impact our results of operations and/or cash flows. Further, even a positive resolution to our enforcement efforts may take time to conclude, which may reduce our revenues and cash resources available for other purposes, such as research and development, in the periods prior to conclusion. See also the Risk Factor entitled "If we are required to change our patent licensing practices due to governmental investigations and/or private legal proceedings challenging those practices, our business and results of operations could be adversely impacted."

Our growth increasingly depends on our ability to extend our technologies, products and services into new and expanded product areas, such as RFFE, and adjacent industry segments outside of traditional cellular industries, such as automotive, IoT and networking, among others. Our research, development and other investments in these new and expanded product areas and industry segments, and related technologies, products and services, as well as in our existing technologies, products and services and new technologies, such as 5G, may not generate operating income or contribute to future results of operations that meet our expectations.

Our industry is subject to rapid technological change, evolving industry standards and frequent new product introductions, and we must make substantial research, development and other investments, such as acquisitions, in new products, services and technologies to compete successfully. Technological innovations generally require significant research and development efforts before they are commercially viable. While we continue to invest significant resources toward advancements primarily in support of 4G OFDMA- and 5G-based technologies, we also innovate across a broad spectrum of opportunities to deploy new and expanded products and enter into adjacent industry segments by leveraging our existing technical and business expertise and/or through acquisitions.

In particular, our future growth significantly depends on new and expanded product areas, such as RFFE, and adjacent industry segments, such as automotive, IoT (including the connected home, smart cities, wearables, voice and music and robotics) data center, networking, computing, and machine learning, among others; our ability to develop leading and cost-effective technologies, products and services for

new and expanded product areas and adjacent industry segments; and third parties incorporating our technology, products and services into devices used in these product areas and industry segments. Accordingly, we intend to continue to make substantial investments in these new and expanded product areas and adjacent industry segments, and in developing new products, services and technologies for these product areas and industry segments.

However, our research, development and other investments in these new and expanded product areas and adjacent industry segments, and corresponding technologies, products and services, as well as in our existing, technologies, products and services and new technologies, such as 5G, use of both licensed and unlicensed spectrum, and convergence of cellular and Wi-Fi, may not succeed due to, among others: new industry segments and/or consumer demand may not grow as anticipated; our strategies and/or the strategies of our customers, licensees or partners may not be successful; improvements in alternate technologies in ways that reduce the advantages we anticipate from our investments; competitors' products or services being more cost effective, having more capabilities or fewer limitations or being brought to market faster than our new products and services; and competitors having longer operating histories in industry segments that are new to us. We may also underestimate the costs of or overestimate the future revenues and/or margins that could result from these investments, and these investments may not, or may take many years to, generate material returns. Further, the automotive industry is subject to long design-in time frames, long product life cycles and a high degree of regulatory and safety requirements, necessitating suppliers to the industry to comply with stringent qualification processes, very low defect rates and high reliability standards, all of which results in a significant barrier to entry and increased costs.

If our new technologies, products and/or services are not successful, or are not successful in the time frame we anticipate, we may incur significant costs and/or asset impairments, our business may not grow as anticipated, our revenues and/or margins may be negatively impacted and/or our reputation may be harmed.

There are numerous risks associated with our operation and control of manufacturing facilities we acquired through the formation of our joint venture with TDK, RF360 Holdings, including a higher portion of fixed costs relative to a fables model, environmental compliance and liability, exposure to natural disasters, timely supply of equipment and materials and manufacturing difficulties.

Manufacturing facilities are characterized by a higher portion of fixed costs relative to a fables model. In less favorable industry environments, in particular, we may be faced with a decline in the utilization rates of our manufacturing facilities due to decreases in demand for our products. During such periods, our manufacturing facilities could operate at lower capacity levels, while the fixed costs associated with full capacity continue to be incurred, resulting in lower gross profit.

We are subject to many environmental, health and safety laws and regulations in each jurisdiction in which we operate our manufacturing facilities, which govern, among other things, emissions of pollutants into the air, wastewater discharges, the use and handling of hazardous substances, waste disposal, the investigation and remediation of soil and ground water contamination and the health and safety of our employees. We are also required to obtain and maintain environmental permits from governmental authorities for certain of our operations. We cannot make assurances that we will be at all times in compliance with such laws, regulations and permits. Certain environmental laws impose strict, and in certain circumstances, joint and several, liability on current or previous owners or operators of real property for the cost of investigation, removal or remediation of hazardous substances. Certain of these laws also assess liability on persons who arrange for hazardous substances to be sent to disposal or treatment facilities when such facilities are found to be contaminated. In addition, we could also be held liable for consequences arising out of human exposure to hazardous substances or other environmental damage.

We have manufacturing facilities in Asia and Europe. If tsunamis, flooding, earthquakes, volcanic eruptions or other natural disasters or geopolitical conflicts were to damage, destroy or disrupt our

manufacturing facilities, it could disrupt our operations, delay new production and shipments of inventory or result in costly repairs, replacements or other costs. In addition, natural disasters or geopolitical conflicts may result in disruptions in transportation, distribution channels or supply chains, or significant increases in the prices of raw materials.

Our manufacturing operations depend on securing raw materials and other supplies in adequate quality and quantity in a timely manner from multiple suppliers, and in some cases we rely on a limited number of suppliers, particularly in Asia. Accordingly, there may be cases where supplies of raw materials and other products are interrupted by disaster, accident or some other event at a supplier, supply is suspended due to quality or other issues, or there is a shortage of supply due to a rapid increase in demand, which could impact production and prevent us from supplying products to our customers. If the supply-demand balance is disrupted, it may considerably increase costs of manufacturing due to increased prices we pay for raw materials or fuel. From time to time, suppliers may extend lead times, limit the amounts supplied to us or increase prices due to capacity constraints or other factors. Further, it may be difficult or impossible to substitute one piece of equipment for another or replace one type of material with another. A failure by our suppliers to deliver our requirements could result in disruptions to our manufacturing operations.

Our manufacturing processes are highly complex, require advanced and costly equipment and must be continuously modified to improve yields and performance. Difficulties in the production process can reduce yields or interrupt production, and as a result we may not be able to deliver products or do so in a timely, cost-effective or competitive manner. Further, to remain competitive and/or meet customer demand, we may be required to improve our facilities and process technologies and carry out extensive research and development, each of which may require investment of significant amounts of capital, and may have a material adverse effect on our results of operations, financial condition and/or cash flows.

The continued and future success of our licensing programs can be impacted by the deployment of other technologies in place of technologies based on CDMA, OFDMA and their derivatives; the success of our licensing programs for 4G single mode products and emerging industry segments; and the need to extend license agreements that are expiring and/or to cover additional future patents.

Although we own a very strong portfolio of issued and pending patents related to OFDM, OFDMA, WLAN and other technologies, our patent portfolio licensing program in some of these areas may be less established and might not be as successful in generating licensing revenues as our CDMA licensing program has been. Many wireless operators have selected or have deployed OFDMA-based LTE as their next-generation 4G technology in existing (or future if not yet deployed) wireless spectrum bands as complementary to their existing CDMA-based networks. While 3G/4G multimode products are generally covered by our existing 3G licensing agreements, products that implement 4G but do not also implement 3G are generally not covered by these agreements. We believe that our patented technologies are essential and useful to implementation of the LTE industry standards and have granted royalty-bearing 4G single-mode licenses to the majority of the leading handset and other wireless device companies (including Huawei, LG, Microsoft, Oppo, Samsung, Sony Mobile, vivo, Xiaomi and ZTE) as they recognize that they need a license to our patents to make and sell products implementing 4G standards but not implementing 3G standards. The royalty rates for single mode 4G products are lower than our royalty rates for 3G and 3G/4G multimode products. Accordingly, without a corresponding increase in volumes and/or device ASP, we will not achieve the same licensing revenues on such LTE products as on 3G and 3G/4G multimode products. In addition, new connectivity and other services are emerging that rely on devices that may or may not be used on traditional cellular networks, such as devices used in the IoT and automotive industry segments. We also seek to diversify and broaden our technology licensing programs to new industry segments in which we can utilize our technology leadership, such as wireless charging and other technologies. Standards, even de facto standards, that develop as these technologies mature, in particular those that do not include a base level of interoperability, may impact our ability to obtain royalties at all or that are equivalent to those that we receive for 3G and 3G/4G multimode products used in cellular communications. Although we believe that our patented technologies are essential and useful

to the commercialization of such services, any royalties we receive may be lower than those we receive from our current licensing program.

Over the long-term, we need to continue to evolve our patent portfolio, particularly in 5G. If we do not maintain a strong portfolio that is applicable to current and/or future standards (such as 5G), products and/or services, our future licensing revenues could be negatively impacted.

The licenses granted to and from us under a number of our license agreements include only patents that are either filed or issued prior to a certain date. As a result, there are agreements with some licensees where later patents are not licensed by or to us. Additionally, certain of our license agreements (including essentially all of our recent agreements in China) are effective for a specified term. In order to license or to obtain a license to such later patents or after the expiration of a specified term, or to receive royalties after the specified time period, we will need to extend or modify such license agreements or enter into new license agreements with such licensees. Accordingly, to the extent not renewed on their terms or by election for an additional (generally multi-year) period, if applicable, we will need to extend or modify such license agreements or enter into new license agreements with such licensees more frequently than we have done historically. We might not be able to renew those license agreements, or enter into new license agreements, in the future without affecting the material terms and conditions of our license agreements with such licensees, and such modifications or new agreements may negatively impact our revenues. If there is a delay in renewing a license agreement prior to its expiration, there would be a delay in our ability to recognize revenues related to that licensee's product sales. Further, if we are unable to reach agreement on such modifications or new agreements, it could result in patent infringement litigation with such companies.

We depend on a limited number of third-party suppliers for the procurement, manufacture and testing of our products manufactured in a fabless production model. If we fail to execute supply strategies that provide technology leadership, supply assurance and low cost, our business and results of operations may be harmed. We are also subject to order and shipment uncertainties that could negatively impact our results of operations.

Our QCT segment primarily utilizes a fabless production model, which means that we do not own or operate foundries for the production of silicon wafers from which our integrated circuits are made. Other than the manufacturing facilities we now operate through our recently formed RF360 Holdings joint venture, we rely on independent third-party suppliers to perform the manufacturing and assembly, and most of the testing, of our integrated circuits. Our suppliers are also responsible for the procurement of most of the raw materials used in the production of our integrated circuits. We employ both turnkey and two-stage manufacturing models to purchase our integrated circuits. Under the turnkey model, our foundry suppliers are responsible for delivering fully assembled and tested integrated circuits. Under the two-stage manufacturing model, we purchase die in singular or wafer form from semiconductor manufacturing foundries and contract with separate third-party suppliers for manufacturing services such as wafer bump, probe, assembly and the majority of our final test requirements. The semiconductor manufacturing foundries that supply products to our QCT segment are primarily located in Asia, as are our primary warehouses where we store finished goods for fulfillment of customer orders. The following could have an adverse effect on our ability to meet customer demands and/or negatively impact our revenues, business operations, profitability and/or cash flows:

- a reduction, interruption, delay or limitation in our product supply sources;
- a failure by our suppliers to procure raw materials or to provide or allocate adequate manufacturing or test capacity for our products;
- our suppliers' inability to react to shifts in product demand or an increase in raw material or component prices;

- our suppliers' delay in developing leading process technologies, or inability to develop or maintain leading process technologies, including transitions to smaller geometry process technologies;
- the loss of a supplier or the inability of a supplier to meet performance, quality or yield specifications or delivery schedules;
- additional expense and/or production delays as a result of qualifying a new supplier and commencing volume production or testing in the event of a loss of or a decision to add or change a supplier; and/or
- natural disasters or geopolitical conflicts, particularly in Asia, impacting our suppliers.

While we have established alternate suppliers for certain technologies, we rely on sole- or limited-source suppliers for certain products, subjecting us to significant risks, including: possible shortages of raw materials or manufacturing capacity; poor product performance; and reduced control over delivery schedules, manufacturing capability and yields, quality assurance, quantity and costs. To the extent we have established alternate suppliers, these suppliers may require significant levels of support to bring complex technologies to production. As a result, we may invest a significant amount of effort and resources and incur higher costs to support and maintain such alternate suppliers. Further, any future consolidation of foundry suppliers could increase our vulnerability to sole- or limited-source arrangements and reduce our suppliers' willingness to negotiate pricing, which could negatively impact our ability to achieve cost reductions and/or increase our manufacturing costs. Our arrangements with our suppliers may obligate us to incur costs to manufacture and test our products that do not decrease at the same rate as decreases in pricing to our customers. Our ability, and that of our suppliers, to develop or maintain leading process technologies, including transitions to smaller geometry process technologies, and to effectively compete with the manufacturing processes and performance of our competitors, could impact our ability to introduce new products and meet customer demand, could increase our costs (possibly decreasing our margins) and could subject us to the risk of excess inventories. Our inability to meet customer demand due to sole- or limited-sourcing and/or the additional costs that we incur because of these or other supply constraints or because of the need to support alternate suppliers could negatively impact our business, our results of operations and/or cash flows.

Although we have long-term contracts with our suppliers, many of these contracts do not provide for long-term capacity commitments. To the extent we do not have firm commitments from our suppliers over a specific time period or for any specific quantity, our suppliers may allocate, and in the past have allocated, capacity to the production and testing of products for their other customers while reducing or limiting capacity to manufacture or test our products. Accordingly, capacity for our products may not be available when we need it or at reasonable prices. To the extent we do obtain long-term capacity commitments, we may incur additional costs related to those commitments and/or make non-refundable payments for capacity commitments that are not used.

One or more of our suppliers or potential alternate suppliers may manufacture CDMA- or OFDMA-based integrated circuits that compete with our products. Such suppliers could elect to allocate raw materials and manufacturing capacity to their own products and reduce or limit deliveries to us to our detriment.

In addition, we may not receive reasonable pricing, manufacturing or delivery terms from our suppliers. We cannot guarantee that the actions of our suppliers will not cause disruptions in our operations that could harm our ability to meet our delivery obligations to our customers or increase our cost of sales.

Additionally, we place orders with our suppliers using our forecasts of customer demand, which are based on a number of assumptions and estimates, and are generally only partially covered by commitments from our customers. If we overestimate customer demand, we may experience increased excess and/or obsolete inventory, which would negatively impact our results of operations.

Claims by other companies that we infringe their intellectual property could adversely affect our business.

From time to time, companies have asserted, and may again assert, patent, copyright and other intellectual property rights against our products or products using our technologies or other technologies used in our industry. These claims have resulted and may again result in our involvement in litigation. We may not prevail in such litigation given, among other factors, the complex technical issues and inherent uncertainties in intellectual property litigation. If any of our products or services were found to infringe another company's intellectual property rights, we could be subject to an injunction or be required to redesign our products or services, which could be costly, or to license such rights and/or pay damages or other compensation to such other company. If we are unable to redesign our products or services, license such intellectual property rights used in our products or services or otherwise distribute our products (e.g., through a licensed supplier), we could be prohibited from making and selling such products or providing such services. In any potential dispute involving other companies' patents or other intellectual property, our chipset foundries, semiconductor assembly and test providers and customers could also become the targets of litigation. We are contingently liable under certain product sales, services, license and other agreements to indemnify certain customers, chipset foundries and semiconductor assembly and test service providers against certain types of liability and/or damages arising from qualifying claims of patent infringement by products or services sold or provided by us, or by intellectual property provided by us to our chipset foundries and semiconductor assembly and test service providers. Reimbursements under indemnification arrangements could have an adverse effect on our results of operations and/or cash flows. Furthermore, any such litigation could severely disrupt the supply of our products and the businesses of our chipset customers and their customers, which in turn could hurt our relationships with them and could result in a decline in our chipset sales and/or reductions in our licensees' sales, causing a corresponding decline in our chipset and/or licensing revenues. Any claims, regardless of their merit, could be time consuming to address, result in costly litigation, divert the efforts of our technical and management personnel or cause product release or shipment delays, any of which could have an adverse effect on our results of operations and cash flows.

We expect that we may continue to be involved in litigation and may have to appear in front of administrative bodies (such as the United States International Trade Commission ("ITC")) to defend against patent assertions against our products by companies, some of whom are attempting to gain competitive advantage or leverage in licensing negotiations. We may not be successful in such proceedings, and if we are not, the range of possible outcomes is very broad and may include, for example, monetary damages or fines or other orders to pay money, royalty payments, injunctions on the sale of certain of our integrated circuit products (and/or on the sale of our customers' devices using such products) and/or the issuance of orders to cease certain conduct and/or modify our business practices. Further, a governmental body in a particular country or region may assert, and may be successful in imposing, remedies with effects that extend beyond the borders of that country or region. In addition, a negative outcome in any such proceeding could severely disrupt the business of our chipset customers and their wireless operator customers, which in turn could harm our relationships with them and could result in a decline in our worldwide chipset sales and/or a reduction in our licensees' sales to wireless operators, causing corresponding declines in our chipset and/or licensing revenues.

Certain legal matters, including certain claims by other companies that we infringe their intellectual property, are described more fully in this prospectus under "Legal and Regulatory Proceedings" included in Part II - Section 5.3.

We may engage in strategic acquisitions, transactions or make investments that could adversely affect our results of operations or fail to enhance stockholder value.

We engage in strategic acquisitions and other transactions, including joint ventures, and make investments, which we believe are important to the future of our business, with the goal of maximizing stockholder value. We acquire businesses and other assets, including patents, technology, wireless spectrum and other intangible assets, enter into joint ventures or other strategic transactions and purchase minority equity interests in or make loans to companies that may be private and early-stage.

Our strategic activities are generally focused on opening or expanding opportunities for our technologies and supporting the design and introduction of new products and services (or enhancing existing products or services) for voice and data communications and new industry segments. Recent material transactions include our acquisition of CSR plc, our RF360 Holdings joint venture with TDK and our proposed acquisition of NXP. Many of our strategic activities entail a high degree of risk and require the use of domestic and/or foreign capital, and investments may not become liquid for several years after the date of the investment, if at all. Our strategic activities may not generate financial returns or result in increased adoption or continued use of our technologies, products or services. We may underestimate the costs and/or overestimate the benefits, including product, revenue, cost and other synergies and growth opportunities that we expect to realize, and we may not achieve those benefits. In some cases, we may be required to consolidate or record our share of the earnings or losses of companies in which we have acquired ownership interests. In addition, we may record impairment charges related to our strategic activities. Any losses or impairment charges that we incur related to strategic activities will have a negative impact on our financial condition and results of operations, and we may continue to incur new or additional losses related to strategic assets or investments that we have not fully impaired or exited.

Achieving the anticipated benefits of business acquisitions, including joint ventures and other strategic investments in which we have management and operational control, depends in part upon our ability to integrate the businesses in an efficient and effective manner and achieve anticipated synergies, and we may not be successful in these efforts. Such integration is complex and time consuming and involves significant challenges, including, among others: retaining key employees; successfully integrating new employees, technology, products, processes, operations (including manufacturing operations), sales and distribution channels, business models and business systems; retaining customers and suppliers of the businesses; consolidating research and development and/or supply operations; minimizing the diversion of management's attention from ongoing business matters; consolidating corporate and administrative infrastructures; and managing the increased scale, complexity and globalization of our business, operations and employee base. We may not derive any commercial value from associated technologies or products or from future technologies or products based on these technologies, and we may be subject to liabilities that are not covered by indemnification protection that we may obtain, and we may become subject to litigation. Additionally, we may not be successful in entering or expanding into new sales or distribution channels, business or operational models (including manufacturing), geographic regions, industry segments and/or categories of products served by or adjacent to the associated businesses or in addressing potential new opportunities that may arise out of the combination.

If we do not achieve the anticipated benefits of business acquisitions or other strategic activities, our business and results of operations may be adversely affected, and we may not enhance stockholder value by engaging in these transactions.

We are subject to various laws, regulations, policies and standards. Our business may suffer as a result of existing, or new or amended, laws, regulations, policies or standards and/or our failure or inability to comply with laws, regulations, policies or standards.

Our business, products and services, and those of our customers and licensees, are subject to various laws and regulations globally, as well as government policies and the specifications of international, national and regional communications standards bodies. Compliance with existing laws, regulations, policies and standards, the adoption of new laws, regulations, policies or standards, changes in the interpretation of existing laws, regulations, policies or standards, changes in the regulation of our activities by a government or standards body and/or rulings in court, regulatory, administrative or other proceedings relating to such laws, regulations, policies or standards, including, among others, those affecting licensing practices, competitive business practices, the use of our technology or products, protection of intellectual property, trade, foreign currency, investments or loans, spectrum availability and license issuance, adoption of standards, the provision of device subsidies by wireless operators to their customers, taxation, export control, privacy and data protection, environmental protection, health and safety, labor and employment, human rights, corporate governance, public disclosure or business conduct could have an adverse effect on our business and results of operations.

Government policies, particularly in China, that restrict the timing of funds that may flow out of a country may impact the timing of our receipt of payments from our customers and/or licensees in such country, which may negatively impact our cash flows.

Delays in government approvals or other governmental activities that could result from, among others, a decrease in or a lack of funding for certain agencies or branches of the government and/or political changes, could result in our incurring higher costs, could negatively impact our ability to timely consummate strategic transactions and/or could have other negative impacts on our business and the businesses of our customers and licensees.

National, state and local environmental laws and regulations affect our operations around the world. These laws may make it more expensive to manufacture, have manufactured and sell products, and our costs could increase if our vendors (e.g., suppliers, third-party manufacturers or utility companies) pass on their costs to us. We are also subject to laws and regulations impacting the manufacturing operations we acquired through our RF360 Holdings joint venture. See the Risk Factor entitled "There are numerous risks associated with our operation and control of manufacturing facilities we acquired through the formation of our joint venture with TDK, RF360 Holdings, including high fixed costs, environmental compliance and liability, exposure to natural disasters, timely supply of equipment and materials and manufacturing difficulties."

Regulations in the United States require that we determine whether certain materials used in our products, referred to as conflict minerals, originated in the Democratic Republic of the Congo or an adjoining country (collectively, the Covered Countries), or were from recycled or scrap sources. Other countries or regions may impose similar requirements in the future. The verification and reporting requirements, in addition to customer demands for conflict free sourcing, impose additional costs on us and on our suppliers and may limit the sources or increase the prices of materials used in our products. Further, if we are unable to determine that the conflict minerals used in our products do not directly or indirectly finance or benefit armed groups in the Covered Countries, we may face challenges with our customers that place us at a competitive disadvantage, and our reputation may be harmed. Similarly, other laws and regulations have been adopted or proposed that require additional transparency regarding the employment practices of our suppliers, and any failure to maintain responsible sourcing practices could also adversely affect our relationships with customers and our reputation.

Laws, regulations, policies and standards are complex and changing and may create uncertainty regarding compliance. Laws, regulations, policies and standards are subject to varying interpretations in many cases, and their application in practice may evolve over time. As a result, our efforts to comply may fail, particularly if there is ambiguity as to how they should be applied in practice. Failure to comply with any law, regulation, policy or standard may adversely affect our business, results of operations and/or cash flows. New laws, regulations, policies and standards or evolving interpretations of legal requirements may cause us to incur higher costs as we revise current practices, policies and/or procedures and may divert management time and attention to compliance activities.

Our use of open source software may harm our business.

Certain of our software and our suppliers' software may contain or may be derived from "open source" software, and we have seen, and believe we will continue to see, an increase in customers requesting that we develop products, including software associated with our integrated circuit products, that incorporate open source software elements and operate in an open source environment, which, under certain open source licenses, may offer accessibility to a portion of a product's source code and may expose related intellectual property to adverse licensing conditions. Licensing of such software may impose certain obligations on us if we were to distribute derivative works of the open source software. For example, these obligations may require us to make source code for the derivative works available to our customers in a manner that allows them to make such source code available to their customers or license such derivative works under a particular type of license that is different than what we customarily use to license our software. Developing open source products, while adequately protecting the intellectual property rights upon which our licensing business depends, may prove burdensome and time-consuming

under certain circumstances, thereby placing us at a competitive disadvantage, and we may not adequately protect our intellectual property rights. Also, our use and our customers' use of open source software may subject our products and our customers' products to governmental scrutiny and delays in product certification, which could cause customers to view our products as less desirable than our competitors' products. While we believe we have taken appropriate steps and employ adequate controls to protect our intellectual property rights, our use of open source software presents risks that could have an adverse effect on these rights and on our business.

Our stock price, earnings and the fair value of our investments are subject to substantial quarterly and annual fluctuations and to market downturns.

Our stock price and earnings have fluctuated in the past and are likely to fluctuate in the future. Factors that may have a significant impact on the market price of our stock and/or earnings include those identified throughout this Risk Factors section, volatility of the stock market in general and technology-based companies in particular, announcements concerning us, our suppliers, our competitors or our customers or licensees and variations between our actual financial results or guidance and expectations of securities analysts or investors, among others. Further, increased volatility in the financial markets and/or overall economic conditions may reduce the amounts that we realize in the future on our cash equivalents and/or marketable securities and may reduce our earnings as a result of any impairment charges that we record to reduce recorded values of marketable securities to their fair values.

In the past, securities class action litigation has been brought against a company following periods of volatility in the market price of its securities. Due to changes in our stock price, we are and may in the future be the target of securities litigation. Securities litigation could result in substantial uninsured costs and divert management's attention and our resources. Certain legal matters, including certain securities litigation brought against us, are described more fully in this prospectus under "Legal and Regulatory Proceedings" included in Part II - Section 5.3.

We maintain an extensive investment portfolio of varied holdings, which are generally classified as available-for-sale and are therefore recorded on our consolidated balance sheet at fair value, with unrealized gains or losses reported as a component of accumulated other comprehensive income. The fair values of our investments are subject to fluctuation based primarily on market price volatility, as well as the underlying operations of the associated investment, among other things. If the fair value of such investments decreases below their cost basis, as some of our previous investments have, we may be required in certain circumstances to recognize a loss in our results of operations. The sensitivity of and risks associated with the market value of our investment portfolio are described more fully in this prospectus in Part II, Section A. II. Quantitative and Qualitative Disclosures About Market Risk.

There are risks associated with our indebtedness.

Our outstanding indebtedness and any additional indebtedness we incur, including in connection with our proposed acquisition of NXP, may have negative consequences on our business, including, among others:

- requiring us to use cash to pay the principal of and interest on our indebtedness, thereby reducing the amount of cash available for other purposes;
- limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, stock repurchases, dividends or other general corporate and other purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and/or
- increasing our vulnerability to interest rate fluctuations to the extent a portion of our debt has variable interest rates.

Our ability to make payments of principal and interest on our indebtedness depends upon our future performance, which is subject to general economic conditions, industry cycles and financial, business and other factors, including factors which negatively impact our cash flows, such as licensees withholding some or all of the royalty payments they owe to us or paying fines in connection with regulatory investigations, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations in the future to service our debt, we may be required to, among other things: repatriate funds to the United States at substantial tax cost; refinance or restructure all or a portion of our indebtedness; reduce or delay planned capital or operating expenditures; or sell selected assets. Such measures might not be sufficient to enable us to service our debt. In addition, any such refinancing, restructuring or sale of assets might not be available on economically favorable terms or at all, and if prevailing interest rates at the time of any such refinancing and/or restructuring are higher than our current rates, interest expense related to such refinancing and/or restructuring would increase. If there are adverse changes in the ratings assigned to our debt securities by credit rating agencies, our borrowing costs, our ability to access debt in the future and/or the terms of such debt could be adversely affected.

Our business and operations could suffer in the event of security breaches or other misappropriation of our intellectual property or proprietary or confidential information.

Attempts by others to gain unauthorized access to our information technology systems are increasingly more sophisticated. These attempts, which might be related to industrial or other espionage, include covertly introducing malware to our computers and networks, including those in our manufacturing operations, and impersonating authorized users, among others. In addition, employees and former employees, in particular former employees who become employees of our competitors, customers or licensees, may misappropriate, use, publish or provide to our competitors, customers or licensees our intellectual property and/or proprietary or confidential business information. We seek to detect and investigate all security incidents and to prevent their recurrence, but in some cases, we might be unaware of an incident or its magnitude and effects. The theft, unauthorized use or publication of our intellectual property and/or proprietary or confidential business information could harm our competitive position, reduce the value of our investment in research and development and other strategic initiatives and/or otherwise adversely affect our business. To the extent any security breach results in inappropriate disclosure of our customers' or licensees' proprietary or confidential information, we may incur liability. We expect to continue to devote significant resources to the security of our information technology systems.

Potential tax liabilities could adversely affect our results of operations.

We are subject to income taxes in the United States and numerous foreign jurisdictions, including Singapore where our QCT segment's non-United States headquarters is located. Significant judgment is required in determining our provision for income taxes. We regularly are subject to examination of our tax returns and reports by taxing authorities in the United States federal jurisdiction and various state and foreign jurisdictions, most notably in countries where we earn a routine return and the tax authorities believe substantial value-add activities are performed. Our current examinations are at various stages with respect to assessments, claims, deficiencies and refunds. We continually assess the likelihood and amount of potential adjustments and adjust the income tax provision, income taxes payable and deferred taxes in the period in which the facts give rise to a revision become known. Although we believe that our tax estimates are reasonable at September 24, 2017, the final determination of tax audits and any related legal proceedings could materially differ from amounts reflected in our historical income tax provisions and accruals. In such case, our income tax provision, results of operations and/or cash flows in the period or periods in which that determination is made could be negatively affected.

We have tax incentives in Singapore provided that we meet specified employment and other criteria, and as a result of the expiration of these incentives, our Singapore tax rate increased in fiscal 2017 and is expected to increase again in fiscal 2027. If we do not meet the criteria required to retain such incentives, our Singapore tax rate could increase prior to fiscal 2027, and our results of operations and cash flows could be adversely affected.

Tax rules may change in a manner that adversely affects our future reported results of operations or the way we conduct our business. For example, we consider the operating earnings of certain non-United States subsidiaries to be indefinitely reinvested outside the United States based on our current needs for those earnings to be reinvested offshore as well as estimates that future domestic cash generated from operations and/or borrowings will be sufficient to meet future domestic cash needs for the foreseeable future. No provision has been made for United States federal, state or foreign taxes that may result from future remittances of the undistributed earnings of these foreign subsidiaries. Our future results of operations and liquidity may be adversely affected if tax rules regarding unrepatriated earnings change, if domestic cash needs require us to repatriate foreign earnings, if the shares of these foreign subsidiaries were sold or otherwise transferred or if the United States international tax rules change as part of comprehensive tax reform or other tax legislation.

Further changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit shifting ("BEPS") project that was undertaken by the Organization for Economic Co-operation and Development ("OECD"). The OECD, which represents a coalition of member countries, recommended changes to numerous long-standing tax principles related to transfer pricing. These changes, if adopted by countries, could increase tax uncertainty and may adversely affect our provision for income taxes, results of operations and/or cash flow. We have not yet determined what changes, if any, may be needed to our operations or structure to address BEPS. If our effective tax rates were to increase, particularly in the United States or Singapore, our results of operations, cash flows and/or financial condition could be adversely affected.

Global, regional or local economic conditions that impact the mobile communications industry or the other industries in which we operate could negatively affect the demand for our products and services and our customers' or licensees' products and services, which may negatively affect our revenues.

A decline in global, regional or local economic conditions or a slow-down in economic growth, particularly in geographic regions with high concentrations of wireless voice and data users or high concentrations of our customers or licensees, could have adverse, wide-ranging effects on demand for our products and for the products and services of our customers or licensees, particularly equipment manufacturers or others in the wireless communications industry who buy their products, such as wireless operators. Any prolonged economic downturn may result in a decrease in demand for our products or technologies; the insolvency of key suppliers, customers or licensees; delays in reporting and/or payments from our licensees and/or customers; failures by counterparties; and negative effects on wireless device inventories. In addition, our customers' ability to purchase or pay for our products and services and network operators' ability to upgrade their wireless networks could be adversely affected by economic conditions, leading to a reduction, cancelation or delay of orders for our products or services.

We may not be able to attract and retain qualified employees.

Our future success depends largely upon the continued service of our executive officers and other key management and technical personnel, and on our ability to continue to identify, attract, retain and motivate them. Implementing our business strategy requires specialized engineering and other talent, as our revenues are highly dependent on technological and product innovations. The market for employees in our industry is extremely competitive. Further, existing immigration laws make it more difficult for us to recruit and retain highly skilled foreign national graduates of universities in the United States, making the pool of available talent even smaller. If we are unable to attract and retain qualified employees, our business may be harmed.

Currency fluctuations could negatively affect future product sales or royalty revenues, harm our ability to collect receivables or increase the U.S. dollar cost of our products.

Our customers sell their products throughout the world in various currencies. Our consolidated revenues from international customers and licensees as a percentage of our total revenues were greater than 90% in each of the last three fiscal years. Adverse movements in currency exchange rates may negatively

affect our business, revenues, results of operations and/or cash flows due to a number of factors, including, among others:

- Our products and those of our customers and licensees that are sold outside the United States may become less price-competitive, which may result in reduced demand for those products and/or downward pressure on average selling prices;
- Certain of our revenues, such as royalties, that are derived from licensee or customer sales denominated in foreign currencies could decrease;
- Our foreign suppliers may raise their prices if they are impacted by currency fluctuations, resulting in higher than expected costs and lower margins;
- Certain of our costs that are derived from supply contracts denominated in foreign currencies could increase; and/or
- Foreign exchange hedging transactions that we engage in to reduce the impact of currency fluctuations may require the payment of structuring fees, limit the U.S. dollar value of royalties from licensees' sales that are denominated in foreign currencies, cause earnings volatility if the hedges do not qualify for hedge accounting and expose us to counterparty risk if the counterparty fails to perform.

Failures in our products or services or in the products or services of our customers or licensees, including those resulting from security vulnerabilities, defects or errors, could harm our business.

The use of devices containing our products to access untrusted content creates a risk of exposing the system software in those devices to viral or malicious attacks. While we continue to focus on this issue and are taking measures to safeguard our products from cybersecurity threats, device capabilities continue to evolve, enabling more data and processes, such as computing, and increasing the risk of security failures. Further, our products are inherently complex and may contain defects or errors that are detected only when the products are in use. The design process interface in new domains of technology and the migration to integrated circuit technologies with smaller geometric feature sizes are complex and add risk to manufacturing yields and reliability. Further, manufacturing, testing, marketing and use of our products and those of our customers and licensees entail the risk of product liability. Because our products and services are responsible for critical functions in our customers' products and/or networks, security failures, defects or errors in our products or services could have an adverse impact on us, on our customers and/or on the end users of our customers' products. Such adverse impact could include product liability claims or recalls, write-offs of our inventories, property, plant and equipment and/or intangible assets; unfavorable purchase commitments; a shift of business to our competitors; a decrease in demand for connected devices and wireless services; damage to our reputation and to our customer relationships; and other financial liability or harm to our business. Further, security failures, defects or errors in the products of our customers or licensees could have an adverse impact on our results of operations and/or cash flows due to a delay or decrease in demand for our products or services generally, and our premium-tier products in particular, among other factors.

II. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

2.1 Marketable Securities

We have made investments in marketable equity securities of companies of varying size, style, industry and geography and changes in investment allocations may affect the price volatility of our investments. On October 27, 2016, we announced a definitive agreement under which Qualcomm River will acquire NXP for estimated total cash consideration to be paid to NXP's shareholders of \$38 billion. We intend to fund the transaction with cash held by our foreign entities as well as funds raised in connection with our

May 2017 debt issuance, which will result in the use of a substantial portion of our cash, cash equivalents and marketable securities, as well as committed financing through a Term Loan Facility, which is expected to be drawn on at the close of the NXP transaction. As a result, during fiscal 2017, we divested a substantial portion of our marketable securities portfolio, including our equity securities and fund shares.

Equity Price Risk. The recorded values of our marketable equity securities and fund shares decreased to \$36 million at September 24, 2017 from \$1.7 billion at September 25, 2016. A 10% decrease in the market price of our marketable equity securities and fund shares at September 24, 2017 would have caused a negligible decrease in the carrying amounts of these securities. A 10% decrease in the market price of our marketable equity securities and fund shares at September 25, 2016 would have caused a decrease in the carrying amounts of these securities of \$175 million. At September 24, 2017, there were no gross unrealized losses of our marketable equity securities and fund shares.

Interest Rate Risk. We invest a portion of our cash in a number of diversified fixed- and floating-rate securities consisting of cash equivalents, marketable debt securities, debt funds and time deposits that are subject to interest rate risk. Changes in the general level of interest rates can affect the fair value of our investment portfolio. If interest rates in the general economy were to rise, our holdings could lose value. As a result of divesting a substantial portion of our marketable securities portfolio and changes in portfolio allocation, the fair value of our investment portfolio is subject to lower interest rate risk. At September 24, 2017, a hypothetical increase in interest rates of 100 basis points across the entire yield curve on our holdings would have resulted in a decrease of \$26 million in the fair value of our holdings. At September 25, 2016, a hypothetical increase in interest rates of 100 basis points across the entire yield curve on our holdings would have resulted in a decrease of \$501 million in the fair value of our holdings.

2.2 Other Investments

Equity Price Risk. We hold investments in non-marketable equity instruments in privately held companies that may be impacted by equity price risks. Volatility in the equity markets could negatively affect our investees' ability to raise additional capital as well as our ability to realize value from our investments through initial public offerings, mergers and private sales. Consequently, we could incur other-than-temporary impairment losses or realized losses on all or a part of the values of our non-marketable equity investments. At September 24, 2017, the aggregate carrying value of our non-marketable equity investments was \$982 million and was included in other noncurrent assets. At September 25, 2016, the aggregate carrying value of our non-marketable equity investments was \$855 million and was included in other noncurrent assets.

2.3 Debt and Interest Rate Swap Agreements

Interest Rate Risk. In May 2017, we issued an aggregate principal amount of \$11.0 billion of unsecured floating- and fixed-rate notes with varying maturity dates. In 2015, we issued an aggregate principal amount of \$10.0 billion of unsecured floating- and fixed-rate notes with varying maturity dates and entered into interest rate swaps with an aggregate notional amount of \$3.0 billion to effectively convert certain fixed-rate interest payments into floating-rate payments. The interest rates on our floating-rate notes and interest rate swaps are based on LIBOR. By issuing additional floating-rate notes in fiscal 2017, our assumed risks associated with variable interest rates based on LIBOR have increased. At September 24, 2017, a hypothetical increase in LIBOR-based interest rates of 100 basis points would cause our interest expense to increase by \$46 million on an annualized basis as it relates to our floating-rate notes and interest rate swap agreements. At September 25, 2016, a hypothetical increase in LIBOR-based interest rates of 100 basis points would have caused our interest expense to increase by \$30 million on an annualized basis as it relates to our floating-rate notes and interest rate swap agreements.

Additionally, we have a commercial paper program that provides for the issuance of up to \$5.0 billion of commercial paper. At September 24, 2017, we had \$999 million of commercial paper outstanding, with original maturities of less than three months. Changes in interest rates could affect the amounts of interest that we pay if we refinance the current outstanding commercial paper with new debt.

Additional information regarding our notes and related interest rate swap agreements and commercial paper program is provided in Qualcomm's Form 10-K in "Notes to Consolidated Financial Statements, Note 1. The Company and Its Significant Accounting Policies" and "Notes to Consolidated Financial Statements, Note 6. Debt."

2.4 Foreign Exchange Risk

We manage our exposure to foreign exchange market risks, when deemed appropriate, through the use of derivative financial instruments, including foreign currency forward and option contracts with financial counterparties. We utilize such derivative financial instruments for hedging or risk management purposes rather than for speculative purposes. Counterparties to our derivative contracts are all major banking institutions. In the event of the financial insolvency or distress of a counterparty to our derivative financial instruments, we may be unable to settle transactions if the counterparty does not provide us with sufficient collateral to secure its net settlement obligations to us, which could have a negative impact on our results. A description of our foreign currency accounting policies is provided in Qualcomm's Form 10-K in "Notes to Consolidated Financial Statements, Note 1. The Company and Its Significant Accounting Policies."

At September 24, 2017, our net liability related to foreign currency options designated as hedges of foreign currency risk on royalties earned from certain licensees was \$15 million. If our forecasted royalty revenues for currencies in which we hedge were to decline by 20% and foreign exchange rates were to change unfavorably by 20% in our hedged foreign currency, we would not incur a loss as our hedge positions would continue to be fully effective.

At September 24, 2017, our net asset related to foreign currency option and forward contracts designated as hedges of foreign currency risk on certain operating expenditure transactions was negligible. If our forecasted operating expenditures for currencies in which we hedge were to decline by 20% and foreign exchange rates were to change unfavorably by 20% in our hedged foreign currency, we would incur a negligible loss.

Financial assets and liabilities held by consolidated subsidiaries that are not denominated in the functional currency of those entities are subject to the effects of currency fluctuations and may affect reported earnings. As a global company, we face exposure to adverse movements in foreign currency exchange rates. We may hedge currency exposures associated with certain assets and liabilities denominated in nonfunctional currencies and certain anticipated nonfunctional currency transactions. As a result, we could experience unanticipated gains or losses on anticipated foreign currency cash flows, as well as economic loss with respect to the recoverability of investments. While we may hedge certain transactions with non-United States customers, declines in currency values in certain regions may, if not reversed, adversely affect future product sales because our products may become more expensive to purchase in the countries of the affected currencies.

At September 24, 2017, our net liability related to foreign currency option and forward contracts not designated as hedging instruments used to manage foreign currency risk on certain receivables and payables was negligible. If the foreign exchange rates were to change unfavorably by 20% in our hedged foreign currency, we would not incur a loss as the change in the fair value of the foreign currency option and forward contracts would be offset by the change in fair value of the related receivables and payables being economically hedged.

Our analysis methods used to assess and mitigate the risks discussed above should not be considered projections of future risks.

SECTION B — SUPPLEMENTAL INFORMATION CONCERNING QUALCOMM AND THE ESPP**I. THE OUTLINE****1.1 Purpose of the ESPP**

The purpose of the ESPP is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward eligible employees of Qualcomm and its subsidiaries and by motivating such persons to contribute to the growth and profitability of the Company and its subsidiaries. The ESPP provides such eligible employees with an opportunity to acquire a proprietary interest in the Company through the purchase of Shares.

In December 2000, the Company adopted the ESPP, which originally became effective on February 27, 2001. On December 3, 2017, the Committee amended the ESPP to increase the maximum number of Shares authorized for issuance over the term of the ESPP by 30.0 million Shares. Qualcomm's stockholders will vote on such amendment to the ESPP at the 2018 Annual Meeting. As of September 24, 2017, approximately 14,648,000 Shares were reserved for issuance under the ESPP (out of a maximum of approximately 71,709,000 Shares that had been authorized for as of September 24, 2017). If Qualcomm's stockholders approve the amendment to the ESPP, the number of Shares authorized under the ESPP will be increased to from 71,709,000 Shares to 101,709,000 Shares. If Qualcomm stockholders do not approve the amendment to the ESPP, Qualcomm will continue to offer participation in the ESPP as described herein and the number of Shares authorized under the ESPP will remain at 71,709,000 Shares.

1.2 Shares Offered Under the ESPP

The Shares reserved for future issuance were approximately 14,648,000 at September 24, 2017, representing approximately 0.99% of the 1,474,164,639 Shares outstanding as of October 30, 2017. Such number is subject to adjustments effected in accordance with the ESPP. Each Share has a par value of \$0.0001. Such Shares shall consist of authorized but unissued or reacquired Shares.

On the first day of each Offering Period (the Offering Dates, as defined in Element E.3 - Part I of this prospectus), Participants are granted a purchase right consisting of an option to purchase Shares under the ESPP. The maximum number of Shares that a Participant may purchase under the ESPP on any Purchase Date in an Offering Period shall not exceed the number of whole Shares determined by dividing \$12,500 by the Fair Market Value of a Share on the Offering Date of such Offering Period, subject to other purchase limitations set forth in the ESPP.

Notwithstanding the foregoing, under no circumstances will a purchase right be granted to an employee to the extent that (i) such employee's right to purchase Shares under the ESPP (aggregated with the employee's right to purchase shares under any other Code Section 423(b) employee stock purchase plan offered by a Participating Company) would accrue at a rate exceeding \$25,000 (based on the Fair Market Value of a Share on the Offering Date) for each calendar year in which the purchase right is outstanding at any time, or (ii) such employee would, immediately after such grant, own or hold options to purchase stock of the Company (or any related company) possessing 5% or more of the total combined voting power or value of all classes of stock of the Company (or any related company), as determined in accordance with Section 423(b)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and the applicable U.S. Treasury Regulations of Section 423 of the Code. For purposes of the foregoing, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of such employee.

If there is a change in the Company's capital structure, the Company will make appropriate adjustments to the number and class of Shares subject to the ESPP and each Participant's outstanding purchase right, and to the Purchase Price (as defined in Section 1.4 below) of such Participant's outstanding

purchase right. A change in the Company's capital structure for this purpose includes: a stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification, merger, sale of assets, other reorganization, or other change affecting the Shares.

1.3 Offering Periods

The ESPP is offered in a series of sequential 6-month offering periods ("Offering Periods"). Generally, eligible employees may elect to participate in the ESPP by completing a subscription agreement provided by the Company and submitting such form during the open enrollment period set by the Committee for each Offering Period. Offering Periods commence on February 1 and August 1 of each year (each an "Offering Date"), and end on July 31 and January 31, respectively, or on such other dates as the Committee shall determine. The open enrollment periods for the Offering Periods commencing February 1, 2018 and August 1, 2018 shall be January 4, 2018 through January 18, 2018, and on or around July 5, 2018 through July 19, 2019, respectively.

1.4 Purchase Price

The purchase price per Share for an Offering Period is equal to 85% of the lesser of (1) the Fair Market Value of a Share on the Offering Date and (2) the Fair Market Value of a Share on the Purchase Date. The "Fair Market Value" of a Share for purposes of the ESPP is the closing sale price of a Share on the NASDAQ on the applicable date or, if such date is not a market trading day, then the date of determination shall be: (A) in the case of the Offering Date, the first market trading day following the Offering Date; (B) in the case of the Purchase Date, the last market trading day prior to the Purchase Date.

1.5 Purchase of Shares

On the Purchase Dates (as defined in Element E.3 - Part I of this prospectus), each Participant who has not withdrawn from the ESPP and whose participation in the ESPP has not terminated before such Purchase Date, will automatically purchase a number of whole Shares determined by dividing the total payroll deductions accumulated in the Participant's ESPP account during the Offering Period, as converted into U.S. dollars (if necessary), by the Purchase Price for such Offering Period. No fractional Shares will be purchased. The number of Shares that may be purchased may be limited by the Share purchase limitations discussed in Section 1.2 above. Further, if the aggregate number of Shares subscribed for in any Offering Period exceeds the number of Shares that remain available for issuance under the ESPP, the Board or the Committee shall make a pro rata allocation of the Shares available in as uniform a manner as shall be practicable and as it shall deem to be equitable.

Any cash balance remaining in a Participant's ESPP account following any Purchase Date will be refunded to Participant as soon as practicable after such Purchase Date.

1.6 Term of the ESPP

The ESPP will continue in effect until its termination by the Board.

1.7 Termination or Amendment of the ESPP

The Board may at any time amend or terminate the Plan, except that (a) such termination shall not affect purchase rights previously granted under the Plan, except as permitted under the Plan, and (b) no amendment may adversely affect a purchase right previously granted under the Plan (except to the extent permitted by the Plan or as may be necessary to qualify the Code Section 423(b) Plan as an employee stock purchase plan pursuant to Section 423 of the Code or to obtain qualification or registration of the Shares under applicable federal, state or foreign securities laws). In addition, an amendment to the Plan must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if such amendment would increase the maximum aggregate number of Shares that may be issued under the Plan (except by operation of the provisions of Section 4.1 or Section 4.2 of the Plan) or

would change the definition of the corporations that may be designated by the Board as Participating Companies.

II. ELIGIBILITY

2.1 Eligible Employees

For purposes of the offer of the ESPP within the EEA, all employees of the Company's designated subsidiaries within the EEA are eligible to participate in the ESPP.

2.2 Participation of Eligible Employees

An eligible employee who wishes to participate in the ESPP for a particular Offering Period must file a completed subscription agreement with the Company by the end of the open enrollment period. A Participant's election to participate in the ESPP will remain in effect for subsequent Offering Periods, unless otherwise terminated or altered, or Participant is no longer considered an eligible employee.

2.3 Payroll Deductions

Shares acquired pursuant to the exercise of purchase rights may be paid for only by means of payroll deductions from Participant's eligible compensation accumulated during the Offering Period for which such purchase right was granted (however, if local law does not permit payroll deductions, the Committee may modify the procedure for the payment of the Purchase Price to conform to such laws). A Participant's eligible compensation includes all salary, wages (including amounts elected to be deferred by the employee, that would otherwise have been paid, under any cash or deferred arrangement established by the Company), overtime, and payments while on a leave of absence during which participation continues (to such extent as may be provided by the Company's leave policy); but excludes bonuses, commissions, payments under the 2-for-1 vacation program, profit sharing, the cost of employee benefits paid for by the Company, education or tuition reimbursements, imputed income arising under any Company group insurance or benefit program, traveling expenses, business and moving expense reimbursements, income received in connection with stock options, contributions made by the Company under any employee benefit plan, and similar items of compensation.

Except as otherwise provided in the ESPP, the amount to be deducted under the ESPP from a Participant's eligible compensation on each payday during an Offering Period will be determined by Participant's completed and signed subscription agreement. The subscription agreement will set forth the percentage of Participant's eligible compensation to be deducted on each payday during an Offering Period in whole percentages of not less than 1% nor more than 15% (or such other percentages as the Committee may establish from time to time before an Offering Date).

Until and unless determined otherwise by the Committee, a Participant may elect one decrease, but no increase, to his or her rate of payroll deductions per Offering Period. The Participant may make such election by submitting to the Company an amended subscription agreement (or following such other procedure prescribed by the Company to authorize such change) on or before a date established by the Company from time to time in a nondiscriminatory manner and announced to the Participants (the "Change Notice Date"). Any election by a Participant to change or stop contributions will be implemented prior to the beginning of the first pay period for which such election is to be effective. Under current ESPP rules, a Participant who elects to decrease the rate of his or her payroll deductions effective following the first payday of an Offering Period, shall nevertheless remain a Participant in the current Offering Period and future Offering Periods unless such Participant withdraws from the Plan by delivering a written notice of withdrawal with the Company.

2.4 Discontinuance of Participation of Participants

Participants may withdraw from participation in the ESPP by submitting a completed and signed notice of withdrawal in the manner specified by the Company. Upon withdrawal from participation, the balance in a Participant's ESPP account will be refunded to such Participant without interest, the purchase rights granted to such Participant will be automatically terminated and no further payroll deductions will be made. A Participant who voluntarily withdraws from the ESPP is prohibited from resuming participation in the ESPP in the same Offering Period from which he or she withdrew, but may participate in any subsequent Offering Period by again satisfying the requirements of eligibility and enrolling in the ESPP by submitting a completed and signed subscription agreement. The Company may impose a requirement that the notice of withdrawal from the Plan be on file with the Company for a reasonable period prior to the effectiveness of a Participant's withdrawal.

2.5 Termination of Employment of Participants

Upon a Participant's ceasing to be an eligible employee of the Company or a Participating Company prior to a Purchase Date for any reason, such Participant's participation in the ESPP will terminate immediately. In such event, the payroll deductions credited to Participant's ESPP account not previously applied to purchase Shares will, as soon as practicable, be returned to Participant or, in the case of death, to Participant's legal representatives, without interest.

III. DELIVERY AND SALE OF THE SHARES

As soon as practicable after each Purchase Date, the Company will arrange the delivery to each Participant of the Shares purchased on such Purchase Date by electronic or other means determined by the Company. The Company may permit or require that such Shares be deposited directly with a broker or agent designated by the Company, and may use electronic or automated methods of share transfer. Participant may sell the Shares purchased on his or her behalf at any time after such Shares are issued to him or her subject to compliance with any applicable securities laws and related policies of the Company.

Because there may be a time difference between when the Shares are purchased and when they are issued to Participants, there is no guarantee that Participants will receive the full discount or receive more than the Purchase Price of the Shares when the Shares are sold.

Participants may not assign their subscription or other rights under the ESPP to any other person in any way (other than by will, the laws of descent and distribution) and any attempted assignment will be without effect, except that the Company may treat such act as an election to withdraw from the ESPP.

IV. RIGHTS RELATED TO THE SHARES

4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code

As of September 24, 2017, Qualcomm was authorized to issue 6 billion Shares. As of October 30, 2017, there were approximately 1.5 billion Shares outstanding.

The Company has 8 million shares of preferred stock authorized for issuance in one or more series, at a par value of \$0.0001 per share. At September 24, 2017, no shares of preferred stock were outstanding.

The Shares are listed on NASDAQ under the symbol "QCOM." The CUSIP number for the Shares is 747525103.

4.2 Legislation Under Which the Securities Have Been Created

The Shares were created under the General Corporation Law of the State of Delaware (U.S.A.) (as may be amended from time to time) (the "DGCL"). Except as otherwise expressly required under the laws of a country, the ESPP and all rights thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, U.S.A.

4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records

In general, stockholders may hold the Shares in certificated, book entry or street name form. The records related to Shares acquired by Participants under the ESPP are kept by E*TRADE Financial Corporate Services, Inc.

The address and telephone number for E*TRADE Financial Corporate Services, Inc. are:

Address: 4005 Windward Plaza Drive
Alpharetta, GA 30005
U.S.A.

Telephone Number: +1 650-599-0125 or 00-800-3338-7233

Qualcomm's designated ESPP broker is currently E*TRADE Securities LLC ("E*TRADE"). The address and telephone number of the broker is as follows:

Address: PO Box 484
Jersey City, NJ 07303-0484
U.S.A.

Telephone Number: +1 650-599-0125 or 00-800-3338-7233

Commission

The commission charged by E*TRADE on ESPP sales is \$19.95 per trade.

4.4 Currency of the Securities Issue

The United States Dollar is the currency of the securities issue. Participants assume the risk of any currency fluctuations at the time of (i) their contribution to the ESPP by payroll deductions and (ii) the selling of their Shares.

4.5 Rights Attached to the Securities

No Participant shall have any voting, dividend, or other stockholder rights with respect to any offering under the ESPP until the Shares have been purchased and delivered to the Participant as provided in Section III above. Following such purchase and delivery, the Participant shall be entitled to the rights attached to the Shares, as further described below:

Dividend Rights. Dividend rights are provided for in the Bylaws. Dividends upon the capital stock of the Company, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Before payment of any dividend, there may be set aside out of any funds of the Company available for dividends such sum or sums as the Board from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any

property of the Company, or for such other purpose as the Board shall think conducive to the interests of the Company, and the Board may modify or abolish any such reserve in the manner in which it was created.

On October 10, 2017, the Company announced a cash dividend of \$0.57 per Share, payable on December 15, 2017 to stockholders of record as of the close of business on November 29, 2017. Dividends charged to retained earnings in fiscal 2017, 2016 and 2015 were as follows (in millions, except per share data):

	2017		2016		2015	
	Per Share	Total	Per Share	Total	Per Share	Total
First quarter	\$ 0.53	\$ 801	\$ 0.48	\$ 730	\$ 0.42	\$ 710
Second quarter	0.53	798	0.48	726	0.42	702
Third quarter	0.57	858	0.53	794	0.48	771
Fourth quarter	0.57	857	0.53	796	0.48	749
	<u>\$ 2.20</u>	<u>\$ 3,314</u>	<u>\$ 2.02</u>	<u>\$ 3,046</u>	<u>\$ 1.80</u>	<u>\$ 2,932</u>

The Company intends to continue to pay quarterly dividends, subject to capital availability and its view that cash dividends are in the best interests of its stockholders. Future dividends may be affected by, among other items, its views on potential future capital requirements, including those relating to research and development, creation and expansion of sales distribution channels, investments and acquisitions, legal risks, withholding of payments by one or more of its significant licensees and/or customers, fines by government agencies and/or adverse rulings by a court or arbitrator in a legal matter, stock repurchase programs, debt issuance, changes in federal and state income tax law and changes to its business model.

Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names Shares stand on the stock records of the Company on the record date, as provided in Section 12 of the Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent, which proxy shall be filed with the Secretary at or before the meeting at which it is to be used.

The annual meeting of the stockholders of the corporation, for the purpose of election of Directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board.

Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board, (ii) the Chief Executive Officer, (iii) the President, or (iv) the Board pursuant to a resolution adopted by a majority of the total number of authorized Directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption), and shall be held at such place, on such date, and at such time as the Board shall fix.

The Company's Bylaws provide for a majority voting standard for uncontested elections of directors. Under the Bylaws, in an uncontested election, if any incumbent nominee for director receives a greater number of "withhold" votes (ignoring abstentions and broker non-votes) than votes cast "for" his or her election, the director shall promptly tender his or her resignation from the Board, subject to acceptance by the Board.

The Company's Bylaws contain provisions that address the process (including required information and deadlines) by which a stockholder may nominate an individual to stand for election to the Board at the Company's annual meeting of stockholders. In addition, the "proxy access" provisions of the Company's

Bylaws provide that, under certain circumstances, a stockholder or group of up to 20 stockholders seeking to include director candidates in its proxy statement must own at least 3% of the outstanding Shares continuously for at least the previous three years.

Pursuant to Section 242 of the DGCL, after a corporation has received payment for any of its capital stock, it may amend its certificate of incorporation, from time to time, in any and as many respects as may be desired, so long as its certificate of incorporation as amended would contain only such provisions as it would be lawful and proper to insert in an original certificate of incorporation filed at the time of the filing of the amendment; and, if a change in stock or the rights of stockholders, or an exchange, reclassification, subdivision, combination or cancellation of stock or rights of stockholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, subdivision, combination or cancellation. In particular, and without limitation upon such general power of amendment, a corporation may amend its certificate of incorporation, from time to time, so as:

- (1) To change its corporate name; or
- (2) To change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes; or
- (3) To increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares, or by subdividing or combining the outstanding shares of any class or series of a class of shares into a greater or lesser number of outstanding shares; or
- (4) To cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared; or
- (5) To create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; or
- (6) To change the period of its duration.
- (7) To delete:
 - a. Such provisions of the original certificate of incorporation which named the incorporator or incorporators, the initial board of directors and the original subscribers for shares; and
 - b. Such provisions contained in any amendment to the certificate of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective.

Any or all such changes or alterations may be effected by one certificate of amendment.

The board of directors shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders; provided, however, that unless otherwise expressly required by the certificate of incorporation, no meeting or vote of the stockholders shall be required to adopt an amendment that effects only changes described in paragraph (1) or (7) of this subsection. Such special or annual meeting shall be called and held upon written notice given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of

the record date for determining the stockholders entitled to notice of the meeting. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the directors shall deem advisable. At the meeting a vote of the stockholders entitled to vote thereon shall be taken for and against the proposed amendment. If a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class has been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with Section 242 of the DGCL shall be executed, acknowledged and filed and shall become effective.

Right to Receive Liquidation Distributions. Upon any liquidation, dissolution or winding up of the Company, the holders of Shares are entitled to share ratably in all assets remaining after payment of liabilities and any liquidation preference of any of outstanding preferred stock.

Preemptive, Redemptive or Conversion Provisions. The Company's Shares have no preemptive rights, conversion rights, or other subscription rights or redemption or sinking fund provisions.

4.6 Transferability

The Shares offered under the ESPP are registered on a registration statement on Form S-8 with the SEC and are generally freely transferable.

The ESPP is intended to provide Shares for investment and not for resale. The Company does not, however, intend to restrict or influence any Participant in the conduct of his or her own affairs. A Participant, therefore, may sell Shares purchased under the ESPP at any time he or she chooses, subject to compliance with any applicable securities laws and related policies of the Company. THE PARTICIPANT ASSUMES THE RISK OF ANY MARKET FLUCTUATIONS IN THE PRICE OF THE SHARES.

4.7 General Provisions Applying to Business Combinations

The Company is subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any "business combination" with an "interested stockholder" for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

- the board of directors of the corporation approves either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, prior to the time the interested stockholder attained that status;
- upon the closing of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least eighty-five (85%) of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (but not the outstanding voting stock owned by the interested stockholder), those shares owned (i) by persons who are directors and also officers and (ii) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

With certain exceptions, an "interested stockholder" under Section 203 of the DGCL is a person or group who or which owns fifteen percent (15%) or more of the corporation's outstanding voting stock (including

any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of fifteen percent (15%) or more of such voting stock at any time within the previous three (3) years.

In general, Section 203 of the DGCL defines a business combination to include:

- any merger or consolidation involving the corporation or any of its subsidiaries with the interested stockholder;
- any sale, transfer, pledge or other disposition of ten percent (10%) or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation or any of its subsidiaries to the interested stockholder;
- any transaction involving the corporation or any of its subsidiaries that has the effect of increasing the proportionate share of the stock or any class or series of the corporation or of any such subsidiary beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation or any of its subsidiaries.

A Delaware corporation, such as the Company, may "opt out" of this provision with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. However, the Company has not "opted out" of this provision. Section 203 could prohibit or delay mergers or other takeover or change-in-control attempts and, accordingly, may discourage attempts to acquire the Company.

Section 253 of the DGCL authorizes the board of directors of a Delaware corporation that owns ninety percent (90%) or more of each of the outstanding classes of stock of a subsidiary that are entitled to vote on a merger to merge the subsidiary into itself without any requirement for action to be taken by the board of directors of the subsidiary.

Section 251(h) of the DGCL, subject to certain exceptions, permits parties entering into a merger agreement to "opt in" to eliminate a target stockholder vote on a back-end merger following a tender or exchange offer in which the acquirer accumulates sufficient shares to approve the merger agreement (a majority unless the target has adopted a higher vote requirement) but less than the 90% necessary to effect a short-form merger. Section 251(h) of the DGCL applies only to target corporations that have a class or series of stock that is listed on a national securities exchange or held of record by more than 2,000 holders, such as the Company.

V. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS

5.1 Capitalization and Indebtedness as of September 24, 2017 (in millions of \$)

Total Current Debt	\$	2,495
- Guaranteed		—
- Secured		—
- Unguaranteed / Unsecured	\$	2,495
Total Non-Current Debt (excluding current portion of long-term debt)	\$	19,398

- Guaranteed		—
- Secured		—
- Unguaranteed / Unsecured	\$	19,398
Stockholders' equity		
a. Share Capital and Additional Paid-in Capital	\$	274
b. Legal Reserve		—
c. Total Other Reserves	\$	30,472
- Retained Earnings	\$	30,088
- Accumulated Other Comprehensive Income	\$	384
Total Stockholders' Equity	\$	30,746

5.2 Net Indebtedness as of September 24, 2017 (in millions of \$)

A.+ B.	Cash and Cash Equivalents	\$	35,029
C.	Short-term marketable securities*	\$	2,279
D.	Liquidity (A) + (B) + (C)	\$	37,308
E.	Current Financial Receivable		—
F.	Current Bank Debt		—
G.	Current Portion of Non-current Debt	\$	1,496
H.	Other Current Financial Debt	\$	999
I.	Other Financial Debt (F) + (G) + (H)	\$	2,495
J.	Net Current Financial Indebtedness (I) – (E) – (D)	\$	(34,813)
K.	Non-current Bank Loans		—
L.	Bonds Issued	\$	19,398
M.	Other Non-current Loans		—
N.	Non-current Financial Indebtedness (K) + (L) + (M)	\$	19,398
O.	Net Financial Indebtedness (J) + (N)	\$	(15,415)

* As of September 24, 2017, Qualcomm also held \$1,270 million in long-term marketable securities.

5.3 Indirect and Contingent Indebtedness as of November 1, 2017

Legal and Regulatory Proceedings.

ParkerVision, Inc. v. QUALCOMM Incorporated: On May 1, 2014, ParkerVision filed a complaint against the Company in the United States District Court for the Middle District of Florida alleging that certain of the Company's products infringe certain ParkerVision patents. On August 21, 2014, ParkerVision amended the complaint, now captioned ParkerVision, Inc. v. QUALCOMM Incorporated, Qualcomm Atheros, Inc., HTC Corporation, HTC America, Inc., Samsung Electronics Co., LTD., Samsung Electronics America, Inc. and Samsung Telecommunications America, LLC, broadening the allegations. ParkerVision alleged that the Company infringes 11 ParkerVision patents and seeks damages and injunctive and other relief. On December 3, 2015, ParkerVision dismissed six patents from the lawsuit and granted the Company and all other defendants a covenant not to assert those patents against any existing products. On February 2, 2016, after agreement among the parties, the District Court stayed the remainder of the case pending the resolution of the complaint filed by ParkerVision against the Company and other parties with the ITC described below. Subsequently, ParkerVision announced that it had reached a settlement with Samsung which dismissed the Samsung entities from the District Court case. The Company had previously filed Inter-Partes Review petitions with the United States Patent and Trademark Office ("USPTO") to invalidate all asserted claims of several of the remaining patents. On

March 7, 2017, the USPTO decided in the Company's favor with respect to all asserted claims of one such patent. After the ITC action described below was closed, and upon agreement among the parties, on May 24, 2017, the District Court further stayed the District Court case pending ParkerVision's appeals of the USPTO's invalidation decisions.

On December 14, 2015, ParkerVision filed another complaint against the Company in the United States District Court for the Middle District of Florida alleging patent infringement. Apple, Samsung Electronics Co., LTD., Samsung Electronics America, Inc., Samsung Telecommunications America, LLC, Samsung Semiconductor, Inc., LG Electronics, Inc., LG Electronics U.S.A., Inc. and LG Electronics MobileComm U.S.A., Inc. are also named defendants. The complaint asserts that certain of the Company's products infringe four additional ParkerVision patents and seeks damages and other relief. On December 15, 2015, ParkerVision filed a complaint with the ITC pursuant to Section 337 of the Tariff Act of 1930 against the same parties asserting the same four patents. The complaint seeks an exclusion order barring the importation of products that use either of two Company transceivers or one Samsung transceiver and a cease and desist order preventing the Company and the other defendants from carrying out commercial activities within the United States related to such products. On January 13, 2016, the Company served its answer to the District Court complaint. On January 15, 2016, the ITC instituted an investigation. On February 12, 2016, the District Court case was stayed pending completion of the ITC investigation. Subsequently, ParkerVision announced that it had reached a settlement with Samsung which dismissed the Samsung entities from the ITC investigation and related District Court case. On February 2, 2017, the ITC granted ParkerVision's motion to drop all but one patent and one accused product from the ITC investigation. On March 12, 2017, one day before the ITC hearing was scheduled to begin, ParkerVision moved to withdraw its ITC complaint in its entirety. The Company and the other defendants did not oppose the withdrawal of the complaint. On April 28, 2017, the ITC formally closed the investigation. On May 4, 2017, ParkerVision filed a motion to reopen the related District Court Case, and on May 26, 2017, the District Court granted the motion. On July 19, 2017, the District Court set an approximate date of mid-January 2018 for a claim construction hearing. A trial date has not been set.

Apple Inc. (Apple) v. QUALCOMM Incorporated: On January 20, 2017, Apple filed a complaint against the Company in the United States District Court for the Southern District of California seeking declarations with respect to several of the Company's patents and alleging that the Company breached certain agreements and violated federal antitrust and California state unfair competition laws. In its initial complaint, Apple sought declaratory judgments of non-infringement by Apple of nine of the Company's patents, or in the alternative, a declaration of royalties Apple must pay for the patents. Apple further sought a declaration that the Company's sale of baseband chipsets exhausts the Company's patent rights for patents embodied in those chipsets. Separately, Apple sought to enjoin the Company from seeking excessive royalties from Apple and to disgorge royalties paid by Apple's contract manufacturers that the court finds were not FRAND. Apple also claimed that the Company's refusal to make certain payments to Apple under a Business Cooperation and Patent Agreement ("Cooperation Agreement") constitutes a breach of contract in violation of California law and sought damages in the amount of the unpaid payments, alleged to be approximately \$1 billion. In addition, Apple claimed that the Company has refused to deal with competitors in contravention of the Company's agreements with applicable standard setting organizations, has used its market position to impose contractual obligations on Apple that prevented Apple from challenging the Company's licensing practices, has tied the purchase of the Company's CDMA-enabled and "premium" LTE-enabled chipsets to licensing certain of the Company's patents and has required Apple to purchase baseband chipsets exclusively from the Company as a condition of the Company's payment to Apple of certain rebates, in violation of Section 2 of the Sherman Act and the California Unfair Competition Law. Apple sought injunctive relief with respect to these claims and a judgment awarding its expenses, costs and attorneys' fees.

On April 10, 2017, the Company filed its Answer and Counterclaims (amended on May 24, 2017) in response to Apple's complaint denying Apple's claims and asserting claims against Apple. The counterclaims against Apple include tortious interference with the Company's long-standing Subscriber Unit License Agreements ("SULAs") with third-party contract manufacturers of Apple devices, causing those contract manufacturers to withhold certain royalty payments owed to the Company and violate their audit obligations; breach of contract and the implied covenant of good faith and fair dealing relating to the

parties' Cooperation Agreement; unjust enrichment and declaratory relief relating to the Cooperation Agreement; breach of contract based on Apple's failure to pay amounts owed to the Company under a Statement of Work relating to a high-speed feature of the Company's chipsets; breach of the parties' software agreement; and violation of California Unfair Competition Law based on Apple's threatening the Company to prevent it from promoting the superior performance of the Company's own chipsets. The Company also seeks declaratory judgments that the Company has satisfied its FRAND commitments with respect to Apple, and that the Company's SULAs with the contract manufacturers do not violate either competition law or the Company's FRAND commitments. On June 19, 2017, Apple filed a Partial Motion to Dismiss the Company's counterclaim for violation of the California Unfair Competition Law. A hearing on that motion was held on October 13, 2017. The court has not yet ruled on the motion. On June 20, 2017, Apple filed an Answer and Affirmative Defenses to the rest of the Company's counterclaims, and also filed an Amended Complaint reiterating all of the original claims and adding claims for declaratory judgments of invalidity of the nine patents that are subject to declaratory judgment claims in the original complaint, adding new declaratory judgment claims for non-infringement, invalidity and a declaration of royalties for nine more patents. Apple also added claims for declaratory judgments that certain of the Company's agreements are unenforceable. On July 21, 2017, the Company filed an Answer to Apple's Amended Complaint as well as a motion to dismiss the new declaratory judgment claims for non-infringement, invalidity and a declaration of royalties for the nine additional patents. A hearing on that motion was also held on October 13, 2017. The court has not yet ruled on the motion. On July 18, 2017, Apple filed a motion to consolidate this action with *QUALCOMM Incorporated v. Compal Electronics, Inc., et al.*, discussed below, and on September 13, 2017, the court granted that motion.

On January 23, 2017, an Apple subsidiary in China filed two complaints against the Company in the Beijing Intellectual Property Court. On March 31, 2017, the court granted an application by Apple to join the actions as a plaintiff, and Apple amended the complaints. One of the complaints alleges a violation of China's Anti-Monopoly Law ("AML complaint"); the other complaint requests a determination of the terms of a patent license between the Company and Apple ("FRAND complaint"). The AML complaint alleges that (i) the Company has abused its dominant position in communication standard-essential patents licensing markets and certain global baseband chipset markets by charging and offering royalty terms that were excessively high; (ii) the Company refused to license certain implementers of standardized technologies, including Apple and baseband chipset manufacturers; (iii) the Company forced Apple to use only the Company's products and services; and (iv) the Company bundled licenses to standard-essential patents with licenses to non-standard-essential patents and imposed other unreasonable or discriminatory trading terms on Apple in violation of the AML. The AML complaint seeks a decree that the Company cease the alleged abuse of dominance, as well as damages in the amount of 1 billion Chinese Renminbi (approximately \$152 million based on the exchange rate on September 24, 2017). The FRAND complaint makes allegations similar to the AML complaint and further alleges that the Company refused to offer licensing terms for the Company's cellular standard-essential patents consistent with the Company's FRAND licensing commitments and failed to provide to Apple certain information about the Company's patents. The FRAND complaint seeks (i) a declaration that the license terms offered to Apple by the Company for its mobile communication standard essential patents are not compliant with FRAND; (ii) an order that the Company cease its actions that allegedly violate the Company's FRAND obligations, including pricing on unfair, unreasonable and excessive terms, refusing to deal, imposing unreasonable trade conditions and failing to provide information on the Company's patents; and (iii) a determination of FRAND-compliant license terms for the Company's Chinese standard-essential patents. Apple also seeks its expenses in each of the cases. On August 3, 2017, the Company received three additional complaints filed by an Apple subsidiary and Apple against the Company in the Beijing Intellectual Property Court. The complaints seek declaratory judgments of non-infringement of three Qualcomm patents.

On February 16, 2017, Apple and one of its Japanese subsidiaries filed four complaints against the Company in the Tokyo District Court. In three of the complaints, Apple seeks declaratory judgment of non-infringement by Apple of three of the Company's patents. Apple further seeks a declaration that the Company's patent rights with respect to those three patents are exhausted by the Company's SULAs with the contract manufacturers of Apple's devices as well as the Company's sale of baseband chipsets. Apple also seeks an award of fees. On May 15, 2017, the Company learned of the fourth complaint. In that complaint, Apple and one of its Japanese subsidiaries seek damages of 100 million Japanese Yen

(approximately \$1 million based on the exchange rate on September 24, 2017) from the Company based on allegations that the Company violated the Japanese Antimonopoly Act and the Japanese Civil Code. In particular, the fourth complaint alleges that (i) the Company holds a monopoly position in the market for baseband processor chipsets that implement certain cellular standards; (ii) the Company collects double royalties through its license agreements and the sale of chipsets; (iii) the Company refused to grant Apple a license on FRAND terms and forced Apple to execute a rebate agreement under unreasonable conditions; (iv) the Company refused to grant Apple a direct license; and (v) the Company demanded a license fee based on the market value of the total device. The Company has filed answers to all four of the complaints.

On March 2, 2017, the Company learned that Apple and certain of its European subsidiaries issued a Claim Form against the Company in the UK High Court of Justice, Chancery Division, Patents Court on January 23, 2017. Apple subsequently filed an Amended Claim Form and Particulars of Claim. Both the Amended Claim Form and the Particulars of Claim allege several European competition law claims, including refusal to license competing chipmakers, failure to offer Apple a direct license to the Company's standard-essential patents on FRAND terms, demanding excessive royalties for the Company's standard-essential patents, and demanding excessive license fees for the use of the Company's standard-essential patents in connection with chipsets purchased from the Company. Apple also seeks declarations that the Company is obliged to offer a direct patent license to Apple in respect of standard-essential patents actually practiced on FRAND terms and that using the Company's chipsets does not infringe any of the Company's patents because the Company exhausted its patent rights. Finally, Apple seeks declarations that five of the Company's European (UK) patents are invalid and not essential, and an order that each of those patents be revoked.

On April 20, 2017, the Company was informed that on April 18, 2017, Apple and one of its Taiwanese subsidiaries filed a complaint against the Company in the Taiwan Intellectual Property Court alleging that the Company has abused a dominant market position in licensing wireless standard-essential patents and selling baseband chipsets, including improper pricing, refusal to deal, exclusive dealing, tying, imposing unreasonable trade terms and discriminatory treatment. The complaint seeks rulings that the Company not use the sales price of the terminal device as the royalty base for standard-essential patents; not leverage its cellular standard-essential patents to obtain licenses of its non-standard-essential patents or demand cross-licenses without proper compensation; not refuse, reduce, delay or take any other action to limit the supply of its baseband chipsets to non-licensees; that the Company must license its standard-essential patents on FRAND terms; and that the Company shall not, based on standard-essential patents, seek injunctions. The complaint also seeks damages of 10 million Taiwan Dollars (less than \$1 million based on the exchange rate on September 24, 2017), among other relief.

On July 14, 2017, the Company filed a motion for anti-suit injunction in the United States District Court for the Southern District of California, asking the court to enjoin Apple from pursuing its foreign actions in the UK, China, Japan and Taiwan and from initiating other duplicative foreign actions, while the action in the Southern District of California is pending. On September 7, 2017, the court denied this motion.

The Company believes Apple's claims in the above matters are without merit.

QUALCOMM Incorporated v. Compal Electronics, Inc. et al.: On May 17, 2017, the Company filed a complaint in the United States District Court for the Southern District of California against Compal Electronics, Inc. ("Compal"), FIH Mobile, Ltd., Hon Hai Precision Industry Co., Ltd. (together with FIH Mobile, Ltd., "Foxconn"), Pegatron Corporation ("Pegatron") and Wistron Corporation ("Wistron") asserting claims for injunctive relief, specific performance, declaratory relief and damages stemming from the defendants' breach of contracts by ceasing the payment of royalties for iPhones and other devices which they manufacture for Apple. On May 24, 2017, the Company filed a Motion for Preliminary Injunction seeking to enjoin each of the defendants from violating their license agreements during the pendency of the litigation. On July 17, 2017, Compal, Foxconn, Pegatron and Wistron each filed third-party complaints for contractual indemnity against Apple seeking to join Apple as a party to the action. On July 18, 2017, Apple filed an answer to these third party complaints acknowledging its indemnity agreements and consenting to be joined. On that same date, the defendants and Apple filed papers

opposing the motion for preliminary injunction. On August 18, 2017, a hearing on the preliminary injunction motion was held, and on September 7, 2017, the court denied the motion. Also on July 18, 2017, the defendants filed an Answer and Counterclaims to the complaint, asserting defenses and counterclaims similar to allegations previously made by Apple in the *Apple Inc. v. QUALCOMM Incorporated* case in the Southern District of California discussed above. In addition, the defendants asserted certain new claims, including claims under Section 1 of the Sherman Act and California's Cartwright Act. The defendants seek damages, declaratory relief, injunctive relief, restitution of certain royalties and other relief. On July 18, 2017, Apple filed a motion to consolidate this action with the *Apple Inc. v. QUALCOMM Incorporated* case in the Southern District of California. On September 13, 2017, the court granted Apple's consolidation motion.

The Company believes Compal's, Foxconn's, Pegatron's and Wistron's claims in the above matter are without merit.

QUALCOMM Incorporated v. Apple Inc.: On July 6, 2017, the Company filed a complaint against Apple in the United States District Court for the Southern District of California asserting claims for damages and injunctive relief for infringement of six of the Company's patents directed to a variety of features found in iPhone models. On July 7, 2017, the Company filed a complaint against Apple in the ITC requesting that the ITC institute an investigation pursuant to Section 337 of the Tariff Act of 1930 based on Apple's infringement of the same six patents. The Company is seeking a limited exclusion order and cease and desist order against importation of iPhone models that do not contain a Qualcomm brand baseband processor. The patents have not been declared as essential to any standards organization and are not subject to commitments to license on FRAND terms. Apple filed an Answer and Counterclaims in the District Court case on September 26, 2017, but no schedule has been set in that case. On August 8, 2017, the ITC issued a notice of institution of an investigation. On August 25, 2017, the Company withdrew allegations as to one patent in both the ITC investigation and the District Court case. A claim construction hearing is scheduled in the ITC investigation for January 22-23, 2018. The ITC investigation is scheduled for evidentiary hearing by the Administrative Law Judge ("ALJ") from June 18-26, 2018. The ALJ's Initial Determination on the merits is due on September 14, 2018, and the target date for final determination by the ITC is set for January 14, 2019.

On July 17, 2017, the Company filed complaints against Apple and certain of its subsidiaries in the Federal Republic of Germany, asserting infringement of one patent in the Mannheim District Court and infringement of another patent in the Munich District Court. On October 2, 2017, the Company filed claim extensions in these actions against Apple and certain of its subsidiaries, asserting infringement of two additional patents in the Mannheim District Court and infringement of five additional patents in the Munich District Court. The complaints seek remedies including, among other relief, declaratory relief confirming liability on the merits for damages and injunctive relief. The patents have not been declared as essential to any standards organization and are not subject to commitments to license on FRAND terms.

On September 29, 2017, the Company filed three complaints against Apple and certain of its subsidiaries in the Beijing (China) Intellectual Property Court, asserting infringement of three patents. The complaints seek remedies including injunctive relief and costs. The patents have not been declared as essential to any standards organization and are not subject to commitments to license on FRAND terms.

On November 1, 2017, the Company filed a complaint against Apple in San Diego Superior Court for breach of the Master Software Agreement between the companies. The complaint recounts instances when Apple failed to protect the Company's software as required by the agreement and failed to provide sufficient information to which the Company is entitled under the agreement in order to understand whether other breaches have occurred. The complaint seeks specific performance of Apple's obligations to cooperate with an audit of its handling of the Company's software, damages and injunctive relief. No case schedule has yet been set.

3226701 Canada, Inc. v. QUALCOMM Incorporated et al.: On November 30, 2015, plaintiffs filed a securities class action complaint against the Company and certain of its current and former officers in the United States District Court for the Southern District of California. On April 29, 2016, plaintiffs filed an

amended complaint. On January 27, 2017, the court dismissed the amended complaint in its entirety, granting leave to amend. On March 17, 2017, plaintiffs filed a second amended complaint, alleging that the Company and certain of its current and former officers violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, by making false and misleading statements regarding the Company's business outlook and product development between November 19, 2014 and July 22, 2015. The second amended complaint seeks unspecified damages, interest, attorneys' fees and other costs. On May 8, 2017, the Company filed a motion to dismiss the second amended complaint, and on October 20, 2017, the court entered an order granting in part and denying in part the Company's motion to dismiss. The court dismissed all claims as to all defendants other than the Company and Steve Mollenkopf with prejudice. The court also limited the case to two statements which it found, at least for pleading purposes, had stated a claim that could be explored in the discovery process. The Company believes the plaintiffs' claims are without merit.

Consolidated Securities Class Action Lawsuit: On January 23, 2017 and January 26, 2017, respectively, two securities class action complaints were filed by purported stockholders of the Company in the United States District Court for the Southern District of California against the Company and certain of its current and former officers and directors. The complaints alleged, among other things, that the defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, by making false and misleading statements and omissions of material fact in connection with certain allegations that the Company is or was engaged in anticompetitive conduct. The complaints sought unspecified damages, interest, fees and costs. On May 4, 2017, the court consolidated the two actions and appointed lead plaintiffs. On July 3, 2017, the lead plaintiffs filed a consolidated amended complaint asserting the same basic theories of liability and requesting the same basic relief. On September 1, 2017, the defendants filed a motion to dismiss the consolidated amended complaint. The hearing on that motion is scheduled for December 4, 2017. The Company believes the plaintiffs' claims are without merit.

Consumer Class Action Lawsuit: Since January 18, 2017, a number of consumer class action complaints have been filed against the Company in the United States District Courts for the Southern and Northern Districts of California, each on behalf of a putative class of purchasers of cellular phones and other cellular devices. Twenty-four such cases remain outstanding. In April 2017, the Judicial Panel on Multidistrict Litigation transferred the cases that had been filed in the Southern District of California to the Northern District of California. On May 15, 2017, the court entered an order appointing the plaintiffs' co-lead counsel, and on May 25, 2017, set a trial date of April 29, 2019. On July 11, 2017, plaintiffs filed a consolidated amended complaint alleging that the Company violated California and federal antitrust and unfair competition laws by, among other things, refusing to license standard-essential patents to its competitors, conditioning the supply of certain of its baseband chipsets on the purchaser first agreeing to license the Company's entire patent portfolio, entering into exclusive deals with companies including Apple, and charging unreasonably high royalties that do not comply with the Company's commitments to standard setting organizations. The complaint seeks unspecified damages and disgorgement and/or restitution, as well as an order that the Company be enjoined from further unlawful conduct. On August 11, 2017, the Company filed a motion to dismiss the consolidated amended complaint. The Company believes the plaintiffs' claims are without merit.

Japan Fair Trade Commission (JFTC) Complaint: The JFTC received unspecified complaints alleging that the Company's business practices are, in some way, a violation of Japanese law. On September 29, 2009, the JFTC issued a cease and desist order concluding that the Company's Japanese licensees were forced to cross-license patents to the Company on a royalty-free basis and were forced to accept a provision under which they agreed not to assert their essential patents against the Company's other licensees who made a similar commitment in their license agreements with the Company. The cease and desist order seeks to require the Company to modify its existing license agreements with Japanese companies to eliminate these provisions while preserving the license of the Company's patents to those companies. The Company disagrees with the conclusions that it forced its Japanese licensees to agree to any provision in the parties' agreements and that those provisions violate the Japanese Antimonopoly Act. The Company has invoked its right under Japanese law to an administrative hearing before the JFTC. In February 2010, the Tokyo High Court granted the Company's motion and issued a stay of the

cease and desist order pending the administrative hearing before the JFTC. The JFTC has held hearings on 37 different dates. No further hearings are currently scheduled.

Korea Fair Trade Commission (KFTC) Complaint: On January 4, 2010, the KFTC issued a written decision finding that the Company had violated Korean law by offering certain discounts and rebates for purchases of its CDMA chipsets and for including in certain agreements language requiring the continued payment of royalties after all licensed patents have expired. The KFTC levied a fine, which the Company paid and recorded as an expense in fiscal 2010. The Company appealed to the Seoul High Court, and on June 19, 2013, the Seoul High Court affirmed the KFTC's decision. On July 4, 2013, the Company filed an appeal with the Korea Supreme Court. There have been no material developments since then with respect to this matter.

Korea Fair Trade Commission (KFTC) Investigation: On March 17, 2015, the KFTC notified the Company that it was conducting an investigation of the Company relating to the Korean Monopoly Regulation and Fair Trade Act (MRFTA). On December 27, 2016, the KFTC announced that it had reached a decision in the investigation, finding that the Company has violated provisions of the MRFTA. On January 22, 2017, the Company received the KFTC's formal written decision, which finds that the following conducts violate the MRFTA: (i) refusing to license, or imposing restrictions on licenses for, cellular communications standard-essential patents with competing modem chipset makers; (ii) conditioning the supply of modem chipsets to handset suppliers on their execution and performance of license agreements with the Company; and (iii) coercing agreement terms including portfolio license terms, royalty terms and free cross-grant terms in executing patent license agreements with handset makers. The KFTC's decision orders the Company to: (i) upon request by modem chipset companies, engage in good-faith negotiations for patent license agreements, without offering unjustifiable conditions, and if necessary submit to a determination of terms by an independent third party; (ii) not demand that handset companies execute and perform under patent license agreements as a precondition for purchasing modem chips; (iii) not demand unjustifiable conditions in the Company's license agreements with handset companies, and upon request renegotiate existing patent license agreements; and (iv) notify modem chipset companies and handset companies of the decision and order imposed on the Company and report to the KFTC new or amended agreements. According to the KFTC's decision, the foregoing will apply to transactions between the Company and the following enterprises: (i) handset manufacturers headquartered in Korea and their affiliate companies; (ii) enterprises that sell handsets in or to Korea and their affiliate companies; (iii) enterprises that supply handsets to companies referred in (ii) above and the affiliate companies of such enterprises; (iv) modem chipset manufacturers headquartered in Korea and their affiliate companies; and (v) enterprises that supply modem chipsets to companies referred in (i), (ii) or (iii) above and the affiliate companies of such enterprises. The KFTC's decision also imposed a fine of approximately 1.03 trillion Korean Won (approximately \$927 million), which was paid on March 30, 2017. The Company believes that its business practices do not violate the MRFTA, and on February 21, 2017 filed an action in the Seoul High Court to cancel the KFTC's decision. The Seoul High Court has not ruled on the Company's action to cancel the KFTC's decision. On the same day, the Company filed an application with the Seoul High Court to stay the decision's remedial order pending the Seoul High Court's final judgment on the Company's action to cancel the KFTC's decision. The Seoul High Court held hearings on the Company's application to stay the decision's remedial order on July 10, 2017 and July 14, 2017. On September 8, 2017, the Seoul High Court denied the Company's application to stay the remedial order. The Company has appealed the Seoul High Court's decision to the Korea Supreme Court. The Supreme Court has not ruled on the Company's appeal of the stay decision.

Icera Complaint to the European Commission (Commission): On June 7, 2010, the Commission notified and provided the Company with a redacted copy of a complaint filed with the Commission by Icera, Inc. (subsequently acquired by Nvidia Corporation) alleging that the Company has engaged in anticompetitive activity. The Company was asked by the Commission to submit a preliminary response to the portions of the complaint disclosed to it, and the Company submitted its response in July 2010. Subsequently, the Company provided additional documents and information as requested by the Commission. On July 16, 2015, the Commission announced that it had initiated formal proceedings in this matter. On December 8, 2015, the Commission announced that it had issued a Statement of Objections expressing its preliminary view that between 2009 and 2011, the Company engaged in predatory pricing by selling certain

baseband chipsets to two customers at prices below cost, with the intention of hindering competition. A Statement of Objections informs the subject of the investigation of the allegations against it and provides an opportunity to respond to such allegations. It is not a determination of the final outcome of the investigation. On August 15, 2016, the Company submitted its response to the Statement of Objections. If a violation is found, a broad range of remedies is potentially available to the Commission, including imposing a fine and/or injunctive relief prohibiting or restricting certain business practices. It is difficult to predict the outcome of this matter or what remedies, if any, may be imposed by the Commission. The Company believes that its business practices do not violate the EU competition rules.

European Commission (Commission) Investigation: On October 15, 2014, the Commission notified the Company that it is conducting an investigation of the Company relating to Articles 101 and/or 102 of the Treaty on the Functioning of the European Union (TFEU). On July 16, 2015, the Commission announced that it had initiated formal proceedings in this matter. On December 8, 2015, the Commission announced that it had issued a Statement of Objections expressing its preliminary view that since 2011 the Company has paid significant amounts to a customer on condition that it exclusively use the Company's baseband chipsets in its smartphones and tablets. This conduct has allegedly reduced the customer's incentives to source chipsets from the Company's competitors and harmed competition and innovation for certain baseband chipsets. A Statement of Objections informs the subject of the investigation of the allegations against it and provides an opportunity to respond to such allegations. It is not a determination of the final outcome of the investigation. On June 27, 2016, the Company submitted its response to the Statement of Objections. If a violation is found, a broad range of remedies is potentially available to the Commission, including imposing a fine and/or injunctive relief prohibiting or restricting certain business practices. It is difficult to predict the outcome of this matter or what remedies, if any, may be imposed by the Commission. The Company believes that its business practices do not violate the EU competition rules.

United States Federal Trade Commission (FTC) v. QUALCOMM Incorporated: On September 17, 2014, the FTC notified the Company that it is conducting an investigation of the Company relating to Section 5 of the Federal Trade Commission Act (FTCA). On January 17, 2017, the FTC filed a complaint against the Company in the United States District Court for the Northern District of California alleging that the Company engaged in anticompetitive conduct and unfair methods of competition in violation of Section 5 of the FTCA by conditioning the supply of baseband processors on the purchaser first agreeing to a license to the Company's standard-essential patents, paying incentives to purchasers of baseband processors to induce them to accept certain license terms, refusing to license its standard-essential patents to the Company's competitors and entering into alleged exclusive dealing arrangements with Apple. The complaint seeks a permanent injunction against the Company's alleged violations of the FTCA and other unspecified ancillary equitable relief. The Company filed a motion to dismiss the FTC's complaint on April 3, 2017, which the court denied on June 26, 2017. On April 19, 2017, the court set a trial date for January 4, 2019. The Company believes the FTC's claims are without merit.

Taiwan Fair Trade Commission (TFTC) Investigation: On December 4, 2015, the TFTC notified the Company that it was conducting an investigation into whether the Company's patent licensing practices violate the TFTA. On April 27, 2016, the TFTC specified that the allegations under investigation include whether: (i) the Company jointly licensed its patents rather than separately licensing standard-essential patents and non-standard-essential patents; (ii) the Company's royalty charges are unreasonable; (iii) the Company unreasonably required licensees to grant it cross-licenses; (iv) the Company failed to provide lists of licensed patents to licensees; (v) the Company violated a FRAND licensing commitment by declining to grant licenses to chipset makers; (vi) the Company declined to sell chipsets to unlicensed potential customers; and (vii) the Company provided royalty rebates to certain companies in exchange for their exclusive use of the Company's chipsets. On October 11, 2017, the TFTC announced that it had reached a decision in the investigation, finding that the Company has violated the TFTA. On October 23, 2017, the Company received TFTC's formal written decision, which finds that the following conducts violate the TFTA: (i) refusing to license and demanding restrictive covenants from chip competitors; (ii) refusing to supply baseband processors to companies that do not have an executed license; and (iii) providing a royalty discount to Apple in exchange for its exclusive use of the Company's chipsets. The TFTC's decision orders the Company to: (1) cease the following conduct within 60 days of the day after receipt of the decision: (a) applying the clauses in an agreement entered into with a competing chip

supplier requesting it to provide sensitive sales information such as chip prices, customers, sales volumes, product types and serial numbers; (b) applying clauses in component supply agreements entered into with handset manufacturers relating to the refusal to sell chips to unlicensed manufacturers; and (c) applying discount clauses in the exclusive agreement entered into with a relevant enterprise; (2) notify competing chip companies and handset manufacturers in writing within 30 days after receipt of the decision that those companies may request to amend or enter into patent license agreements and other relevant agreements within 60 days of the day following the day such notices are received, and upon receipt of such requests, the Company shall commence negotiation in good faith; (3) submit status reports to the TFTC on any such negotiations every six months beginning from the day after receipt of the decision, as well as to submit a report to the TFTC within 30 days after amendments to any license agreements or newly signed license agreements are executed. The TFTC's decision also imposed a fine of 23.4 billion Taiwan Dollars (approximately \$778 million based on the exchange rate at September 24, 2017), which is due on or before November 7, 2017. The Company believes that its business practices do not violate the TFTA and intends to seek a stay of, and to file an action to revoke, the TFTC's decision.

Contingent losses: The Company will continue to vigorously defend itself in the foregoing matters. However, litigation and investigations are inherently uncertain. Accordingly, the Company cannot predict the outcome of these matters. Other than with respect to the TFTC fine, the Company has not recorded any accrual at September 24, 2017 for contingent losses associated with these matters based on its belief that losses, while possible, are not probable. Further, any possible range of loss cannot be reasonably estimated at this time. The unfavorable resolution of one or more of these matters could have a material adverse effect on the Company's business, results of operations, financial condition or cash flows. The Company is engaged in numerous other legal actions not described above arising in the ordinary course of its business and, while there can be no assurance, believes that the ultimate outcome of these other legal actions will not have a material adverse effect on its business, results of operations, financial condition or cash flows.

Indemnifications. The Company generally does not indemnify its customers and licensees for losses sustained from infringement of third-party intellectual property rights. However, the Company is contingently liable under certain product sales, services, license and other agreements to indemnify certain customers, chipset foundries and semiconductor assembly and test service providers against certain types of liability and/or damages arising from qualifying claims of patent, copyright, trademark or trade secret infringement by products or services sold or provided by the Company, or by intellectual property provided by the Company to chipset foundries and semiconductor assembly and test service providers. The Company's obligations under these agreements may be limited in terms of time and/or amount, and in some instances, the Company may have recourse against third parties for certain payments made by the Company.

Through September 24, 2017, the Company has received a number of claims from its direct and indirect customers and other third parties for indemnification under such agreements with respect to alleged infringement of third-party intellectual property rights by its products. Reimbursements under indemnification arrangements have not been material to the Company's consolidated financial statements. The Company has not recorded any accrual for contingent liabilities at September 24, 2017 associated with these indemnification arrangements based on the Company's belief that additional liabilities, while possible, are not probable. Further, any possible range of loss cannot be reasonably estimated at this time.

Purchase Obligations. The Company has agreements with suppliers and other parties to purchase inventory, other goods and services and long-lived assets. Obligations under these agreements at September 24, 2017 for each of the subsequent five years from fiscal 2018 through 2022 were \$4.3 billion, \$1.0 billion, \$376 million, \$120 million and \$27 million, respectively, and there were no obligations thereafter. Of these amounts, for each of the subsequent five years from fiscal 2018 through 2022, commitments to purchase integrated circuit product inventories comprised \$3.5 billion, \$846 million, \$286 million, \$72 million and \$27 million, respectively, and there were no purchase commitments thereafter. Integrated circuit product inventory obligations represent purchase commitments for raw materials, semiconductor die, finished goods and manufacturing services, such as wafer bump, probe, assembly

and final test. Under the Company's manufacturing relationships with its foundry suppliers and assembly and test service providers, cancelation of outstanding purchase commitments is generally allowed but requires payment of costs incurred through the date of cancelation, and in some cases, incremental fees related to capacity underutilization.

Operating Leases. The Company leases certain of its land, facilities and equipment under noncancelable operating leases, with terms ranging from less than one year to 21 years and with provisions in certain leases for cost-of-living increases. Rental expense for fiscal 2017, 2016 and 2015 was \$129 million, \$116 million and \$99 million, respectively. Future minimum lease payments at September 24, 2017 for each of the subsequent five years from fiscal 2018 through 2022 were \$98 million, \$102 million, \$82 million, \$66 million and \$42 million, respectively, and \$55 million thereafter.

Other Commitments. At September 24, 2017, the Company was committed to fund certain strategic investments up to \$514 million, of which \$69 million is expected to be funded in both fiscal 2018 and fiscal 2021. The remaining commitments do not have fixed funding dates and are subject to certain conditions. Commitments represent the maximum amounts to be funded under these arrangements; actual funding may be in lesser amounts or not at all.

VI. MAXIMUM DILUTION AND NET PROCEEDS

6.1 Maximum Dilution

The Shares under the ESPP are offered pursuant to this prospectus to 8,671 eligible employees in Austria, Belgium, the Czech Republic, France, Germany, the Netherlands, Romania and the United Kingdom (as of the date of this prospectus). As indicated in Section 1.2 above, the maximum rate at which Participants may accrue the right to purchase Shares under the ESPP may not exceed \$12,500 worth of Shares (based on the Fair Market Value of Shares as determined on the Offering Date of each Offering Period) per Offering Period. However, as noted above, there are other limitations on Share purchases (such as no more than 15% of eligible compensation may be contributed for ESPP purchases) which may result in a Participant not being able to purchase \$12,500 worth of Shares for each Offering Period.

The Company's Offering Periods consist of two six-month periods commencing on February 1 and August 1 of each year. Assuming that (i) no other ESPP limitations are exceeded and (ii) the employees enroll in the Offering Period that begins in February 2018, each Participant would be entitled to purchase a maximum of 187 whole Shares in July 2018 for a maximum of \$10,604.77 in contributions per Participant. These amounts are based on a hypothetical Share price of \$66.72 (which was the closing price of the Shares on November 17, 2017), on February 1, 2018 (i.e., the first trading day of the Offering Period beginning February 1, 2018, at which time the \$12,500 limit for the Offering Period beginning on such date would be calculated), and a hypothetical purchase price of \$56.71 (85% of \$66.72) on July 31, 2018 (i.e., the last trading day of the Offering Period beginning February 1, 2018).

Participants would also be able to purchase additional Shares during the next Offering Period (i.e., August 1, 2018 – January 31, 2019). Assuming that (i) no other ESPP contribution limitations are exceeded, (ii) the hypothetical Share price on August 1, 2018 (i.e., the first trading day of the Offering Period beginning August 1, 2018, at which time the \$12,500 limit for the Offering Period beginning on such date will be calculated) is \$66.72 and (iii) that the hypothetical purchase price on January 31, 2019 (i.e., the last trading day of the Offering Period beginning August 1, 2018), is \$56.71 (85% of \$66.72), a Participant would be able to purchase a maximum of 187 whole Shares for a maximum of \$10,604.77. Assuming that all of the Participants would each purchase a total of 374 Shares in the Offering Periods beginning February 1, 2018 and August 1, 2018, the maximum number of Shares offered pursuant to this prospectus amounts to 3,242,954 Shares.

Based on the above assumptions, and assuming that the Shares offered would all be newly issued, the holdings of a stockholder of Qualcomm currently holding 1% of the total outstanding share capital of Qualcomm as of October 30, 2017, i.e., 14,741,646 Shares, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:

	Percentage of the total outstanding Shares	Total number of outstanding Shares
Before the offering (as of October 30, 2017)	1.00%	1,474,164,639
After issuance of 3,242,954 Shares under the ESPP	0.998%	1,477,407,593

6.2 Net Proceeds

Assuming that each of the 8,671 eligible employees in Austria, Belgium, the Czech Republic, France, Germany, the Netherlands, Romania and the United Kingdom would purchase the maximum amount of Shares under the ESPP offered pursuant to this prospectus, that is, a total of \$21,209.54 each, then the gross proceeds of Qualcomm in connection with the offer under the ESPP pursuant to this prospectus would be \$183,907,921.34. After deducting legal and accounting expenses in connection with the offer, the net proceeds, based on the above assumptions, would be approximately \$183,807,921.34. The net proceeds will be used for general corporate purposes.

VII. DIRECTORS AND EXECUTIVE OFFICERS

7.1 Board of Directors as of November 16, 2017

Name	Age	Director Since
Barbara T. Alexander	68	2006
Jeffrey W. Henderson	52	2016
Thomas W. Horton	56	2008
Dr. Paul E. Jacobs	55	2005
Ann M. Livermore	59	2016
Harish Manwani	64	2014
Mark D. McLaughlin	51	2015
Steve Mollenkopf	48	2013
Clark T. Randt, Jr.	71	2013
Dr. Francisco Ros	67	2010
Anthony J. "Tony" Vinciguerra	63	2015

Barbara T. Alexander has been an independent consultant since February 2004. She was a senior advisor for UBS from October 1999 to January 2004 and a managing director of Dillon Read & Co., Inc. from January 1992 to September 1999. Prior to joining Dillon Read, Ms. Alexander was a managing director in the corporate finance department of Salomon Brothers. Ms. Alexander has been a director of Choice Hotels International, Inc. since February 2012. She previously served as a director of Allied World Assurance Company Holdings, Ltd. from August 2009 to August 2017 and KB Home from October 2010 to April 2014, and has served as a director of a number of other public companies throughout her career. Ms. Alexander holds B.S. and M.S. degrees in theoretical mathematics from the University of Arkansas.

We believe Ms. Alexander's qualifications to serve on our Board include her significant financial and accounting experience. In addition, she has extensive experience serving on several other public company boards, including in most instances service on the compensation committee and/or the audit committee of those other boards, which provides valuable insights to our Board, including regarding risk management issues.

Jeffrey W. Henderson has been an Advisory Director to Berkshire Partners LLC, a private equity firm, since September 2015. He served as Chief Financial Officer of Cardinal Health Inc., a health care services company, from May 2005 to November 2014. Prior to joining Cardinal Health, Mr. Henderson held multiple positions at Eli Lilly and General Motors, including serving as President and General Manager of Eli Lilly Canada, Controller and Treasurer of Eli Lilly Inc., and in management positions with General Motors in Great Britain, Singapore, Canada and the U.S. Mr. Henderson has been a director of Halozyme Therapeutics, Inc. since August 2015 and a director of FibroGen, Inc. since August 2015. Mr. Henderson holds a B.S. degree in electrical engineering from Kettering University and an M.B.A. degree from Harvard Business School.

We believe Mr. Henderson's qualifications to serve on our Board include his financial and operational management experience, including his significant experience in international operations, which is a source of valuable insights to our Board. His experience in senior operational and financial management positions at companies that experienced significant growth and transformation, including into additional business areas, also provides a useful resource to our senior management. He has been designated as an audit committee financial expert.

Thomas W. Horton has been a Senior Advisor in the Industrials and Business Services Group of Warburg Pincus LLC, a private equity firm focused on growth investing, since October 2015. Mr. Horton was Chairman of American Airlines Group Inc. (formed upon the merger of AMR Corporation ("AMR") and US Airways Group, Inc.) from December 2013 to June 2014 and Chairman of American Airlines, Inc. ("American") from November 2011 to June 2014. He was Chairman and Chief Executive Officer of AMR and Chief Executive Officer of American from November 2011 to December 2013, and President of AMR and American from July 2010 to December 2013. He served as Executive Vice President and Chief Financial Officer of AMR and American from March 2006 to July 2010. He served as Vice Chairman and Chief Financial Officer of AT&T Corporation ("AT&T") from January 2002 to February 2006. Prior to joining AT&T, Mr. Horton was Senior Vice President and Chief Financial Officer of AMR from January 2000 to January 2002 and served in numerous management positions with AMR commencing in 1985. Mr. Horton has been a director of Wal-Mart Stores, Inc. since November 2014. Mr. Horton holds a B.B.A. degree in accounting from Baylor University and an M.B.A. degree from Southern Methodist University.

We believe Mr. Horton's qualifications to serve on our Board include his management, financial and accounting experience gained through service in senior operational and financial management positions, including as Chief Executive Officer and Chief Financial Officer, at two multinational Fortune 500 companies. In particular, Mr. Horton's experience in operational and financial management bring valuable insights to our Board, as well as providing a useful resource to our senior management.

Dr. Paul E. Jacobs is our Executive Chairman and Chairman of the Board. He has served as Chairman of the Board since March 2009, as Executive Chairman since March 2014 and as a director since June 2005. He served as Chief Executive Officer from July 2005 to March 2014 and as Group President of Qualcomm Wireless & Internet from July 2001 to July 2005. In addition, he served as an executive vice president from February 2000 to July 2005. Dr. Jacobs was a director of A123 Systems, Inc. from November 2002 to July 2012. Dr. Jacobs holds a B.S. degree in electrical engineering and computer science, an M.S. degree in electrical engineering and a Ph.D. degree in electrical engineering and computer science from the University of California, Berkeley.

We believe Dr. Jacobs's qualifications to serve on our Board include his extensive business, operational and management experience in the wireless telecommunications industry, including his current position as our Executive Chairman and his prior service as our Chief Executive Officer. His extensive knowledge of our business, products, strategic relationships and opportunities, as well as the rapidly evolving

technologies and competitive environment in our industry, bring valuable insights and knowledge to our Board.

Ann M. Livermore served as Executive Vice President of the Enterprise Business at Hewlett-Packard Company (HP) from May 2004 to June 2011 and as Executive Vice President of HP Services from 2002 to May 2004. She joined HP in 1982 and served in a number of management and leadership positions across the company. Ms. Livermore has been a director of United Parcel Services, Inc. since November 1997 and Hewlett Packard Enterprise Company since November 2015. Ms. Livermore was a director of HP from June 2011 to November 2015. Ms. Livermore holds a B.A. degree in economics from the University of North Carolina, Chapel Hill and an M.B.A. degree from Stanford University.

We believe Ms. Livermore's qualifications to serve on our Board include her extensive operational experience in senior positions, including leading complex global business organizations with large workforces. Her significant experience in the areas of technology, marketing, sales, research and development and business management provide valuable insights to our Board and also provide useful resources to our senior management. Our Board and senior management also benefit from Ms. Livermore's experience from serving on other public company boards.

Harish Manwani has been a Global Executive Advisor to Blackstone Private Equity group since February 2015. Mr. Manwani was the Chief Operating Officer for Unilever PLC, a leading global consumer products company, from September 2011 to December 2014. He served as Unilever's President, Asia, Africa, Middle East and Turkey, which was later extended to include Central and Eastern Europe, from April 2005 to August 2011. He served as Unilever's President, Home & Personal Care, North America from March 2004 to March 2005. He served as Unilever's President, Home & Personal Care, Latin America and as the Chairman of Unilever's Latin America Advisory Council from April 2001 to February 2004. He served as Unilever's Senior Vice President, Global Hair and Oral Care from June 2000 to March 2001. He joined Hindustan Unilever Limited as a management trainee in 1976 and subsequently held various general management positions of increasing responsibilities within Unilever globally. Mr. Manwani has been the Non-Executive Chairman of Hindustan Unilever Limited since July 2005 and a director of Whirlpool Corporation since August 2011, Pearson plc since October 2013 and Nielsen Holdings plc since January 2015. Mr. Manwani holds a B.Sc. honors degree in statistics and an M.M.S. degree in management studies, both from Mumbai University in India. He has also attended the Advanced Management Program at Harvard Business School.

We believe that Mr. Manwani's qualifications to serve on our Board include his substantial management experience involving international operations, particularly in Asia. His executive management experience, particularly with respect to strategic planning and leadership of complex organizations, provides a valuable resource for our senior management. His experience on the boards of several other companies also brings valuable insights to our Board.

Mark D. McLaughlin has been the Chairman of the Board and Chief Executive Officer of Palo Alto Networks, Inc., a network security company, since August 2016. He served as Chairman of the Board, President and Chief Executive Officer from April 2012 to August 2016. He joined Palo Alto Networks as President and Chief Executive Officer, and as a director, in August 2011 and became Chairman of the Board in April 2012. Mr. McLaughlin served as President and Chief Executive Officer and as a director of VeriSign, Inc., a provider of Internet infrastructure services, from August 2009 to August 2011 and as President and Chief Operating Officer from January 2009 to August 2009. Mr. McLaughlin served in various other management and leadership roles at VeriSign from February 2000 through November 2007 and provided consulting services to VeriSign from November 2008 to January 2009. Prior to joining VeriSign, Mr. McLaughlin was Vice President, Sales and Business Development at Signio Inc., an internet payments company acquired by VeriSign in February 2000. President Barack Obama appointed Mr. McLaughlin to serve on the National Security Telecommunications Advisory Committee ("NSTAC") in January 2011 and to the position of Chairman of the NSTAC in November 2014. Mr. McLaughlin served as a director of Opower, Inc. from October 2013 to June 2016. Mr. McLaughlin holds a B.S. degree from the U.S. Military Academy at West Point and a J.D. from Seattle University School of Law.

We believe that Mr. McLaughlin's qualifications to serve on our Board include his operational and management experience at several technology companies. Mr. McLaughlin's service on the NSTAC, as well as his experience as Chief Executive Officer and a member of the Board of Directors of a network security company, provide him with significant knowledge regarding the operations and security of telecommunications systems and cybersecurity matters, which bring valuable insights to our Board.

Steve Mollenkopf - For information regarding Mr. Mollenkopf, please refer to Section 7.2 below.

We believe Mr. Mollenkopf's qualifications to serve on our Board include his extensive business, operational and management experience in the wireless telecommunications industry, including his current position as our Chief Executive Officer. His extensive knowledge of our business, products, strategic relationships and opportunities, as well as the rapidly evolving technologies and competitive environment in our industry, bring valuable insights and knowledge to our Board.

Clark T. Randt Jr. has been President of Randt & Co. LLC, a company that advises firms with interests in China, since February 2009. He is a former U.S. Ambassador to the People's Republic of China, where he served from July 2001 to January 2009. He was a partner resident in the Hong Kong office of Shearman & Sterling, a major international law firm where he headed the firm's China practice, from January 1994 to June 2001. Ambassador Randt served as First Secretary and Commercial Attaché at the U.S. Embassy in Beijing from August 1982 to October 1984. He was the China representative of the National Council for United States-China Trade in 1974, and he served in the U.S. Air Force Security Service from August 1968 to March 1972. Ambassador Randt has been a director of Valmont Industries, Inc. since February 2009, a director of the United Parcel Service, Inc. since August 2010 and a director of Wynn Resorts Ltd. since October 2015. He is fluent in Mandarin Chinese. Ambassador Randt holds a B.A. degree in English literature from Yale University and a J.D. degree from the University of Michigan. He also attended Harvard Law School where he was awarded the East Asia Legal Studies Traveling Fellowship to China.

We believe that Ambassador Randt's qualifications to serve on our Board include his deep understanding of Asia and experience in facilitating business in China and more generally throughout Asia, which is one of the most important regions to our business. He brings to our Board substantial experience in diplomacy, international trade and cross-border commercial transactions, including service as the U.S. Ambassador to The People's Republic of China. His international experience and knowledge of Asian business operations, as well as his experience from serving on other public company boards, provide valuable insights to our Board.

Dr. Francisco Ros is President of First International Partners, S.L., a business consulting firm he founded in 2002. He was Secretary of State (vice minister) of the Government of Spain from May 2004 to July 2010. He served as a senior director of business development of Qualcomm from July 2003 to April 2004. He was Chairman and Chief Executive Officer of Alua Broadband Optical Access, a company he co-founded, from January 2000 to June 2002. Dr. Ros served as President and Chief Executive Officer of Unisource (a joint venture among KPN, Telia, Swisscom and Telefónica) from May 1996 to October 1998. Dr. Ros headed several business areas within the Telefónica Group from April 1983 to November 1996 and became Managing Director of the holding company and a member of its Executive Management Board. Dr. Ros was a director of Elephant Talk Communications Corp. from September 2014 to February 2016. Dr. Ros holds an engineering and a Ph.D. degree in telecommunications from the Universidad Politecnica de Madrid, an M.S. degree in electrical engineering and a Ph.D. degree in electrical engineering and computer science from the Massachusetts Institute of Technology and an advanced management degree from the Instituto de Estudios Superiores de la Empresa Business School in Madrid.

We believe Dr. Ros's qualifications to serve on our Board include his extensive executive management and board experience in telecommunications companies and operators in Europe and Latin America, his significant experience related to the overall telecommunications and IT regulatory environment in Europe (including his service in the Government of Spain at a time when Spain held the Presidency of the European Union), as well as his technical and business background and education. In addition, Dr. Ros brings a non-U.S. perspective to issues facing us, enhancing the understanding of our Board.

Anthony J. "Tony" Vinciguerra has been Chairman of the Board and Chief Executive Officer of Sony Pictures Entertainment Inc., where he leads Sony's television and film division, since June 2017. Mr. Vinciguerra was a Senior Advisor to Texas Pacific Group ("TPG") in the Technology, Media and Telecom sectors, where he advised TPG on acquisitions and operations, from September 2011 to June 2017. Mr. Vinciguerra was Chairman of Fox Networks Group, the largest operating unit of News Corporation, from September 2008 to February 2011, and President and Chief Executive Officer from June 2002 to February 2011. Earlier in his career, he held various management positions in the broadcasting and media industry. Mr. Vinciguerra previously served as a director of Pandora Media, Inc. from March 2016 to June 2017, a director of Motorola Mobility Holdings, Inc. from January 2011 to May 2012 and a director of DirecTV from September 2013 to July 2015. Mr. Vinciguerra holds a B.A. degree in marketing from the State University of New York.

We believe Mr. Vinciguerra's qualifications to serve on our Board include his management experience, including significant experience in operations, which is a source of important insights to our Board, as well as providing a useful resource to our senior management. His prior media industry experience is especially valuable with the convergence of the Internet, wireless, media, and computing industries. He has been designated as an audit committee financial expert.

7.2 Executive Officers as of November 1, 2017

Please note that the ages and bios of the executive officers listed below are as of September 24, 2017.

Name	Age	Position
Paul E. Jacobs	54	Executive Chairman
Steve Mollenkopf	48	Chief Executive Officer
Derek K. Aberle	47	President
Cristiano R. Amon	47	Executive Vice President, QTI and President of QCT
George S. Davis	59	Executive Vice President and Chief Financial Officer
Matthew S. Grob	51	Executive Vice President, QTI
Brian T. Modoff	58	Executive Vice President, Strategy and Mergers & Acquisitions
Alexander H. Rogers	60	Executive Vice President and President, QTL
Donald J. Rosenberg	66	Executive Vice President, General Counsel and Corporate Secretary
Michelle Sterling	50	Executive Vice President, Human Resources
James H. Thompson	53	Executive Vice President, Engineering, QTI and Chief Technology Officer

Paul E. Jacobs has served as Executive Chairman since March 2014, as Chairman of the Board since March 2009 and as a director since June 2005. He served as Chief Executive Officer from July 2005 to March 2014. In addition, he served as an Executive Vice President from February 2000 to June 2005. Dr. Jacobs joined Qualcomm as an intern in 1986 and full-time in 1990 as an engineer and throughout his tenure at Qualcomm has held several other leadership positions. Dr. Jacobs holds a B.S. degree in Electrical Engineering and Computer Science, an M.S. degree in Electrical Engineering and a Ph.D. degree in Electrical Engineering and Computer Science from the University of California, Berkeley.

Steve Mollenkopf has served as Chief Executive Officer since March 2014 and as a director since December 2013. He served as Chief Executive Officer-elect and President from December 2013 to March 2014 and as President and Chief Operating Officer from November 2011 to December 2013. In addition, he served as Executive Vice President and Group President from September 2010 to November 2011 and as Executive Vice President and President, QCT from August 2008 to September 2010. Mr. Mollenkopf joined Qualcomm in 1994 as an engineer and throughout his tenure at Qualcomm has

held several other technical and leadership roles. Mr. Mollenkopf has been a director of General Electric Company since November 2016. Mr. Mollenkopf holds a B.S. degree in Electrical Engineering from Virginia Tech and an M.S. degree in Electrical Engineering from the University of Michigan.

Derek K. Aberle has served as President since March 2014. He served as Executive Vice President and Group President from November 2011 to March 2014 and as Executive Vice President and President, QTL from September 2008 to November 2011. Mr. Aberle joined Qualcomm in December 2000 as an attorney and throughout his tenure at Qualcomm has held several other legal and leadership positions. Mr. Aberle holds a B.A. degree in Business Economics from the University of California, Santa Barbara and a J.D. degree from the University of San Diego. Mr. Aberle will be leaving Qualcomm effective January 4, 2018.

Cristiano R. Amon has served as Executive Vice President, QTI (a subsidiary of Qualcomm) and President, QCT since November 2015. He served as Executive Vice President, QTI and Co-President, QCT from October 2012 to November 2015, Senior Vice President, Qualcomm and Co-President, QCT from June 2012 to October 2012 and as Senior Vice President, QCT Product Management from October 2007 to June 2012. Mr. Amon joined Qualcomm in 1995 as an engineer and throughout his tenure at Qualcomm held several other technical and leadership positions. Mr. Amon holds a B.S. degree in Electrical Engineering from UNICAMP, the State University of Campinas, Brazil.

George S. Davis has served as Executive Vice President and Chief Financial Officer since March 2013. Mr. Davis is responsible for leading Finance, Information Technology and Investor Relations. Prior to joining Qualcomm, Mr. Davis was Chief Financial Officer of Applied Materials, Inc., a provider of manufacturing equipment, services and software to the semiconductor, flat panel display, solar photovoltaic and related industries, from November 2006 to March 2013. Mr. Davis held several other leadership positions at Applied Materials from November 1999 to November 2006. Prior to joining Applied Materials, Mr. Davis served 19 years with Atlantic Richfield Company in a number of finance and other corporate positions. Mr. Davis holds a B.A. degree in Economics and Political Science from Claremont McKenna College and an M.B.A. degree from the University of California, Los Angeles.

Matthew S. Grob has served as Executive Vice President, QTI since March 2017. He served as Executive Vice President, QTI and Chief Technology Officer from October 2012 to March 2017. He served as Executive Vice President, Qualcomm and Chief Technology Officer from July 2011 to October 2012. Mr. Grob joined Qualcomm in August 1991 as an engineer and throughout his tenure at Qualcomm held several other technical and leadership positions. Mr. Grob holds a B.S. degree in Electrical Engineering from Bradley University and an M.S. degree in Electrical Engineering from Stanford University.

Brian T. Modoff has served as Executive Vice President, Strategy and Mergers & Acquisitions since October 2015. Prior to joining Qualcomm, Mr. Modoff was a Managing Director in Equity Research at Deutsche Bank Securities Inc. (Deutsche Bank), a provider of financial services, from March 1999 to October 2015. Prior to joining Deutsche Bank, Mr. Modoff was a research analyst at several financial institutions from November 1993 to March 1999. Mr. Modoff holds a B.A. degree in Economics from California State University, Fullerton and a Master of International Management from the Thunderbird School of Global Management.

Alexander H. Rogers has served as Executive Vice President and President, QTL since October 2016. He served as Senior Vice President and President, QTL from September 2016 to October 2016, Senior Vice President, Deputy General Counsel and General Manager, QTL from March 2016 to September 2016, Senior Vice President and Deputy General Counsel from October 2015 to March 2016 and Senior Vice President and Legal Counsel from April 2007 to October 2015. Mr. Rogers joined Qualcomm in January 2001 as an attorney and throughout his tenure at Qualcomm held several other leadership positions in the legal department. Prior to joining Qualcomm, Mr. Rogers was a partner at the law firm of Gray, Cary, Ware & Friedenrich (now DLA Piper). Mr. Rogers holds B.A. and M.A. degrees in English Literature from Georgetown University and a J.D. degree from Georgetown University Law Center.

Donald J. Rosenberg has served as Executive Vice President, General Counsel and Corporate Secretary since October 2007. He served as Senior Vice President, General Counsel and Corporate Secretary of Apple from December 2006 to October 2007. From May 1975 to November 2006, Mr. Rosenberg held numerous positions at IBM Corporation, including Senior Vice President and General Counsel. Mr. Rosenberg has served as a member of the board of directors of NuVasive, Inc. since February 2016. Mr. Rosenberg holds a B.S. degree in Mathematics from the State University of New York at Stony Brook and a J.D. degree from St. John's University School of Law.

Michelle Sterling has served as Executive Vice President, Human Resources since May 2015. She served as Senior Vice President, Human Resources from October 2007 to April 2015. Ms. Sterling joined Qualcomm in 1994 and throughout her tenure at Qualcomm has held several other human resources and leadership positions. Ms. Sterling holds a B.S. degree in Business Management from the University of Redlands.

James H. Thompson has served as Executive Vice President, Engineering, QTI and Chief Technology Officer since March 2017. He served as Executive Vice President, Engineering, QTI from October 2012 to March 2017 and as Senior Vice President, Engineering, Qualcomm from July 1998 to October 2012. Dr. Thompson joined Qualcomm in 1992 as a senior engineer and throughout his tenure at Qualcomm held several other technical and leadership positions. Dr. Thompson holds B.S., M.S. and Ph.D. degrees in Electrical Engineering from the University of Wisconsin.

7.3 Fraudulent Offences and Bankruptcy, Etc.

For at least the previous five years, none of the directors or executive officers of Qualcomm has:

- (a) been convicted in relation to fraudulent offenses;
- (b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of Qualcomm; or
- (c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the executive officers and directors listed above.

7.4 Conflicts of Interest

Director Independence

The Board has determined that, except for Dr. Paul E. Jacobs and Mr. Steve Mollenkopf, all of the members of the Board are "independent directors" within the meaning of NASDAQ Rule 5605.

Certain Relationships and Related-Person Transactions

Our Code of Ethics states that our executive officers and directors, including their immediate family members, are charged with avoiding situations in which their personal, family or financial interests conflict with those of the Company. Our Conflicts of Interest and Outside Activities policy provides additional rules regarding the employment of relatives. In accordance with its charter, the Audit Committee is responsible for reviewing and approving transactions between the Company and any directors or executive officers or any of such person's immediate family members or affiliates (other than employment and compensation related transactions, which are subject to review by the Compensation Committee), which would be reportable as a related-person transaction under SEC rules. In considering the proposed arrangement,

the Audit Committee or Compensation Committee, as appropriate, will consider the relevant facts and circumstances and the potential for conflicts of interest or improprieties.

During fiscal 2017, we employed the family members of certain of our executive officers. The Compensation Committee reviewed and approved the related-person transactions below.

Those employees whose compensation (salary, cash incentives and grant date fair value of equity awards) exceeded \$120,000 are discussed below, all of whom were adults who did not live with the related director or executive officer, except as otherwise described below. Each family member is compensated according to our standard practices, including participation in our employee benefit plans generally made available to employees of a similar responsibility level. We do not view any of the executive officers as having a beneficial interest in the compensation of family members described below that is material to them or the Company. Restricted stock units ("RSUs") were granted under the Qualcomm Incorporated 2006 Long-Term Incentive Plan (the "Prior Plan") and 2016 Long-Term Incentive Plan, and generally vest over three years from the grant date, contingent upon continued service with the Company.

Cristiano Amon's brother, Rogerio Amon, serves as a Senior Director, Program Management, QTI. During fiscal 2017, Rogerio Amon earned \$201,863 in base salary and \$40,635 in cash incentives and received RSU grants totaling 1,641 shares with an aggregate grant date fair value of \$112,031.

Steve Mollenkopf's brother, James D. Mollenkopf, serves as a Vice President, Strategic Development, QTI. During fiscal 2017, James D. Mollenkopf earned \$255,556 in base salary and \$66,010 in cash incentives and received RSU grants totaling 3,224 shares with an aggregate grant date fair value of \$220,102.

Donald J. Rosenberg's son-in-law, Dr. Lucian Iancovici, served as a Senior Manager, Ventures, QTI. During fiscal 2017, Dr. Lucian Iancovici earned \$195,872 in base salary and \$68,190 in cash incentives and received RSU grants totaling 718 shares with an aggregate grant date fair value of \$49,018. Dr. Iancovici terminated his employment with the Company in August 2017.

Michelle M. Sterling shares her household with Mark E. Palamar, who serves as a Senior Director, IPR Enforcement. During fiscal 2017, Mark E. Palamar earned \$226,833 in base salary and \$41,900 in cash incentives and received RSU grants totaling 1,723 shares with an aggregate grant date fair value of \$117,629.

Potential Post-Employment Payments

As noted in the Compensation Discussion and Analysis ("CD&A") included in the Proxy Statement for Qualcomm's 2017 Annual Meeting of Stockholders, which was filed with the SEC on January 19, 2017 ("Qualcomm's Proxy Statement,") the Company employs almost all U.S.-based employees, including all of our Named Executive Officers ("NEOs") as listed on page 36 of Qualcomm's Proxy Statement "at will," without employment contracts or severance agreements. We do not have a pre-defined severance plan covering the involuntary termination of employees, including our NEOs. We do not accelerate unvested stock options, RSUs or performance-based stock unit awards in the event of an involuntary "for cause" termination. Such terminations may involve theft, dishonesty, falsification, actions that are detrimental to the Company, conviction of a criminal act that impairs the performance of duties required by the Company or violation of a material Company policy. Our practice in such an involuntary termination situation may include the following non-equity benefits:

- Salary continuation dependent on the business reason for the termination;
- Lump-sum payment based on job level and years of service with Qualcomm;
- Lump-sum payment to assist with health care coverage for a limited time; and

- Outplacement services.

The table (Figure 17) included on page 65 of Qualcomm's Proxy Statement summarizes the general terms of our equity award plans and agreements and nonqualified deferred compensation plan regarding how unvested stock options, performance-based stock unit awards, RSUs and Match Shares would be treated in the event of death, long-term disability, a change in control, certain involuntary terminations and retirement. Any variations from the below are set forth in the CD&A.

The information in the "Potential Payments Upon Termination or Change in Control" table included on page 66 of Qualcomm's Proxy Statement describes the compensation that would be payable under various scenarios if the NEO's employment had terminated on the last day of fiscal 2016 and the price per Share is the closing market price as of that date.

Perquisites and other personal benefits. Perquisites and other personal benefits for a director are excluded if the total value of all of his or her perquisites and personal benefits is less than \$10,000. If the total value of all of his or her perquisites and personal benefits is \$10,000 or more, then each perquisite or personal benefit, regardless of its amount, is identified by type. Each perquisite or personal benefit that exceeds the greater of \$25,000 or 10% of the total amount of perquisites and personal benefits for that director is identified by type and quantified. We offer a new cellular phone to each director each year as a personal benefit, and these amounts are included as perquisites if required to be disclosed as provided in Qualcomm's Proxy Statement.

VIII. EMPLOYEES

8.1 Directors' and Executive Officers' Holdings of Shares and Options

The following table sets forth certain information regarding the ownership of our Shares as of December 12, 2016 by: (i) each of our NEOs; (ii) each then current director and nominee for director; and (iii) all of our then current executive officers and directors as a group. The address of each person named in the table is c/o QUALCOMM Incorporated, 5775 Morehouse Dr., San Diego, California 92121-1714, U.S.A.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	
	Number of Shares	Percent of Class
Steve Mollenkopf (2)	254,526	*
George S. Davis (3)	99,227	*
Derek K. Aberle (4)	118,325	*
Paul E. Jacobs (5)	1,430,842	*
Brian Modoff (6)	7,881	*
Barbara T. Alexander (7)	28,150	*
Raymond V. Dittamore (8)	41,726	*
Jeffrey W. Henderson (9)	74	*
Thomas W. Horton (10)	17,786	*
Ann M. Livermore (11)	3,077	*
Harish Manwani (12)	—	*
Mark D. McLaughlin (13)	5,650	*
Clark T. Randt, Jr. (14)	748	*
Francisco Ros (15)	6,125	*
Anthony J. Vinciguerra (16)	1,567	*

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)	
	Number of Shares	Percent of Class
All Executive Officers and Directors as a Group (21 persons) (17)	2,504,281	*

* Less than 1%

- (1) The information for officers and directors in this table is based upon information supplied by those officers and directors. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the stockholders named in this table has sole voting and investment power with respect to the Shares indicated as beneficially owned. Applicable percentages are based on 1,478,597,180 Shares outstanding on December 12, 2016, adjusted as required by rules promulgated by the SEC.
- (2) Includes 254,526 Shares held in family trusts.
- (3) Includes 99,227 Shares held in family trusts.
- (4) Includes 101,051 Shares issuable upon exercise of stock options exercisable within 60 days.
- (5) Includes 1,005,451 Shares held in personal trusts, 950 Shares held by his spouse, and 219,703 Shares held in trusts for the benefit of his children. Also includes 204,738 Shares issuable upon exercise of stock options exercisable within 60 days, of which all shares are held in trusts for the benefit of his children. Dr. Jacobs disclaims all beneficial ownership for the shares held in trusts for the benefit of his children.
- (6) Includes 7,881 Shares held in family trusts.
- (7) Includes 27,968 Shares held in family trusts and 182 fully vested deferred stock units and related dividend equivalents to be released within 60 days. Excludes 12,632 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.
- (8) Includes 7,400 Shares held in family trusts and 6,326 held jointly with his spouse. Also includes 28,000 shares issuable upon exercise of stock options exercisable within 60 days. Excludes 16,838 fully vested deferred stock units and dividend equivalents that settle on March 7, 2017 and 4,622 fully vested deferred stock units and dividend equivalents shares that settle three years after the date of grant. Mr. Dittamore concluded his service as a director at the Qualcomm's 2017 Annual Meeting of Stockholders held on March 7, 2017.
- (9) Excludes 4,622 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant and 751 fully vested deferred stock units and dividend equivalents that settle on March 9, 2018.
- (10) Includes 15,286 Shares held jointly with his spouse and 2,500 Shares issuable upon exercise of stock options exercisable within 60 days. Excludes 10,374 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.
- (11) Includes 3,077 Shares held in family trusts. Excludes 1,892 fully vested deferred stock units and dividend equivalents that settle on March 8, 2019.
- (12) Excludes 9,575 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.
- (13) Includes 5,650 Shares held in family trusts. Excludes 5,953 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant and 1,882 fully vested deferred stock units and dividend equivalents that settle on March 9, 2018.
- (14) Includes 748 Shares held jointly with his spouse. Excludes 5,752 fully vested deferred stock units and dividend equivalents that settle on March 4, 2020 and 4,622 fully vested deferred stock units and dividend equivalent shares that settle three years after the date of grant.
- (15) Excludes 10,374 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.
- (16) Includes 1,567 Shares held in family trusts. Excludes 1,882 fully vested deferred stock units and dividend equivalents that settle on March 9, 2018, 844 fully vested deferred stock units and dividend equivalents that settle on January 1, 2019 and 4,954 fully vested deferred stock units and dividend equivalent shares that settle upon retirement from the Board.
- (17) Includes 669,914 Shares issuable upon exercise of stock options exercisable within 60 days. Also includes 182 fully vested RSUs, deferred stock units and dividend equivalents to be released within 60 days for all directors and executive officers as a group. Excludes 97,569 fully vested deferred stock units and related dividend equivalents.

8.2 Employee Benefit Plans

Equity Compensation Plans. On March 8, 2016, the Company's stockholders approved the Qualcomm Incorporated 2016 Long-Term Incentive Plan (the "2016 Plan"), which replaced the Prior Plan. Effective on and after that date, no new awards will be granted under the Prior Plan, although all outstanding awards under the Prior Plan will remain outstanding according to their terms and the terms of the Prior

Plan. The 2016 Plan provides for the grant of incentive and nonstatutory stock options, stock appreciation rights, restricted stock, unrestricted stock, RSUs, performance units, performance shares, deferred compensation awards and other stock-based awards. The Share reserve under the 2016 Plan is equal to 90,000,000 Shares, plus approximately 20,120,000 Shares that were available for future grant under the Prior Plan on March 8, 2016, for a total of approximately 110,120,000 Shares available for grant under the 2016 Plan on that date. This Share reserve is automatically increased as provided in the 2016 Plan by the number of Shares subject to stock options granted under the Prior Plan and outstanding as of March 8, 2016, which after that date expire or for any reason are forfeited, canceled or terminated, and by two times the number of Shares subject to any awards other than stock options granted under the Prior Plan and outstanding as of March 8, 2016, which after that date expire, are forfeited, canceled or terminated, fail to vest, are not earned due to any performance goal that is not met, are otherwise reacquired without having become vested, or are paid in cash, exchanged by a participant or withheld by the Company to satisfy any tax withholding or tax payment obligations related to such award. The Board may amend or terminate the 2016 Plan at any time. Certain amendments, including an increase in the Share reserve, require stockholder approval. As of September 24, 2017, approximately 95,485,000 Shares were available for future grant under the 2016 Plan.

RSUs are Share awards that entitle the holder to receive Shares upon vesting. The RSUs generally include dividend-equivalent rights and vest over periods of three years from the date of grant. A summary of RSU transactions for all equity compensation plans follows:

	Number of Shares	Weighted- Average Grant Date Fair Value	Aggregate Intrinsic Value
	(In thousands)		(In billions)
RSUs outstanding at September 25, 2016	26,078	\$ 61.42	
RSUs granted	12,525	66.54	
RSUs canceled/forfeited	(1,793)	63.17	
RSUs vested	(12,106)	64.34	
RSUs outstanding at September 24, 2017	<u>24,704</u>	\$ 62.46	\$ 1.3

At September 24, 2017, total unrecognized compensation expense related to non-vested RSUs granted prior to that date was \$911 million, which is expected to be recognized over a weighted-average period of 1.6 years. The total vest-date fair value of RSUs that vested during fiscal 2017, 2016 and 2015 was \$820 million, \$685 million and \$1.0 billion, respectively. The total Shares withheld to satisfy statutory tax withholding requirements related to all Share-based awards were approximately 4,247,000, 4,300,000 and 5,043,000 in fiscal 2017, 2016 and 2015, respectively, and were based on the value of the awards on their vesting dates as determined by the closing Share price. Total payments for the employees' tax obligations to the taxing authorities were \$268 million, \$224 million and \$351 million in fiscal 2017, 2016 and 2015, respectively, and were included as a reduction to net cash provided by operating activities in the consolidated statements of cash flows.

The Board may grant stock options to employees, directors and consultants to the Company to purchase Shares at an exercise price not less than the fair market value of the Shares at the date of grant. Stock options vest over periods not exceeding five years and are exercisable for up to ten years from the grant date. A summary of stock option transactions for all equity compensation plans follows:

	Number of Shares	Weighted- Average Exercise Price	Average Remaining Contractual Term	Aggregate Intrinsic Value
	(In thousands)		(Years)	(In millions)
Stock options outstanding at September 25, 2016	17,979	\$ 40.96		

	Number of Shares	Weighted- Average Exercise Price	Average Remaining Contractual Term	Aggregate Intrinsic Value
	(In thousands)		(Years)	(In millions)
Stock options canceled/forfeited/expired	(52)	27.33		
Stock options exercised	(5,542)	41.02		
Stock options outstanding at September 24, 2017	12,385	\$ 40.99	1.3	\$ 139
Exercisable at September 24, 2017	12,382	\$ 41.00	1.3	\$ 139

The total intrinsic value of stock options exercised during fiscal 2017, 2016 and 2015 was \$118 million, \$147 million and \$371 million, respectively, and the amount of cash received from the exercise of stock options was \$236 million, \$436 million and \$519 million, respectively. Upon option exercise, the Company issues new Shares.

The total tax benefits realized, including the excess tax benefits, related to share-based awards during fiscal 2017, 2016 and 2015 was \$301 million, \$253 million and \$437 million, respectively.

Employee Stock Purchase Plan. The Company has an ESPP for eligible employees to purchase Shares at 85% of the lower of the fair market value on the first or the last day of each offering period, which is generally six months. Employees may authorize the Company to withhold up to 15% of their compensation during any offering period, subject to certain limitations. The ESPP includes a non-423(b) plan. The Shares authorized under the ESPP were approximately 71,709,000 at September 24, 2017. The Shares reserved for future issuance were approximately 14,648,000 at September 24, 2017. During fiscal 2017, 2016 and 2015, approximately 5,746,000, 5,966,000 and 4,977,000 Shares, respectively, were issued under the plan at an average price of \$45.29, \$38.89 and \$53.92 per Share, respectively. At September 24, 2017, total unrecognized compensation expense related to non-vested purchase rights granted prior to that date was \$26 million. The Company recorded cash received from the exercise of purchase rights of \$260 million, \$232 million and \$268 million during fiscal 2017, 2016 and 2015, respectively.

IX. WORKING CAPITAL STATEMENT

Qualcomm believes its current cash, cash equivalents and marketable securities, its expected cash flow generated from operations and its expected financing activities will satisfy its working and other capital requirements (including debt services, if any) for at least the next 12 months based on its current business plans.

X. SELECTED FINANCIAL INFORMATION

10.1 Selected Financial Data

The consolidated statement of operations and the consolidated balance sheet data of Qualcomm for the fiscal years ended September 24, 2017, September 25, 2016 and September 27, 2015, set out in this prospectus have been derived from Qualcomm's audited consolidated financial statements prepared in accordance with U.S. GAAP. They should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and Qualcomm's consolidated financial statements and notes thereto appearing respectively on pages 40 – 54 and F-2 – F-44 of Qualcomm's Form 10-K.

SELECTED THREE-YEAR FINANCIAL DATA

	Years Ended (1)		
	September 24, 2017	September 25, 2016	September 27, 2015
(In millions, except per share data)			
Statement of Operations Data:			
Revenues (2)	\$ 22,291	\$ 23,554	\$ 25,281
Operating income (2)	2,614	6,495	5,776
Net income	2,465	5,702	5,268
Net income attributable to Qualcomm	2,466	5,705	5,271
Per Share Data:			
Basic earnings per share attributable to Qualcomm	\$ 1.67	\$ 3.84	\$ 3.26
Diluted earnings per share attributable to Qualcomm	\$ 1.65	\$ 3.81	\$ 3.22
Dividends per share announced	2.20	2.02	1.80
Balance Sheet Data:			
Cash and cash equivalents	\$ 35,029	\$ 5,946	\$ 7,560
Current marketable securities	2,279	12,702	9,761
Long-term marketable securities	1,270	13,702	13,626
Total assets	65,486	52,359	50,796
Short-term debt (3)	2,495	1,749	1,000
Long-term debt (4)	19,398	10,008	9,969
Other long-term liabilities (5)	2,432	895	817
Total stockholders' equity	30,746	31,768	31,414

- (1) Qualcomm's fiscal year ends on the last Sunday in September. The fiscal years ended September 24, 2017, September 25, 2016 and September 27, 2015 each included 52 weeks.
- (2) Revenues in fiscal 2017 were negatively impacted by actions taken by Apple and its contract manufacturers as well as the previously disclosed dispute with another licensee, who did not fully report or fully pay royalties due in the last three quarters of fiscal 2017, as well as the \$940 million reduction to revenues recorded related to the BlackBerry arbitration. Operating income was further negatively impacted by \$927 million and \$778 million in charges related to the fines imposed by the KFTC and the TFTC, respectively.
- (3) Short-term debt was comprised of outstanding commercial paper and, in fiscal 2017, the current portion of long-term debt.
- (4) Long-term debt was comprised of floating- and fixed-rate notes.
- (5) Other long-term liabilities in this balance sheet data exclude unearned revenues.

10.2 Independent Registered Public Accounting Firm

The independent registered public accounting firm of Qualcomm is PricewaterhouseCoopers LLP, San Diego, California, U.S.A. PricewaterhouseCoopers LLP is registered with the Public Company Accounting Oversight Board (United States) and is a member of the American Institute of Certified Public Accountants.

XI. DOCUMENTS ON DISPLAY

Qualcomm's Internet address is www.qualcomm.com. There Qualcomm makes available, free of charge, its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any

amendments to those reports, as soon as reasonably practicable after Qualcomm electronically files such material with, or furnishes it to, the SEC. Qualcomm also makes available on its Internet site public financial information for which a report is not required to be filed with or furnished to the SEC. Qualcomm's SEC reports and other financial information can be accessed through the investor relations section of its Internet site. All SEC filings are also available at the SEC's website at www.sec.gov.

Qualcomm's Form 10-K and Qualcomm's Proxy Statement, referred to in this prospectus, may be obtained free of charge upon request by an employee.

Qualcomm expects to issue, after market close on or about January 31, 2018, its earnings release for the quarter ending December 24, 2017. The quarterly report on Form 10-Q for such quarter is expected to be filed with the SEC on the same date and will be filed with the SEC no later than February 2, 2018. These documents will be available on the websites of Qualcomm and the SEC indicated above.

XII. TAX CONSEQUENCES

12.1 Austria

The following summary is based on the income and social tax laws in effect in Austria as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares under the ESPP or when Participant sells Shares. The following applies only to Participants who are tax residents of Austria. If Participant is a citizen or resident of another country (or is considered as such for local law purposes), or transfers employment and/or residency to a different country after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure any Participant of any particular tax result. Participants should address any particular questions to a specialized advisor.

Enrollment in the ESPP

Participant is not subject to tax when he or she enrolls in the ESPP or a new Offering Period begins.

Purchase of Shares

When Shares are purchased under the ESPP, Participant will be subject to income tax at Participant's personal income tax rate on the difference between the fair market value of the Shares on the purchase date and the Purchase Price (the "discount"). Participant will also be subject to social security contributions on the discount to the extent that Participant's income has not yet exceeded the applicable income ceiling.

The Participant may be entitled to a tax exemption and/or reduced tax rate if certain requirements are met.

Sale of Shares

When Participant subsequently sells the Shares acquired under the ESPP, any capital gain will be subject to income tax at a flat rate, or upon application, at Participant's marginal income tax rate. The taxable amount will be the difference between the sale price and the fair market value of the Shares at purchase.

If Participant realizes a capital loss, such loss may generally be used to offset certain capital gains realized in the same year. Participant should check with their tax advisor to confirm the availability of an offset in their individual situation.

Note that the tax treatment upon the sale of Shares acquired prior to January 1, 2011 is different than the tax treatment described above.

Withholding and Reporting

Participant's employer will withhold income tax and social security contributions (to the extent that Participant's income has not already exceeded applicable ceilings) due on the discount at purchase and report and remit the income tax withheld to the Austrian tax authorities.

It is Participant's responsibility to report any income from the sale of Shares and to pay any applicable taxes due on such income.

12.2 Belgium

The following summary is based on the income and social tax laws in effect in Belgium as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares under the ESPP or when Participant sells Shares. The following applies only to Participants who are tax residents of Belgium. If Participant is a citizen or resident of another country (or is considered as such for local law purposes), or transfers employment and/or residency to a different country after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure any Participant of any particular tax result. Participants should address any particular questions to a specialized advisor.

Enrollment in the ESPP

Participant is not subject to tax when he or she enrolls in the ESPP or a new Offering Period begins.

Purchase of Shares

When Shares are purchased under the ESPP, Participant will be subject to income tax at Participant's marginal income tax rate on the difference between the fair market value of the Shares on the purchase date and the Purchase Price (the "discount"). Participant will not be subject to social security contributions on the discount.

Sale of Shares

When Participant subsequently sells the Shares acquired under the ESPP, Participant will not be subject to capital gains tax.

The sale proceeds will be subject to a stock exchange tax at a flat rate (subject to the applicable maximum tax ceiling). Participant will be responsible for filing a stock exchange tax return and paying the tax due by the end of the second month following the month of sale, except in the unlikely event that the financial intermediary involved in the sale of Shares arranges to pay and/or remit the stock exchange tax on Participant's behalf via a Belgian representative.

Withholding and Reporting

Participant's employer will not withhold income tax when Shares are purchased under the ESPP or report the income to the Belgian tax authorities. It is Participant's responsibility to report the income realized under the ESPP in his or her personal tax return and pay any taxes due at purchase and sale of the Shares.

Further, Belgian residents must report any securities accounts (including those relating to Shares) or bank accounts (including brokerage accounts) maintained outside of Belgium on their annual income tax return. The first time a foreign account is reported in the annual income tax return, certain details regarding that account must be provided to the National Bank of Belgium on a separate form. The form and instructions on completing the form are available at the National Bank of Belgium website.

12.3 Czech Republic

The following summary is based on the income and social tax laws in effect in the Czech Republic as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares under the ESPP or when Participant sells Shares. The following applies only to Participants who are tax residents of the Czech Republic. If Participant is a citizen or resident of another country (or is considered as such for local law purposes), or transfers employment and/or residency to a different country after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure any Participant of any particular tax result. Participants should address any particular questions to a specialized advisor.

Enrollment in the ESPP

Participant is not subject to tax when he or she enrolls in the ESPP or a new Offering Period begins.

Purchase of Shares

When Shares are purchased under the ESPP, Participant will be subject to income tax at Participant's personal income tax rate on the difference between the fair market value of the Shares on the purchase date and the Purchase Price (the "discount"). Participant will not be subject to social security or health insurance contributions on the discount. Participant will be subject to a solidarity surcharge on annual income (including the discount) in excess of a certain threshold.

Sale of Shares

When Participant subsequently sells the Shares acquired under the ESPP, Participant will not be subject to tax provided Participant has held the Shares for more than three years or the gross annual income from the sale of Shares and other securities does not exceed the applicable threshold. If Participant holds the Shares for three years or less and the gross annual income from the sale of Shares and other securities exceeds the applicable threshold, any capital gain will be subject to tax at a flat rate. The taxable amount will be the difference between the sale price and the fair market value of the Shares at purchase. Note that the tax treatment upon the sale of Shares acquired prior to January 1, 2014 is different than the tax treatment described above.

If Participant realizes a capital loss, he or she may be able, upon application, to offset capital gains by capital losses from the sale of Shares in a given calendar year.

Withholding and Reporting

Participant's employer will not withhold income tax when Shares are purchased under the ESPP or report the income to the Czech tax authorities. It is Participant's responsibility to report the income realized under the ESPP in his or her personal tax return and pay any taxes due at purchase and sale of the Shares.

12.4 France

The following summary is based on the income and social tax laws in effect in France as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares under the ESPP or when Participant sells Shares. The following applies only to Participants who are tax residents of France. If Participant is a citizen or resident of another country (or is considered as such for local law purposes), or transfers employment and/or residency to a different country after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure any Participant of any particular tax result. Participants should address any particular questions to a specialized advisor.

Enrollment in the ESPP

Participant is not subject to tax when he or she enrolls in the ESPP or a new Offering Period begins.

Purchase of Shares

When Shares are purchased under the ESPP, Participant will be subject to social security contributions on the difference between the fair market value of the Shares on the purchase date and the Purchase Price (the "discount"). Participant will also be subject to personal income tax on the discount, after deduction of tax deductible social security contributions.

The Shares acquired under the ESPP must be included in the Participant's personal estate for wealth tax purposes, unless a full or partial wealth tax exemption applies.

Sale of Shares

When Participant subsequently sells the Shares acquired under the ESPP, the gain (i.e., in principle, the difference between the net sale price and the fair market value of the Shares on the Purchase Date) will be subject to personal income tax at progressive rates plus additional social taxes. The Participant may benefit from a reduction of his or her taxable basis in the Shares (for personal income tax purposes only), if the Participant holds the Shares for at least 2 years and a further reduction if the Participant holds the Shares for at least 8 years.

Surtax on High Income

An additional surtax applies on the portion of all types of income exceeding applicable income thresholds (thresholds vary depending on filing status), including the discount at purchase and any capital gain realized upon the sale of Shares. A surtax reduction is available under certain circumstances.

Withholding and Reporting

As of the date of this Prospectus, Participant's employer will not withhold income tax when Shares are purchased under the ESPP, but will withhold social security contributions on the discount. In addition, the Participant's employer will report the discount on the Participant's pay slip and on its annual declaration of salaries.

Please note, however, that rule changes expected to go into effect on 1 January 2018 may require Participant's employer to withhold income tax at the time of purchase.

Participant is responsible for reporting and paying any personal income tax, surtax (if applicable), and additional social taxes when he or she files his or her personal tax return (to the extent not withheld by

Participant's employer). The Participant also is responsible for reporting and paying wealth tax (if applicable) when he or she files his or her wealth tax return.

French residents must declare any foreign bank, investment and brokerage accounts opened, used or closed during the applicable fiscal year to the French tax authorities, together with their personal tax return. In addition, French residents must declare the value of any cash or securities that are brought to France without the use of a financial institution to the French customs and excise authorities, if the value exceeds a certain threshold.

12.5 Germany

The following summary is based on the income and social tax laws in effect in Germany as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares under the ESPP or when Participant sells Shares. The following applies only to Participants who are tax residents of Germany. If Participant is a citizen or resident of another country (or is considered as such for local law purposes), or transfers employment and/or residency to a different country after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure any Participant of any particular tax result. Participants should address any particular questions to a specialized advisor.

Enrollment in the ESPP

Participant is not subject to tax when he or she enrolls in the ESPP or a new Offering Period begins.

Purchase of Shares

When Shares are purchased under the ESPP, Participant will be subject to income tax at Participant's personal income tax rate on the difference between the fair market value of the Shares on the purchase/transfer date and the Purchase Price (the "discount"). Further, Participant will be subject to solidarity surcharge and church tax (if applicable) on the income tax owed on the discount.

Participant will also be subject to social security contributions on the discount to the extent that Participant's income has not yet exceeded the applicable income ceilings.

A small tax deduction may be available pursuant to Section 3 No. 39 of the Income Tax Act, provided certain conditions are met. Participant should consult with his or her personal tax advisor for further information regarding this deduction.

Sale of Shares

When Participant subsequently sells the Shares acquired under the ESPP, any capital gain will be subject to income tax at a flat rate (plus solidarity surcharge and church tax, if applicable, on the flat rate tax), provided that Participant does not own 1% or more of the Company's stated capital (and has not owned 1% or more at any time in the last five years) and the Shares are not held as business assets. The taxable amount will be the difference between the sale price and the fair market value of the Shares at purchase, less any costs Participant incurs directly related to the sale of the Shares.

Participant may deduct €801 (€1,602 for married couples filing jointly) from Participant's total capital gains from the sale of Shares and other income derived from capital investment earned in the relevant tax year.

If the flat tax rate exceeds Participant's personal income tax rate, Participant may elect an assessment in order to have his or her personal income tax rate applied to the capital gain.

Participant will be responsible for declaring any capital gains he or she realizes upon the sale of Shares and paying applicable taxes due on such gains (unless Participant's Shares are held by a German financial institution in a custodial account at the time of sale and the German financial institution withholds the applicable taxes due on the capital gains).

If Participant realizes a capital loss from the sale of the Shares, Participant may in general deduct the loss only from capital gains generated from the sale of Shares in the same calendar year or in subsequent calendar years. The loss may not be deducted from other income from capital investments (e.g., dividend income or interest income) of the same calendar year or subsequent calendar years.

Note that the tax treatment upon the sale of Shares acquired prior to January 1, 2009 is different than the tax treatment described above.

Withholding and Reporting

Participant's employer will withhold income tax (plus solidarity surcharge and church tax, if applicable) and social security contributions (to the extent that Participant's income has not already exceeded applicable ceilings) due on the discount at purchase and report and pay the income tax withheld to the German tax authorities for the month in which the purchase occurs.

Depending on Participant's personal tax situation, Participant may be required to file a tax return with the German tax authorities on which Participant must report any income he or she realizes in connection with his or her participation in the ESPP. If applicable, Participant is responsible for including the income realized under the ESPP in his or her annual tax return. Further, Participant is responsible for paying any difference between Participant's actual tax liability and the amount withheld by Participant's employer.

12.6 The Netherlands

The following summary is based on the income and social tax laws in effect in the Netherlands as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares under the ESPP or when Participant sells Shares. The following applies only to Participants who are tax residents of the Netherlands. If Participant is a citizen or resident of another country (or is considered as such for local law purposes), or transfers employment and/or residency to a different country after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure any Participant of any particular tax result. Participants should address any particular questions to a specialized advisor.

Enrollment in the ESPP

Participant is not subject to tax when he or she enrolls in the ESPP or a new Offering Period begins.

Purchase of Shares

When Shares are purchased under the ESPP, Participant will be subject to income tax at Participant's personal income tax rate on the difference between the fair market value of the Shares on the purchase date and the Purchase Price (the "discount"). Participant will also be subject to social security contributions on the discount to the extent that Participant's income has not yet exceeded the applicable income ceiling.

Participant will also be subject to a net capital assets tax based on the value of all taxable assets (including Shares) held by the Participant on January 1 of each year, to the extent the value of such

assets exceeds the annual exempt amount. Participant is solely responsible for paying any net capital assets tax due on his or her annual tax return.

Sale of Shares

When Participant subsequently sells the Shares acquired under the ESPP, Participant will not be subject to tax provided he or she holds less than 5% of the Company's outstanding Shares. However, the sales proceeds realized from such sale must be considered for purposes of calculating the net capital assets tax on Participant's tax return.

Withholding and Reporting

Participant's employer will withhold income tax and social security contributions (to the extent that Participant's income has not already exceeded applicable ceilings) due on the discount at purchase and report and remit the income tax withheld to the Dutch tax authorities.

Participant also must report any taxable benefit realized under the ESPP on his or her personal income tax return.

12.7 Romania

The following summary is based on the income and social tax laws in effect in Romania as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares under the ESPP or when Participant sells Shares. The following applies only to Participants who are tax residents of Romania. If Participant is a citizen or resident of another country (or is considered as such for local law purposes), or transfers employment and/or residency to a different country after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure any Participant of any particular tax result. Participants should address any particular questions to a specialized advisor.

Enrollment in the ESPP

Participant is not subject to tax when he or she enrolls in the ESPP or a new Offering Period begins.

Purchase of Shares

When Shares are purchased under the ESPP, Participant will be subject to income tax on the difference between the fair market value of the Shares on the purchase date and the Purchase Price (the "discount"). Participant will also be subject to social security contributions on the discount.

Sale of Shares

When Participant subsequently sells the Shares acquired under the ESPP, any capital gain will be subject to capital gains tax at a flat rate. The taxable amount will be the difference between the sale price and the fair market value of the Shares at purchase.

If Participant realizes a capital loss, he or she may offset the capital loss against any capital gains realized from similar transactions (i.e., the sale of shares of a publicly-listed companies) in the same year and in the following seven years.

Withholding and Reporting

Participant's employer will not withhold income tax when Shares are purchased under the ESPP or report the income to the Romanian tax authorities. It is Participant's responsibility to report the income realized under the ESPP in his or her personal tax return and pay any taxes due at purchase and sale of the Shares.

12.8 United Kingdom

The following summary is based on the income and social tax laws in effect in the United Kingdom as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares under the ESPP or when Participant sells Shares. The following applies only to Participants who are resident and domiciled in the United Kingdom. If Participant is a citizen or resident of another country (or is considered as such for local law purposes), or transfers employment and/or residency to a different country after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure any Participant of any particular tax result. Participants should address any particular questions to a specialized advisor.

Enrollment in the ESPP

Participant is not subject to tax when he or she enrolls in the ESPP or a new Offering Period begins.

Purchase of Shares

When Shares are purchased under the ESPP, Participant will be subject to income tax and employee National Insurance contributions ("NICs") on the difference between the fair market value of the Shares on the Purchase Date and the Purchase Price (the "discount").

Participant's employer will calculate the income tax and employee NICs due when Shares are purchased under the ESPP and will account for these amounts to Her Majesty's Revenue and Customs ("HMRC") through the PAYE system. Participant is required to reimburse the employer for the amounts accounted by it to HMRC.

Participant is liable for all PAYE due and, pursuant to the terms of the ESPP for employees in the United Kingdom, must pay all PAYE as and when requested by the Company or Participant's Employer or by HMRC (or any other tax authority or any other relevant authority). Further, Participant must indemnify and keep indemnified the Company and Participant's employer against any taxes that they are required to pay or withhold or have paid or will pay on Participant's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), Participant may not be able to indemnify the Company or Participant's employer for the amount of any taxes not collected from or paid by Participant as it may be considered a loan. In the event that Participant is a director or executive officer and Participant's income tax liability is not collected from or paid by Participant within ninety (90) days after the end of the U.K. tax year in which the event giving rise to the income tax occurs, the amount of any uncollected income taxes may constitute a benefit to Participant on which additional income tax and NICs may be payable. Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or Participant's employer (as appropriate) for the value of any employee NICs due on this additional benefit, which the Company or Participant's employer may receive at any time thereafter by withholding from any monies or compensation due to Participant, including Participant's salary.

Sale of Shares

When Participant subsequently sells the Shares acquired under the ESPP, any capital gain (i.e., the difference between the sale price and base cost of the Shares for tax purposes) will be subject to capital gains tax. However, capital gains tax is payable only if Participant's total annual capital gain exceeds the annual exemption amount.

In general, the base cost of Shares will be equal to the fair market value of the Shares on the Purchase Date. However, Participant must consider the share identification rules to determine the relevant base cost when calculating his/her capital gains. Participant should consult with his/her personal tax advisor for additional details.

Withholding and Reporting

As mentioned above, Participant's employer will report the discount as income to Participant and withhold income tax and employee NICs due on the discount when Shares are purchased under the ESPP. It is Participant's responsibility to report any income from the sale of Shares and to pay any applicable taxes due on such income.

EXHIBITS

EXHIBIT I

**AMENDED AND RESTATED QUALCOMM INCORPORATED
2001 EMPLOYEE STOCK PURCHASE PLAN, AS AMENDED**

**AMENDED AND RESTATED QUALCOMM INCORPORATED
2001 EMPLOYEE STOCK PURCHASE PLAN, AS AMENDED**

**Amended and Restated Effective February 1, 2013
Includes Amendment Approved by Stockholders on March 9, 2015**

SECTION 1 Establishment, Purpose and Term of Plan.

1.1 Establishment. The Qualcomm Incorporated 2001 Employee Stock Purchase Plan, which was originally established as of February 27, 2001, is hereby amended and restated by the Committee as of February 1, 2013.

1.2 Purpose. The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward Eligible Employees of the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan provides such Eligible Employees with an opportunity to acquire a proprietary interest in the Company through the purchase of Stock. The Company intends that the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code (including any amendments or replacements of such section), and the Plan shall be so construed, although the Company makes no undertaking nor representation to maintain such qualification. In addition, this Plan document authorizes the grant of rights to purchase Stock under a Non-423(b) Plan which do not qualify under Section 423(b) of the Code, pursuant to rules, procedures or sub-plans adopted by the Board or Committee designed to achieve tax, securities law or other Company compliance objectives in particular locations outside the United States.

1.3 Term of Plan. The Plan shall continue in effect until the earlier of its termination by the Board or the date on which all of the shares of Stock available for issuance under the Plan have been issued.

SECTION 2 Definitions and Construction.

2.1. Definitions. Any term not expressly defined in the Plan but defined for purposes of Section 423 of the Code shall have the same definition herein for purposes of the Code Section 423(b) Plan. Whenever used herein, the following terms shall have their respective meanings set forth below:

a. "Board" means the Board of Directors of the Company. If one or more Committees have been appointed by the Board to administer the Plan, "Board" also means such Committee(s).

b. "Code" means the U.S. Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

c. "Code Section 423(b) Plan" means an employee stock purchase plan which is designed to meet the requirements set forth in Section 423(b) of the Code. The provisions of the Code Section 423(b) Plan shall be construed, administered and enforced in accordance with Section 423(b) of the Code.

d. "Committee" means the Compensation Committee or other committee of the Board duly appointed to administer the Plan and having such powers as shall be specified by the Board. Unless the powers of the Committee have been specifically limited, the Committee shall have all of the powers of the Board granted herein, including, without limitation, the power to amend or terminate the Plan at any time, subject to the terms of the Plan and any applicable limitations imposed by law. To the extent determined by the Board or the Compensation Committee, the term "Committee" shall also mean such officers of the Company as the Board or Compensation Committee shall specify.

e. "Company" means Qualcomm Incorporated, a Delaware corporation, or any Successor.

f. "Compensation" means, with respect to any Offering Period, all salary, wages (including amounts elected to be deferred by the employee, that would otherwise have been paid, under any cash or deferred arrangement established by the Company) and overtime pay, but excluding

commissions, bonuses, payments under the 2-for-1 vacation program, profit sharing, the cost of employee benefits paid for by the Company, education or tuition reimbursements, imputed income arising under any Company group insurance or benefit program, traveling expenses, business and moving expense reimbursements, income received in connection with stock options, contributions made by the Company under any employee benefit plan, and similar items of compensation. Compensation shall also include payments while on a leave of absence during which participation continues pursuant to Section 2.1(g) to such extent as may be provided by the Company's leave policy.

g. "Eligible Employee" means an Employee who meets the requirements set forth in Section 5 for eligibility to participate in the Plan. Eligible Employee shall also mean any other employee of a Participating Company to the extent that local law requires participation in the Plan to be extended to such employee.

h. "Employee" means a person treated as an employee of a Participating Company for purposes of Section 423 of the Code. A Participant shall be deemed to have ceased to be an Employee either upon an actual termination of employment or upon the corporation employing the Participant ceasing to be a Participating Company. For purposes of the Plan, an individual shall not be deemed to have ceased to be an Employee while on any military leave or other leave of absence approved by the Company of three (3) months or less. If an individual's leave of absence exceeds three (3) months, the individual shall be deemed to have ceased to be an Employee on the first day immediately following such three-month period unless the individual's right to reemployment with the Participating Company Group is guaranteed either by statute or by contract.

i. "Fair Market Value" means, as of any date:

i. If the Stock is listed on any established stock exchange or traded on the Nasdaq Global Select Market or the Nasdaq Global Market, the Fair Market Value of a share of Stock shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or market (or if the stock is traded on more than one exchange or market, the exchange or market with the greatest volume of trading in the Stock) on the day of determination, in any case as reported in *The Wall Street Journal* or such other source as the Board deems reliable. In the absence of such markets for the Stock, the Fair Market Value shall be determined in good faith by the Board.

ii. For purposes of this Plan, if the date as of which the Fair Market Value is to be determined is not a market trading day, then solely for the purpose of determining Fair Market Value such date shall be: (A) in the case of the Offering Date, the first market trading day following the Offering Date; (B) in the case of the Purchase Date, the last market trading day prior to the Purchase Date.

j. "Non-423(b) Plan" means an employee stock purchase plan which does not meet the requirements set forth in Section 423(b) of the Code, as amended.

k. "Offering" means an offering of Stock as provided in Section 6.

l. "Offering Date" means, for any Offering, the first day of the Offering Period.

m. "Offering Period" means a period established in accordance with Section 6.

n. "Parent Corporation" means any present or future "parent corporation" of the Company, as defined in Section 424(e) of the Code.

o. "Participant" means an Eligible Employee who has become a participant in an Offering Period in accordance with Section 7 and remains a participant in accordance with the Plan.

p. "Participating Company" means the Company and any Parent Corporation or Subsidiary Corporation. The Board or Committee may determine that some or all employees of any Participating Company shall participate in the Non-423(b) Plan.

q. "Participating Company Group" means, at any point in time, the Company and all other corporations collectively which are then Participating Companies.

r. "Plan" shall mean the Amended and Restated Qualcomm Incorporated 2001 Employee Stock Purchase Plan, as amended from time to time, which includes a Code Section 423(b) Plan and a Non-423(b) Plan component.

s. "Purchase Date" means, for any Offering, the last day of the Offering Period; provided, however, that the Board in its discretion may establish one or more additional Purchase Dates during any Offering Period.

t. "Purchase Price" means the price at which a share of Stock may be purchased under the Plan, as determined in accordance with Section 9.

u. "Purchase Right" means an option granted to a Participant pursuant to the Plan to purchase such shares of Stock as provided in Section 8, which the Participant may or may not exercise during the Offering Period in which such option is outstanding. Such option arises from the right of a Participant to withdraw any accumulated payroll deductions of the Participant not previously applied to the purchase of Stock under the Plan and to terminate participation in the Plan during an Offering Period, in accordance with such rules and procedures as may be established by Board.

v. "Spinoff Transaction" means a transaction in which the voting stock of an entity in the Participating Company Group is distributed to the stockholders of a parent corporation as defined by Section 424(e) of the Code, of such entity.

w. "Stock" means the common stock of the Company, as adjusted from time to time in accordance with Section 4.2.

x. "Subscription Agreement" means an agreement in such form as specified by the Company which is delivered in written form or by communicating with the Company in such other manner as the Company may authorize, stating an Employee's election to participate in the Plan and authorizing payroll deductions under the Plan from the Employee's Compensation.

y. "Subscription Date" means the Offering Date of an Offering Period, or such earlier date as the Company shall establish.

z. "Subsidiary Corporation" means any present or future "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

aa. "Successor" means a corporation into or with which the Company is merged or consolidated or which acquires all or substantially all of the assets of the Company and which is designated by the Board as a Successor for purposes of the Plan.

2.2. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

SECTION 3 Administration.

3.1 Administration by the Board. The Plan shall be administered by the Board and its designees. Subject to the provisions of the Plan, the Board shall determine all of the relevant terms and conditions of Purchase Rights; provided, however, that all Participants granted Purchase Rights pursuant to an Offering under the Code Section 423(b) Plan shall have the same rights and privileges within the meaning of Section 423(b)(5) of the Code in such Offering. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

3.2 Authority of Officers. Any officer of the Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election that is the responsibility of or that is allocated to the Company herein, provided that the officer has actual authority with respect to such matter, right, obligation, determination or election. Any decision or determination of the Company made by an officer having actual authority with respect thereto, shall be final, binding and conclusive on the Participating Company Group, any Participant, and all persons having an interest in the Plan, or any Purchase Right granted hereunder, unless such officer's decision or determination is arbitrary or capricious, fraudulent, or made in bad faith.

3.3 Policies and Procedures Established by the Company. The Company may, from time to time, consistent with the Plan and, for purposes of the Code Section 423(b) Plan, the requirements of Section 423 of the Code, establish, interpret change or terminate such rules, guidelines, policies, procedures, limitations, or adjustments as deemed advisable by the Company, in its discretion, for the proper administration of the Plan, including, without limitation, (a) a minimum payroll deduction amount required for participation in an Offering, (b) a limitation on the frequency or number of changes permitted in the rate of payroll deduction during an Offering, (c) an exchange ratio applicable to amounts withheld in a currency other than United States dollars, (d) a payroll deduction greater than or less than the amount designated by a Participant in order to adjust for the Company's delay or mistake in processing a Subscription Agreement or in otherwise effecting a Participant's election under the Plan or, for purposes of the Code Section 423(b) Plan, as advisable to comply with the requirements of Section 423 of the Code, and (e) determination of the date and manner by which the Fair Market Value of a share of Stock is determined for purposes of administration of the Plan.

The Board's determination of the construction and interpretation of any provision of the Plan, and any actions taken, and any decisions or determinations made pursuant to the terms of the Plan, shall be final, binding and conclusive on the Participating Company Group, any Participant, and any person having an interest in the Plan or any Purchase Right granted hereunder unless the Board's action, decision or determination is arbitrary or capricious, fraudulent, or made in bad faith.

3.4 Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or officers or Employees of the Participating Company Group, members of the Board and any officers or Employees of the Participating Company Group to whom authority to act for the Board or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same and to retain complete control over the litigation and/or settlement of such suit, action or proceeding.

SECTION 4 Shares Subject to Plan.

4.1 Maximum Number of Shares Issuable. Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be **71,709,466**; provided, however that no more than an aggregate of **71,309,466** shares of Stock may be issued under the Code Section 423(b) Plan. The maximum aggregate number of shares of Stock available under the Code Section 423(b) Plan and the Non-423(b) Plan shall consist of authorized but unissued or reacquired shares of Stock, or any combination thereof. If an outstanding Purchase Right for any reason expires or is terminated or canceled, the shares of Stock allocable to the unexercised portion of that Purchase Right shall again be available for issuance under the Plan; provided, however, that any such shares of Stock allocable to a Purchase Right that has expired, terminated or been canceled under the Non-423(b) Plan shall only be available again for issuance under the Non-423(b) Plan.

4.2 Adjustments for Changes in Capital Structure. In the event of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification or similar change in the capital structure of the Company, or in the event of any merger (including a merger effected for the purpose of changing the Company's domicile), sale of assets or other reorganization in which the Company is a party, appropriate adjustments shall be made in the number and class of shares subject to the Plan, each Purchase Right, and in the Purchase Price. If a majority of the shares of the same class as the shares subject to outstanding Purchase Rights are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the "New Shares"), the Board may unilaterally amend the outstanding Purchase Rights to provide that such Purchase Rights are exercisable for New Shares. In the event of any such amendment, the number of shares subject to, and the Purchase Price of, the outstanding Purchase Rights shall be adjusted in a fair and equitable manner, as determined by the Board, in its discretion. Notwithstanding the foregoing, any fractional share resulting from an adjustment pursuant to this Section 4.2 shall be rounded down to the nearest whole number, and in no event may the Purchase Price be decreased to an amount less than the par value, if any, of the stock subject to the Purchase Right.

SECTION 5 Eligibility.

5.1 Employees Eligible to Participate. Except as otherwise provided in this Section 5, an Employee shall be eligible to participate in an Offering if such Employee, as of the Offering Date, is employed by the Company or any other Participating Company designated by the Board as a corporation whose Employees may participate in the Offering. However, unless otherwise required under applicable local law, an Employee may not be eligible to participate in an Offering if the Employee, as of the Offering Date, either: (a) is customarily employed by the Participating Company Group for twenty (20) hours or less per week, (b) is customarily employed by the Participating Company Group for not more than five (5) months in any calendar year or (c) has not completed thirty (30) days of service with a Participating Company, or such other service requirement, up to a maximum of two (2) years, which the Board may require. Employees of a Participating Company designated to participate in the Non-423(b) Plan are eligible to participate in the Non-423(b) Plan only if they are selected to participate by the Board or Committee, which selection shall be in the sole discretion of the Board or Committee. Notwithstanding the foregoing, no employee of the Company or a Participating Company designated to participate in the Non-423(b) Plan shall be eligible to participate in the Non-423(b) Plan if he or she is an officer or director of the Company subject to the requirements of Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") with respect to the Company's securities.

5.2 Exclusion of Certain Stockholders. Notwithstanding any provision of the Plan to the contrary, no Employee shall be treated as an Eligible Employee and granted a Purchase Right under the Plan if, immediately after such grant, the Employee would own or hold options to purchase stock of the Company or of any Parent Corporation or Subsidiary Corporation possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of such corporation, as determined in accordance with Section 423(b)(3) of the Code. For purposes of this Section 5.2, the

attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of such Employee.

5.3 Determination by Company. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee or an Eligible Employee and the effective date of such individual's attainment or termination of such status, as the case may be. For purposes of an individual's eligibility to participate in or other rights, if any, under the Plan as of the time of the Company's determination, all such determinations by the Company shall be final, binding and conclusive, unless the Company's determination is arbitrary or capricious, fraudulent, or made in bad faith notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination.

SECTION 6 Offerings.

The Plan shall be implemented by sequential Offerings of approximately six (6) months duration or such other duration as the Board shall determine (an "Offering Period"). Offering Periods shall be established by the Board, in its sole and absolute discretion, and such Offering Periods may have different durations or different commencing or ending dates; provided, however, that no Offering Period may have a duration exceeding twenty-seven (27) months.

SECTION 7 Participation in the Plan.

7.1 Initial Participation. An Eligible Employee may become a Participant in an Offering Period by delivering a properly completed Subscription Agreement, in accordance with such rules and procedures as may be specified by the Company. An Eligible Employee who does not deliver a properly completed Subscription Agreement to the Company in the required time period shall not participate in the Plan for that Offering Period. Furthermore, the Eligible Employee may not participate in a subsequent Offering Period unless a properly completed Subscription Agreement is delivered to the Company on or before the Subscription Date for such subsequent Offering Period.

7.2 Continued Participation. A Participant shall automatically participate in the next Offering Period commencing immediately after the Purchase Date of each Offering Period in which the Participant participates provided that the Participant remains an Eligible Employee on the Offering Date of the new Offering Period and has not either (a) withdrawn from the Plan pursuant to Section 12.1 or (b) terminated employment as provided in Section 13. A Participant who may automatically participate in a subsequent Offering Period, as provided in this Section, is not required to deliver any additional Subscription Agreement for the subsequent Offering Period in order to continue participation in the Plan. However, a Participant may deliver a new Subscription Agreement for a subsequent Offering Period in accordance with the procedures set forth in Section 7.1 if the Participant desires to change any of the elections contained in the Participant's then effective Subscription Agreement.

SECTION 8 Right to Purchase Shares.

8.1 Grant of Purchase Right.

a. Except as set forth below (or as otherwise specified by the Board prior to the Offering Date), on the Offering Date of each Offering Period, each Participant in that Offering Period shall be granted automatically a Purchase Right consisting of an option to purchase that number of whole shares of Stock determined by dividing Twelve Thousand Five Hundred Dollars (\$12,500) by the Fair Market Value of a share of Stock on such Offering Date. In connection with any Offering made under this Plan, the Board or the Committee may specify a maximum number of shares of Stock which may be purchased by any employee as well as a maximum aggregate number of shares of Stock which may be purchased by all eligible employees pursuant to such Offering. In addition, in connection with any Offering which contains more than one Purchase Date, the Board or the Committee may specify a maximum

aggregate number of shares which may be purchased by all eligible employees on any given Purchase Date under the Offering.

b. If the aggregate purchase of shares of Stock upon exercise of rights granted under the Offering would exceed any such maximum aggregate number, the Board or the Committee shall make a pro rata allocation of the shares of Stock available in as nearly a uniform manner as shall be practicable and as it shall deem to be equitable. No Purchase Right shall be granted on an Offering Date to any person who is not, on such Offering Date, an Eligible Employee.

8.2 Substitution of Rights. The grant of rights under an Offering may be done to carry out the substitution of rights under the Plan for pre-existing rights granted under another employee stock purchase plan, if such substitution is pursuant to a transaction described in Section 424(a) of the Code (or any successor provision thereto) and the characteristics of such substitute rights conform to the requirements of Section 424(a) of the Code (or any successor provision thereto) and will not cause the disqualification of the Code Section 423(b) Plan under Section 423 of the Code. Notwithstanding the other terms of the Plan, such substitute rights shall have the same characteristics as the characteristics associated with such pre-existing rights, including, but not limited to, the following:

a. the date on which such pre-existing right was granted shall be the "Offering Date" of such substitute right for purposes of determining the date of grant of the substitute right;

b. the Offering for such substitute right shall begin on its Offering Date and end coincident on the applicable Purchase Date, but no later than the end of the offering (as determined under the terms of such offering) under which the pre-existing right was granted.

8.3 Pro Rata Adjustment of Purchase Right. If the Board establishes an Offering Period of any duration other than six months, then any limitation on the number of shares of Stock subject to each Purchase Right granted on the Offering Date of such Offering Period set forth in Section 8.1(a) shall be prorated based upon the ratio which the number of months in such Offering Period bears to six (6).

8.4 Calendar Year Purchase Limitation. Notwithstanding any provision of the Plan to the contrary, no Participant shall be granted a Purchase Right which permits his or her right to purchase shares of Stock under the Plan to accrue at a rate which, when aggregated with such Participant's rights to purchase shares under all other employee stock purchase plans of a Participating Company intended to meet the requirements of Section 423 of the Code, exceeds Twenty-Five Thousand Dollars (\$25,000) in Fair Market Value (or such other limit, if any, as may be imposed by the Code) for each calendar year in which such Purchase Right is outstanding at any time. For purposes of the preceding sentence, the Fair Market Value of shares purchased during a given Offering Period shall be determined as of the Offering Date for such Offering Period. The limitation described in this Section shall be applied in conformance with applicable regulations under Section 423(b)(8) of the Code.

SECTION 9 Purchase Price.

The Purchase Price for an Offering Period shall be eighty-five percent (85%) of the lesser of (a) the Fair Market Value of a share of Stock on the Offering Date of the Offering Period, or (b) the Fair Market Value of a share of Stock on the Purchase Date. Notwithstanding the foregoing, the Board, in its sole discretion, may establish the Purchase Price at which each share of Stock may be acquired in an Offering Period upon the exercise of all or any portion of a Purchase Right; provided, however, that the Purchase Price shall not be less than eighty-five percent (85%) of the lesser of (a) the Fair Market Value of a share of Stock on the Offering Date of the Offering Period or (b) the Fair Market Value of a share of Stock on the Purchase Date.

SECTION 10 Accumulation of Purchase Price Through Payroll Deduction.

Shares of Stock acquired pursuant to the exercise of all or any portion of a Purchase Right may be paid for only by means of payroll deductions from the Participant's Compensation accumulated during the Offering Period for which such Purchase Right was granted, and, if a payroll deduction is not permitted under a statute, regulation, rule of a jurisdiction, or is not administratively feasible, such other payments as may be approved by the Company, subject to the following:

10.1 Amount of Payroll Deductions. Except as otherwise provided herein, the amount to be deducted under the Plan from a Participant's Compensation on each payday during an Offering Period shall be determined by the Participant's Subscription Agreement. The Subscription Agreement shall set forth the percentage of the Participant's Compensation to be deducted on each payday during an Offering Period in whole percentages, up to fifteen percent (15%). The Board may change the foregoing limits on payroll deductions effective as of any Offering Date.

10.2 Commencement of Payroll Deductions. Payroll deductions shall commence on the first payday following the Offering Date and shall continue through the last payday prior to the end of the Offering Period unless sooner altered or terminated as provided herein.

10.3 Election to Change or Stop Payroll Deductions. During an Offering Period, to the extent provided for in the Offering, a Participant may elect to decrease the rate of, or to stop, deductions from his or her Compensation by delivering to the Company an amended Subscription Agreement, in such form and manner as specified by the Company, authorizing such change on or before the Change Notice Date, as defined below. A Participant who elects, effective following the first payday of an Offering Period, to decrease the rate of his or her payroll deductions to zero percent (0%) shall nevertheless remain a Participant in the current Offering Period unless such Participant withdraws from the Plan as provided in Section 12.1. The "Change Notice Date" shall be the day established in accordance with procedures established by the Company.

10.4 Company's Holding of Deductions. All payroll deductions from a Participant's Compensation shall be deposited with the general funds of the Company, and to the extent permitted by applicable law, may be used by the Company for any corporate purpose. No interest will accrue on the payroll deductions from a Participant under this Plan, except as otherwise required by applicable law. If such interest is required, all accrued interest will not be used to purchase additional shares of Stock on a Purchase Date, and such accrued interest shall be refunded to the Participant following such Purchase Date (or, if applicable, the Participant's withdrawal from the Plan pursuant to Section 12.1 or termination of employment as described in Section 13).

10.5 Voluntary Withdrawal of Deductions. A Participant may withdraw payroll deductions credited to the Plan and not previously applied toward the purchase of Stock only as provided in Section 12.1.

10.6 Contributions Under Non-423(b) Plan. In the sole discretion of the Board or Committee and if specified in the terms of the Offering, a Participant at a Participating Company designated to participate in the Non-423(b) Plan may make additional payments into his or her account, provided that such Participant has not had the maximum amount withheld during the Offering pursuant to Section 10.1 above.

SECTION 11 Purchase of Shares.

11.1 Exercise of Purchase Right. On each Purchase Date, each Participant's accumulated payroll deductions and other additional payments specifically permitted by the Plan (without any increase for interest), will be applied to the purchase of whole shares of Stock, up to the maximum number of shares permitted pursuant to the terms of the Plan and the applicable Offering, at the Purchase Price for such Offering. No fractional shares shall be issued upon the exercise of Purchase

Rights granted under the Plan. The amount, if any, of each Participant's accumulated payroll deductions remaining after the purchase of shares on the Purchase Date of an Offering shall be refunded in full to the Participant after such Purchase Date.

11.2 Pro Rata Allocation of Shares. If the number of shares of Stock which might be purchased by all Participants in the Plan on a Purchase Date exceeds the number of shares of Stock available in the Plan as provided in Section 4.1, the Company shall make a pro rata allocation of the remaining shares in as uniform a manner as practicable and as the Company determines to be equitable. Any fractional share resulting from such pro rata allocation to any Participant shall be disregarded.

11.3 Delivery of Shares. As soon as practicable after each Purchase Date, the Company shall arrange the delivery to each Participant of the shares acquired by the Participant on such Purchase Date; provided that the Company may deliver such shares to a broker designated by the Company that will hold such shares for the benefit of the Participant. Shares to be delivered to a Participant under the Plan shall be registered, or held in an account, in the name of the Participant, or, if requested by the Participant, such other name or names as the Company may permit under rules established for the operation and administration of the Plan.

11.4 Tax Withholding. At the time a Participant's Purchase Right is exercised, in whole or in part, or at the time a Participant disposes of some or all of the shares of Stock he or she acquires under the Plan, the Participant shall make adequate provision for the federal, state, local and foreign tax withholding obligations, if any, of the Participating Company Group which arise upon exercise of the Purchase Right or upon such disposition of shares, respectively. The Participating Company Group may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary to meet such withholding obligations.

11.5 Expiration of Purchase Right. A Purchase Right shall expire immediately upon the end of the Offering Period to the extent it exceeds the number of shares of Stock which are purchased with a Participant's accumulated payroll deductions or other permitted contribution during any Offering Period.

11.6 Provision of Reports and Stockholder Information to Participants. Each Participant who has exercised all or part of his or her Purchase Right shall receive, as soon as practicable after the Purchase Date, a report of such Participant's account setting forth the total payroll deductions accumulated prior to such exercise, the number of shares of Stock purchased, the Purchase Price for such shares, the date of purchase and the cash balance, if any, remaining immediately after such purchase that is to be refunded. The report required by this Section may be delivered in such form and by such means, including by electronic transmission, as the Company may determine. In addition, each Participant shall be given access to information concerning the Company equivalent to that information provided generally to the Company's common stockholders.

SECTION 12 Withdrawal from Plan.

12.1 Voluntary Withdrawal from the Plan. A Participant may withdraw from the Plan by signing and delivering to the Company's designated office a written notice of withdrawal on a form provided by the Company for this purpose or by communicating with the Company in such other manner as the Company may authorize. A Participant who voluntarily withdraws from the Plan is prohibited from resuming participation in the Plan in the same Offering from which he or she withdrew, but may participate in any subsequent Offering by again satisfying the requirements of Section 5 and Section 7.1. The Company may impose, from time to time, a requirement that the notice of withdrawal from the Plan be on file with the Company's designated office for a reasonable period prior to the effectiveness of the Participant's withdrawal.

12.2 Return of Payroll Deductions. Upon a Participant's voluntary withdrawal from the Plan pursuant to Section 12.1, the Participant's accumulated payroll deductions which have not been

applied toward the purchase of shares shall be refunded to the Participant as soon as practicable after the withdrawal (and except as otherwise provided in Section 10.4, without the payment of any interest), and the Participant's participation in the Plan shall terminate. Such accumulated payroll deductions to be refunded in accordance with this Section may not be applied to any other Offering under the Plan.

SECTION 13 Termination of Employment.

13.1 General. Upon a Participant's ceasing, prior to a Purchase Date, to be an Employee of the Participating Company Group for any reason, the Participant's participation in the Plan shall terminate immediately, except as otherwise provided in Section 2.1(g).

13.2 Return of Payroll Deductions. Upon termination of participation, the terminated Participant's accumulated payroll deductions which have not been applied toward the purchase of shares shall, as soon as practicable, be returned to the Participant or, in the case of the Participant's death, to the Participant's legal representative, and all of the Participant's rights under the Plan shall terminate. Except as otherwise provided in Section 10.4, interest shall not be paid on sums returned pursuant to this Section 13. A Participant whose participation has been so terminated may again become eligible to participate in future Offerings under the Plan by satisfying the requirements of Section 5 and Section 7.1.

SECTION 14 Change in Control.

14.1 Definitions.

a. An "Ownership Change Event" shall be deemed to have occurred if any of the following occurs with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a party; (iii) the sale, exchange, or transfer of all or substantially all, as determined by the Board in its sole discretion, of the assets of the Company; or (iv) a liquidation or dissolution of the Company.

b. A "Change in Control" shall mean an Ownership Change Event or a series of related Ownership Change Events (collectively, a "Transaction") wherein the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately before the Transaction, direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting securities of the Company or, in the case of a Transaction described in Section 14.1(a)(iii), the corporation or other business entity to which the assets of the Company were transferred (the "Transferee"), as the case may be. The Board shall determine in its sole discretion whether multiple sales or exchanges of the voting securities of the Company or multiple Ownership Change Events are related. Notwithstanding the preceding sentence, a Change in Control shall not include any Transaction in which the voting stock of an entity in the Participating Company Group is distributed to the stockholders of a parent corporation, as defined in Section 424(e) of the Code, of such entity. Any Ownership Change Event resulting from an underwritten public offering of the Company's Stock or the stock of any Participating Company shall not be deemed a Change in Control for any purpose hereunder.

14.2 Effect of Change in Control on Purchase Rights. In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or parent corporation thereof, as the case may be (the "Acquiring Corporation"), may assume the Company's rights and obligations under the Plan. If the Acquiring Corporation elects not to assume the Company's rights and obligations under outstanding Purchase Rights, the Purchase Date of the then current Offering Period shall be accelerated to a date before the date of the Change in Control specified by the Board, but the number of shares of Stock subject to outstanding Purchase Rights shall not be adjusted, provided, however, that the Purchase Date with respect to Purchase Rights granted pursuant to a Non-423(b) Plan shall be accelerated as contemplated by the foregoing sentence only to the extent the event constituting the Change in Control

qualifies as a "change in ownership" or "change in effective control" of the Company or a "change in ownership of a substantial portion of the assets" of the Company, as these concepts are defined in U.S. Treas. Reg. § 1.409A-3(i)(5) or successor provisions. All Purchase Rights which are neither assumed by the Acquiring Corporation in connection with the Change in Control nor exercised as of the date of the Change in Control shall terminate and cease to be outstanding effective as of the date of the Change in Control.

SECTION 15 Nontransferability of Purchase Rights.

Neither payroll deductions nor a Participant's Purchase Right may be assigned, transferred, pledged or otherwise disposed of in any manner other than as provided by the Plan or by will or the laws of descent and distribution. Any such attempted assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from the Plan as provided in Section 12.1. A Purchase Right shall be exercisable during the lifetime of the Participant only by the Participant.

SECTION 16 Compliance with Securities Law and Other Applicable Requirements.

The issuance of shares under the Plan shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities. A Purchase Right may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any securities exchange or market system upon which the Stock may then be listed. In addition, no Purchase Right may be exercised unless (a) a registration statement under the U.S. Securities Act of 1933, as amended, shall at the time of exercise of the Purchase Right be in effect with respect to the shares issuable upon exercise of the Purchase Right, or (b) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Purchase Right may be issued in accordance with the terms of an applicable exemption from the registration requirements of said Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares under the Plan shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. Anything in the foregoing to the contrary notwithstanding, Purchase Rights granted under a Non-423(b) Plan may be suspended, delayed or otherwise deferred for any of the reasons contemplated in this Section 16 only to the extent such suspension, delay or deferral is permitted under U.S. Treas. Reg. §§ 1.409A-2(b)(7), 1.409A-1(b)(4)(ii) or successor provisions, or as otherwise permitted under Section 409A of the Code. As a condition to the exercise of a Purchase Right, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

SECTION 17 Rules for Foreign Jurisdictions.

17.1 Compliance with Foreign Law. The Board or Committee may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. Without limiting the generality of the foregoing, the Board or Committee is specifically authorized to adopt rules and procedures regarding handling of payroll deductions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of stock certificates which vary with local requirements.

17.2 Non-423(b) Plan Component. The Board or Committee may also adopt rules, procedures or sub-plans applicable to particular Participating Companies or locations, which sub-plans may be designed to be outside the scope of Code Section 423. The rules of such sub-plans may take precedence over other provisions of this Plan, with the exception of Section 4.1, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan. To the extent inconsistent with the requirements of Section 423, such sub-plan shall be

considered part of the Non-423(b) Plan, and rights granted thereunder shall not be considered to comply with Code Section 423.

SECTION 18 Rights as a Stockholder and Employee.

A Participant shall have no rights as a stockholder by virtue of the Participant's participation in the Plan until the date of the issuance of shares purchased pursuant to the exercise of the Participant's Purchase Right (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such share is issued, except as provided in Section 4.2. Nothing herein shall confer upon a Participant any right to continue in the employ of the Participating Company Group or interfere in any way with any right of the Participating Company Group to terminate the Participant's employment at any time.

SECTION 19 Distribution on Death.

If a Participant dies, the Company shall deliver any shares or cash credited to the Participant to the Participant's legal representative.

SECTION 20 Notices.

All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

SECTION 21 Amendment or Termination of the Plan.

The Board may at any time amend or terminate the Plan, except that (a) such termination shall not affect Purchase Rights previously granted under the Plan, except as permitted under the Plan, and (b) no amendment may adversely affect a Purchase Right previously granted under the Plan (except to the extent permitted by the Plan or as may be necessary to qualify the Code Section 423(b) Plan as an employee stock purchase plan pursuant to Section 423 of the Code or to obtain qualification or registration of the shares of Stock under applicable federal, state or foreign securities laws). In addition, an amendment to the Plan must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if such amendment would increase the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 4.1 or Section 4.2) or would change the definition of the corporations that may be designated by the Board as Participating Companies.

SECTION 22 Code Section 409A.

The Code Section 423(b) Plan is exempt from the application of Section 409A. The Non-423(b) Plan is intended to comply and shall be administered in a manner that is intended to comply with Section 409A of the Code and shall be construed and interpreted in accordance with such intent. To the extent a Purchase Right or the vesting, payment, settlement or deferral thereof is subject to Section 409A of the Code, the Purchase Right shall be granted, paid, exercised, settled or deferred in a manner that will comply with Section 409A of the Code, including the final regulations and other guidance issued with respect thereto, except as otherwise determined by the Committee. Any provision of the Non-423(b) Plan that would cause the grant of a Purchase Right or the payment, settlement or deferral thereof to fail to satisfy Section 409A of the Code shall be amended to comply with Section 409A of the Code on a timely basis, which amendment may be made on a retroactive basis, in accordance with the final regulations and guidance issued under Section 409A of the Code. Notwithstanding the foregoing, the Company shall have no liability to a Participant or any other party if the Purchase Right that is intended to be exempt from, or compliant with Section 409A of the Code is not so exempt or compliant or for any action taken by the Committee with respect thereto.

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ANNEX I

**MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE REGISTRATION DOCUMENT
(SCHEDULE)**

(Page numbering refers to the page contained in the relevant document)

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1.	Persons Responsible		
1.1.	All persons responsible for the information given in the prospectus	Prospectus	4 (Company Representative for Prospectus)
1.2.	A declaration by those responsible for the prospectus	Prospectus	4 (Company Representative for Prospectus)
2.	Statutory Auditors		
2.1.	Names and addresses of the issuer's auditors	Part II - Section B	75 (10.2 Independent Registered Public Accounting Firm)
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	Not applicable	Not applicable
3.	Selected Financial Information		
3.1.	Selected historical financial information	Part II - Section B	74 - 75 (10.1 Selected Financial Data)
3.2.	Interim periods	Not applicable	Not applicable
4.	Risk Factors	Part II - Section A	20 - 43 (Risk Factors)
5.	Information about the Issuer		
5.1.	History and Development of the Issuer		
5.1.1.	the legal and commercial name of the issuer;	Part I - Section B	5 (B.1 Legal and Commercial Name of the Issuer)

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12.	Trend Information		
12.1.	Significant trends that affected production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the prospectus.	Part I - Section B	7 - 11 (B.4a Recent Trends)
12.2.	Trends, uncertainties or events that are likely to affect the issuer for at least the current financial year.	Part II - Section A	20 - 43 (Risk Factors)
		Part I - Section B	7 - 11 (B.4a Recent Trends)
13.	Profit Forecasts or Estimates	Not applicable	Not applicable
14.	Administrative, Management, Supervisory Bodies and Senior Management		
14.1.	Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: a) members of the administrative, management or supervisory bodies;	Part II - Section B	63 - 67 (7.1 Board of Directors as of November 16, 2017) and 71 - 72 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)
	b) partners with unlimited liability, in the case of a limited partnership with a share capital;	Not applicable	Not applicable
	c) founders, if the issuer has been established for fewer than five years; and	Not applicable	Not applicable
	d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	Part II - Section B	67 - 69 (7.2 Executive Officers as of November 1, 2017) and 71 - 72 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)
	The nature of any family relationship between any of	Part II - Section B	69 (7.3 Fraudulent

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	<p>those persons.</p> <p>In the case of each member of the administrative, management or supervisory bodies of the issuer and each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:</p> <p>(a) the nature of all companies and partnerships of which such person has been a member of the administrative, management and supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies.</p>	Part II - Section B	<p>Offences and Bankruptcy, Etc.)</p> <p>63 - 67 (7.1 Board of Directors as of November 16, 2017) and</p> <p>67 - 69 (7.2 Executive Officers as of November 1, 2017)</p>
	<p>(b) any convictions in relation to fraudulent offences for at least the previous five years;</p> <p>(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;</p> <p>(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.</p> <p>If there is no such information to be disclosed, a statement to that effect is to be made.</p>	Part II - Section B	69 (7.3 Fraudulent Offences and Bankruptcy, Etc.)
14.2.	Administrative, management, and supervisory bodies and senior management conflicts of interests.	Part II - Section B	69 - 71 (7.4 Conflicts of Interest)
17.	Employees		

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17.2.	Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 14.1.	Part II - Section B	71 - 72 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)
17.3	Description of any arrangements for involving the employees in the capital of the issuer.	Exhibit I	All sections
		Part II - Section B	72 - 74 (8.2 Employee Benefit Plans)
20.7.	Dividend policy		
20.7.1.	The amount of the dividend per share for each financial year for the period covered by the historical financial information	Part II - Section B	48 - 49 (4.5 Rights Attached to the Securities - Dividend Rights)
20.8.	Legal and arbitration proceedings	Part II - Section B	53 - 62 (5.3 Indirect and Contingent Indebtedness - Legal and Regulatory Proceedings)
20.9.	Significant change in the issuer's financial or trading position since the end of the last financial period	Not applicable	Not applicable
23.	Third Party Information and Statement by Experts and Declarations of Any Interest		
23.1.	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
23.2.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced.	Not applicable	Not applicable
24.	Documents on Display	Part II - Section B	75 - 76 (XI. Documents on Display)

ANNEX III

**MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE SECURITIES NOTE
(SCHEDULE)**

(Page numbering refers to the page contained in the relevant document)

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1.2.	A declaration by those responsible for the prospectus.	Prospectus	4 (Company Representative for Prospectus)
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		Part II - Section B	48 (4.4. Currency of the Securities Issue, sentence beginning "Participants assume the risk (...)") 51 (4.6 Transferability, sentence beginning "The Participant assumes the risk (...)")
3.	Essential Information		
3.1	Working capital Statement	Part II - Section B	74 (IX. Working Capital Statement)
3.2	Capitalization and indebtedness	Part II - Section B	52 - 62 (V. Statement of Capitalization and Indebtedness as of September 24, 2017)
3.4	Reasons for the offer and use of proceeds	Part II - Section B	44 (1.1 Purpose of the ESPP) and

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			63 (6.2 Net Proceeds)
		Exhibit I	Section 1.2 (Purpose)
4.	Information Concerning the Securities to be Offered/ Admitted to Trading		
4.1	Type and the class of the securities being offered, including the security identification code.	Part II - Section B	47 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
		Exhibit I	Section 4.1 (Maximum Number of Shares Issuable)
4.2	Legislation under which the securities have been created.	Part II - Section B	48 (4.2 Legislation Under which the Securities Have Been Created)
4.3	Form of securities, name and address of the entity in charge of keeping the records.	Part II - Section B	48 (4.3 Form of Securities, Name and address of the Entity in Charge of Keeping the Records)
4.4	Currency of the securities issue.	Part II - Section B	48 (4.4 Currency of the Securities Issue)
4.5	Rights attached to the securities	Part II - Section B	48 - 51 (4.5 Rights Attached to the Securities)
4.6	Statement of the resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued.	Exhibit I	Section 1.1 (Establishment) Section 1.2 (Purpose)
4.7	Expected issue date of the securities.	Part II - Section B	45 (1.3 Offering Periods)

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4.8	Description of any restrictions on the free transferability of the securities.	Part II - Section B	47 (III. Delivery and Sale of the Shares) and 51 (4.6 Transferability)
		Exhibit I	Section 15 (Nontransferability of Purchase Rights)
4.9	Mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.	Part II - Section B	51 - 52 (4.7 General Provisions Applying to Business Combinations)
4.11	Information on taxes on the income from the securities withheld at source	Part II - Section B	76 - 84 (XII. Tax Consequences)
5.	TERMS AND CONDITIONS OF THE OFFER		
5.1	Conditions, offer statistics, expected timetable and action required to apply for the offer		
5.1.1	Conditions to which the offer is subject.	Part II - Section B	44 - 47 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	All sections
5.1.2	Total amount of the issue/offer.	Part II - Section B	63 (6.2 Net Proceeds)
		Exhibit I	Section 4.1 (Maximum Number of Shares Issuable)
5.1.3	Time period during which the offer will be open and description of the application process.	Part II - Section B	44 - 47 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	Section 6 (Offerings) and

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			Section 7 (Participation in the Plan)
5.1.4	Circumstances under which the offer may be revoked or suspended and whether revocation can occur after dealing has begun.	Part II - Section B	45 - 46 (1.7 Termination or Amendment of the ESPP)
		Exhibit I	Section 10.3 (Election to Change or Stop Payroll Deductions) and Section 10.5 (Voluntary Withdrawal of Deductions) Section 12 (Withdrawal from Plan) Section 13 (Termination of Employment)
5.1.5	Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	Part II - Section B	47 (2.4 Discontinuance of Participation of Participants)
5.1.6	Minimum and/or maximum amount of application.	Part II - Section B	44 - 45 (1.2 Shares Offered Under the ESPP) and 46 (2.2 Participation of Eligible Employees)
		Exhibit I	Section 8.1 (Grant of Purchase Right) and Section 8.4 (Calendar Year Purchase Limitation)
5.1.7	Period during which an application may be withdrawn.	Part II - Section B	47 (2.4 Discontinuance of

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			Participation of Participants)
5.1.8	Method and time limits for paying up the securities and for delivery of the securities.	Part II - Section B	46 (2.3 Payroll Deductions) and 47 (III. Delivery and Sale of the Shares)
		Exhibit I	Section 10.1 (Amount of Payroll Deductions) and Section 11 (Purchase of Shares)
5.3	Pricing		
5.3.1.	An indication of the price at which the securities will be offered.	Part II - Section B	45 (1.4 Purchase Price)
		Exhibit I	Section 9 (Purchase Price)
5.3.2.	Process for the disclosure of the offer price.	Part II - Section B	45 (1.4 Purchase Price) and 48 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
		Exhibit I	Section 9 (Purchase Price)
5.3.3.	If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn.	Part II - Section B	51 (4.5 Rights Attached to the Securities - Preemptive, Redemptive or Conversion Provisions)
5.3.4	Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or	Not applicable	Not applicable

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	affiliated persons, of securities acquired by them in transactions during the past year.		
5.4.	Placing and Underwriting		
5.4.2	Name and address of any paying agents and depository agents in each country.	Part II - Section B	48 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
6.	Admission to Trading and Dealing Arrangements		
6.1	Whether the securities offered are or will be the object of an application for admission to trading.	Part II - Section B	47 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
6.2	Regulated markets or equivalent markets on which securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	Part II - Section B	47 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
8.	Expense of the Issue/Offer		
8.1.	The total net proceeds and an estimate of the total expenses of the issue/offer.	Part II - Section B	63 (6.2 Net Proceeds)
9.	Dilution		
9.1.	The amount and percentage of immediate dilution resulting from the offer.	Part II - Section B	62 - 63 (6.1 Maximum Dilution)
9.2.	In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.	Not applicable	Not applicable
10.	Additional Information		
10.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	Not applicable	Not applicable

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10.3.	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
10.4.	Where information has been sourced from a third party.	Not applicable	Not applicable