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

FORM 10-Q

(Mark one)

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

For the quarterly period ended December 24, 2023

OR

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

For the transition period from _____ to _____ .

Commission File Number 0-19528

QUALCOMM Incorporated

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

5775 Morehouse Dr., San Diego, California
(Address of Principal Executive Offices)

95-3685934
(I.R.S. Employer
Identification No.)

92121-1714
(Zip Code)

(858) 587-1121

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	QCOM	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

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

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

Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock was 1,116 million at January 29, 2024.

QUALCOMM Incorporated
Form 10-Q
For the Quarter Ended December 24, 2023

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Risk Factors Summary:

Our business is subject to numerous risks and uncertainties, including those described in the section labeled “Risk Factors” in “Part I, Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Quarterly Report. These risks include, but are not limited to, the following:

RISKS RELATED TO OUR OPERATING BUSINESSES

- *We derive a significant portion of our revenues from a small number of customers and licensees, and particularly from their sale of premium tier handset devices. 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 business, particularly our semiconductor business, may suffer as a result of our customers vertically integrating (i.e., developing their own integrated circuit products).*
- *A significant portion of our business is concentrated in China, and the risks of such concentration are exacerbated by U.S./China trade and national security tensions.*

RISKS RELATED TO NEW INITIATIVES

- *Our growth depends in part on our ability to extend our technologies and products into new and expanded product areas, and industries and applications beyond mobile handsets. Our research, development and other investments in these new and expanded product areas, industries and applications, and related technologies and products, as well as in our existing technologies and products, and new technologies, may not generate operating income or contribute to future results of operations that meet our expectations.*
- *We may engage in acquisitions and other strategic transactions or make investments, or be unable to consummate planned strategic acquisitions, which could adversely affect our results of operations or fail to enhance stockholder value.*

RISKS RELATED TO SUPPLY AND MANUFACTURING

- *We depend on a limited number of third-party suppliers for the procurement, manufacture, assembly and testing of our products manufactured in a fabless production model. If we fail to execute supply strategies that provide supply assurance, technology leadership and reasonable margins, 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.*
- *There are numerous risks associated with the operation and control of our manufacturing facilities, including a higher portion of fixed costs relative to a fabless model; environmental compliance and liability; impacts related to climate change; exposure to natural disasters, health crises, geopolitical conflicts and cyber-attacks; timely supply of equipment and materials; and various manufacturing issues.*

RISKS RELATED TO CYBERSECURITY OR MISAPPROPRIATION OF OUR CRITICAL INFORMATION

- *Our business and operations could suffer in the event of security breaches of our IT systems, or other misappropriation of our technology, intellectual property or other proprietary or confidential information.*

RISKS RELATED TO HUMAN CAPITAL MANAGEMENT

- *We may not be able to attract or retain qualified employees.*

RISKS SPECIFIC TO OUR LICENSING BUSINESS

- *The continued and future success of our licensing programs requires us to continue to evolve our patent portfolio and to renew or renegotiate license agreements that are expiring.*
- *Efforts by some OEMs 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 or actions by governments, courts, regulators or agencies, Standards Development Organizations (SDOs) or other industry organizations that harm our business.*
- *Changes in our patent licensing practices, whether due to governmental investigations, legal challenges or otherwise, could adversely impact our business and results of operations.*

RISKS RELATED TO REGULATORY AND LEGAL CHALLENGES

- *Our business may suffer as a result of adverse rulings in governmental investigations or proceedings or other legal proceedings.*

RISKS RELATED TO INDUSTRY DYNAMICS AND COMPETITION

- *Our revenues depend on our customers' and licensees' sales of products and services based on CDMA, OFDMA and other communications technologies, including 5G, and customer demand for our products based on these technologies.*
- *Our industry is subject to intense competition in an environment of rapid technological change. Our success depends in part on our ability to adapt to such change and compete effectively; and such change and competition could result in decreased demand for our products and technologies or declining average selling prices for our products or those of our customers or licensees.*

RISKS RELATED TO PRODUCT DEFECTS OR SECURITY VULNERABILITIES

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

RISKS RELATED TO INTELLECTUAL PROPERTY

- *The enforcement and protection of our intellectual property may be expensive, could fail to prevent misappropriation or unauthorized use of our intellectual property, could result in the loss of our ability to enforce one or more patents, and could be adversely affected by changes in patent laws, by laws in certain foreign jurisdictions that may not effectively protect our intellectual property and by ineffective enforcement of laws in such jurisdictions.*
- *Claims by other companies that we infringe their intellectual property could adversely affect our business.*
- *Our use of open source software may harm our business.*

GENERAL RISK FACTORS

- *We operate in the highly cyclical semiconductor industry, which is subject to significant downturns. We are also susceptible to declines in global, regional and local economic conditions generally. Our stock price and financial results are subject to substantial quarterly and annual fluctuations due to these dynamics, among others.*
- *Geopolitical conflicts, natural disasters, pandemics and other health crises, and other factors outside of our control, could significantly disrupt our business.*
- *Our business may suffer due to the impact of, or our failure to comply with, the various existing, new or amended laws, regulations, policies or standards to which we are subject.*
- *There are risks associated with our debt.*
- *Tax liabilities could adversely affect our results of operations.*

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

QUALCOMM Incorporated
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except par value amounts)
(Unaudited)

	December 24, 2023	September 24, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8,133	\$ 8,450
Marketable securities	3,921	2,874
Accounts receivable, net	3,513	3,183
Inventories	6,247	6,422
Held for sale assets	337	341
Other current assets	1,288	1,194
Total current assets	23,439	22,464
Deferred tax assets	3,579	3,310
Property, plant and equipment, net	4,907	5,042
Goodwill	10,722	10,642
Other intangible assets, net	1,387	1,408
Held for sale assets	69	88
Other assets	8,032	8,086
Total assets	\$ 52,135	\$ 51,040
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 2,147	\$ 1,912
Payroll and other benefits related liabilities	1,757	1,685
Unearned revenues	210	293
Short-term debt	914	914
Held for sale liabilities	336	333
Other current liabilities	3,805	4,491
Total current liabilities	9,169	9,628
Unearned revenues	93	99
Income taxes payable	1,056	1,080
Long-term debt	14,566	14,484
Held for sale liabilities	43	38
Other liabilities	4,150	4,130
Total liabilities	29,077	29,459
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 8 shares authorized; none outstanding	—	—
Common stock and paid-in capital, \$0.0001 par value; 6,000 shares authorized; 1,118 and 1,114 shares issued and outstanding, respectively	—	490
Retained earnings	22,565	20,733
Accumulated other comprehensive income	493	358
Total stockholders' equity	23,058	21,581
Total liabilities and stockholders' equity	\$ 52,135	\$ 51,040

See accompanying notes.

QUALCOMM Incorporated
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	Three Months Ended	
	December 24, 2023	December 25, 2022
Revenues:		
Equipment and services	\$ 8,316	\$ 7,784
Licensing	1,619	1,679
Total revenues	<u>9,935</u>	<u>9,463</u>
Costs and expenses:		
Cost of revenues	4,312	4,044
Research and development	2,096	2,251
Selling, general and administrative	627	623
Other	(28)	80
Total costs and expenses	<u>7,007</u>	<u>6,998</u>
Operating income	2,928	2,465
Interest expense	(178)	(170)
Investment and other income, net	212	76
Income from continuing operations before income taxes	2,962	2,371
Income tax expense	(151)	(98)
Income from continuing operations	2,811	2,273
Discontinued operations, net of income taxes	(44)	(38)
Net income	<u>\$ 2,767</u>	<u>\$ 2,235</u>
Basic earnings per share:		
Continuing operations	\$ 2.52	\$ 2.02
Discontinued operations	(0.04)	(0.03)
Net income	<u>\$ 2.48</u>	<u>\$ 1.99</u>
Diluted earnings per share:		
Continuing operations	\$ 2.50	\$ 2.01
Discontinued operations	(0.04)	(0.03)
Net income	<u>\$ 2.46</u>	<u>\$ 1.98</u>
Shares used in per share calculations:		
Basic	1,116	1,122
Diluted	<u>1,127</u>	<u>1,131</u>

See accompanying notes.

QUALCOMM Incorporated
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended	
	December 24, 2023	December 25, 2022
Net income	\$ 2,767	\$ 2,235
Other comprehensive income, net of income taxes:		
Foreign currency translation gains	83	162
Net unrealized gains on available-for-sale debt securities	32	14
Net unrealized gains on derivative instruments	17	119
Other gains	1	—
Other reclassifications included in net income	2	20
Total other comprehensive income	135	315
Comprehensive income	\$ 2,902	\$ 2,550

See accompanying notes.

QUALCOMM Incorporated
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended	
	December 24, 2023	December 25, 2022
Operating Activities:		
Net income from continuing operations	\$ 2,811	\$ 2,273
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	437	398
Income tax provision less than income tax payments	(1,012)	(120)
Share-based compensation expense	602	634
Net gains on marketable securities and other investments	(71)	(25)
Other items, net	9	(33)
Changes in assets and liabilities:		
Accounts receivable, net	(325)	1,694
Inventories	165	(476)
Other assets	115	409
Trade accounts payable	241	(1,264)
Payroll, benefits and other liabilities	74	(286)
Unearned revenues	(81)	(81)
Net cash used by operating activities from discontinued operations	(16)	(28)
Net cash provided by operating activities	<u>2,949</u>	<u>3,095</u>
Investing Activities:		
Capital expenditures	(214)	(398)
Purchases of debt and equity marketable securities	(1,452)	(22)
Proceeds from sales and maturities of debt and equity marketable securities	463	219
Acquisitions and other investments, net of cash acquired	(60)	(29)
Proceeds from sales of property, plant and equipment	5	111
Other items, net	2	(14)
Net cash used by investing activities	<u>(1,256)</u>	<u>(133)</u>
Financing Activities:		
Proceeds from short-term debt	400	1,458
Repayment of short-term debt	(400)	(1,955)
Proceeds from long-term debt	—	1,880
Repurchases and retirements of common stock	(784)	(1,270)
Dividends paid	(895)	(842)
Payments of tax withholdings related to vesting of share-based awards	(370)	(309)
Other items, net	8	23
Net cash used by financing activities	<u>(2,041)</u>	<u>(1,015)</u>
Effect of exchange rate changes on cash and cash equivalents	15	27
Net (decrease) increase in total cash and cash equivalents	<u>(333)</u>	<u>1,974</u>
Total cash and cash equivalents at beginning of period (including \$77 and \$326 classified as held for sale at September 24, 2023 and September 25, 2022, respectively)	8,527	3,099
Total cash and cash equivalents at end of period (including \$61 and \$265 classified as held for sale at December 24, 2023 and December 25, 2022, respectively)	<u><u>\$ 8,194</u></u>	<u><u>\$ 5,073</u></u>

See accompanying notes.

QUALCOMM Incorporated
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions, except per share data)
(Unaudited)

	Three Months Ended	
	December 24, 2023	December 25, 2022
Total stockholders' equity, beginning balance	\$ 21,581	\$ 18,013
Common stock and paid-in capital:		
Balance at beginning of period	\$ 490	\$ 195
Common stock issued under employee benefit plans	1	38
Repurchases and retirements of common stock	(773)	(591)
Share-based compensation	629	667
Tax withholdings related to vesting of share-based payments	(370)	(309)
Common stock issued in acquisition	23	—
Balance at end of period	—	—
Retained earnings:		
Balance at beginning of period	20,733	17,840
Net income	2,767	2,235
Repurchases and retirements of common stock	(11)	(679)
Dividends	(924)	(879)
Balance at end of period	22,565	18,517
Accumulated other comprehensive income (loss):		
Balance at beginning of period	358	(22)
Other comprehensive income	135	315
Balance at end of period	493	293
Total stockholders' equity, ending balance	\$ 23,058	\$ 18,810
Dividends per share announced	\$ 0.80	\$ 0.75

See accompanying notes.

QUALCOMM Incorporated
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Basis of Presentation and Significant Accounting Policies Update

Financial Statement Preparation. These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial information and the instructions to Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, the interim financial information includes all normal recurring adjustments necessary for a fair statement of the results for the interim periods. These condensed consolidated financial statements are unaudited and should be read in conjunction with our Annual Report on Form 10-K for our fiscal year ended September 24, 2023. Operating results for interim periods are not necessarily indicative of operating results for an entire fiscal year. We operate and report using a 52-53 week fiscal year ending on the last Sunday in September. Each of the three months ended December 24, 2023 and December 25, 2022 included 13 weeks.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in our condensed consolidated financial statements and the accompanying notes. Actual results could differ from those estimates. Certain prior year amounts have been reclassified to conform to the current year presentation.

Recent Accounting Pronouncements.

Segment Reporting Disclosures: In November 2023, the Financial Accounting Standards Board (FASB) issued new requirements to disclose certain incremental segment information on an annual and interim basis, including (among other items) additional disclosure about significant segment expenses. We will adopt the new requirements for our annual periods starting in fiscal 2025 (and interim periods thereafter) on a retrospective basis.

Income Tax Disclosures: In December 2023, the FASB issued new requirements to disclose annually certain additional disaggregated income tax information related to the effective tax rate reconciliation and income taxes paid, among other items. We will adopt the new requirements starting in fiscal 2026 on a retrospective basis.

Note 2. Composition of Certain Financial Statement Items

Inventories (in millions)

	December 24, 2023	September 24, 2023
Raw materials	\$ 178	\$ 176
Work-in-process	3,941	4,096
Finished goods	2,128	2,150
	<u>\$ 6,247</u>	<u>\$ 6,422</u>

Revenues. We disaggregate our revenues by segment (Note 6), by products and services (as presented on our condensed consolidated statement of operations), and for our QCT (Qualcomm CDMA Technologies) segment, by revenue stream, which is based on the industry and application in which our products are sold (as presented below). In certain cases, the determination of QCT revenues by industry and application requires the use of certain assumptions. Substantially all of QCT's revenues consist of equipment revenues that are recognized at a point in time, and substantially all of QTL's (Qualcomm Technology Licensing) revenues represent licensing revenues that are recognized over time and are principally from royalties generated through our licensees' sales of mobile handsets.

QUALCOMM Incorporated
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

QCT revenue streams were as follows (in millions):

	Three Months Ended	
	December 24, 2023	December 25, 2022
Handsets (1)	\$ 6,687	\$ 5,754
Automotive (2)	598	456
IoT (internet of things) (3)	1,138	1,682
Total QCT revenues	\$ 8,423	\$ 7,892

(1) Includes revenues from products sold for use in mobile handsets.

(2) Includes revenues from products sold for use in automobiles, including connectivity, digital cockpit and advanced driver assistance systems (ADAS) and automated driving (AD).

(3) Primarily includes products sold for use in the following industries and applications: consumer (including computing, voice and music and extended reality (XR)), edge networking (including mobile broadband and wireless access points) and industrial (including handhelds, retail, tracking and logistics and utilities).

Revenues recognized from performance obligations satisfied (or partially satisfied) in previous periods generally include certain QCT sales-based royalty revenues related to system software, certain amounts related to QCT customer incentives and QTL royalty revenues recognized related to devices sold in prior periods (including adjustments to prior period royalty estimates, which includes the impact of the reporting by our licensees of actual royalties due) and were as follows (in millions):

	Three Months Ended	
	December 24, 2023	December 25, 2022
Revenues recognized from previously satisfied performance obligations	\$ 176	\$ 199

Unearned revenues (which are considered contract liabilities) consist primarily of certain customer contracts for which QCT received fees upfront and QTL license fees for intellectual property with continuing performance obligations. In the three months ended December 24, 2023 and December 25, 2022, we recognized revenues of \$181 million and \$173 million, respectively, that were recorded as unearned revenues at September 24, 2023 and September 25, 2022, respectively.

Remaining performance obligations, which are primarily included in unearned revenues (as presented on our condensed consolidated balance sheet), represent the aggregate amount of the transaction price of certain customer contracts yet to be recognized as revenues as of the end of the reporting period and exclude revenues related to (a) contracts that have an original expected duration of one year or less and (b) sales-based royalties (i.e., future royalty revenues) pursuant to our license agreements.

Concentrations. A significant portion of our revenues are concentrated with a small number of customers/licensees of our QCT and QTL segments. The comparability of customer/licensee concentrations for the interim periods presented are impacted by the timing of customer/licensee device launches and/or innovation cycles and other seasonal trends, among other fluctuations in demand. Revenues from each customer/licensee that were 10% or greater of total revenues were as follows:

	Three Months Ended	
	December 24, 2023	December 25, 2022
Customer/licensee (x)	25 %	34 %
Customer/licensee (y)	18	14
Customer/licensee (z)	14	*

QUALCOMM Incorporated
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Other Income, Costs and Expenses. Other income and expenses in the first quarter of fiscal 2024 and 2023 included certain restructuring amounts (primarily related to accrued severance costs) from cost reduction actions initiated in fiscal 2023.

Investment and Other Income (Expense), Net (in millions)

	Three Months Ended	
	December 24, 2023	December 25, 2022
Interest and dividend income	\$ 149	\$ 55
Net gains on marketable securities	11	11
Net gains on other investments	5	—
Net gains on deferred compensation plan assets	66	26
Impairment losses on other investments	(12)	(14)
Other	(7)	(2)
	<u>\$ 212</u>	<u>\$ 76</u>

Discontinued Operations. For the periods presented, Veoneer's Restraint Control Systems (RCS) business assets and liabilities are reflected as held for sale on our condensed consolidated balance sheets, and the results of operations and cash flows of Veoneer's Non-Arriver businesses (primarily consisting of the Active Safety and RCS businesses) are presented as discontinued operations on a one quarter reporting lag (through the date of disposition by SSW Partners). Cash flows from investing and financing activities from discontinued operations reported for the periods presented were not material.

On June 1, 2023, SSW Partners completed the sale of the Active Safety business to Magna International Inc. for net cash proceeds of \$1.5 billion. In December 2023, SSW Partners entered into a definitive agreement to sell the RCS business. We expect that SSW Partners will complete the sale of the RCS business within early calendar 2024, subject to certain required regulatory approvals and other closing conditions being met.

Note 3. Income Taxes

We estimate our annual effective income tax rate to be 7% for fiscal 2024, which is lower than the U.S. federal statutory rate, primarily due to (i) a significant portion of our income qualifying for preferential treatment as foreign-derived intangible income (FDII) at a 13% effective tax rate, which includes certain benefits from the requirement to capitalize research and development expenditures for federal income tax purposes, (ii) a benefit from our federal research and development tax credit and (iii) a benefit related to foreign currency gains on a noncurrent receivable related to our refund claim of Korean withholding tax. Our effective tax rate of 5% for the first quarter of fiscal 2024 was lower than our estimated annual effective tax rate of 7% primarily due to \$79 million of net discrete tax benefits. Our effective tax rate of 4% for the first quarter of fiscal 2023 included \$150 million of discrete net tax benefits. Such discrete net tax benefits primarily related to foreign currency gains on a noncurrent receivable related to our refund claim of Korean withholding tax.

Income taxes payable (recorded in other current liabilities) were \$1.0 billion and \$1.7 billion at December 24, 2023 and September 24, 2023, respectively. This decrease was primarily due to certain U.S. federal income tax payments made in the first quarter of fiscal 2024 that were previously postponed by the Internal Revenue Service (IRS).

Note 4. Capital Stock

Stock Repurchase Program. On October 12, 2021, we announced a \$10.0 billion stock repurchase program. The stock repurchase program has no expiration date. At December 24, 2023, \$4.4 billion remained authorized for repurchase under our stock repurchase program.

Shares Outstanding. Shares of common stock outstanding at December 24, 2023 were as follows (in millions):

Balance at beginning of period	1,114
Issued	10
Repurchased	(6)
Balance at end of period	<u>1,118</u>

QUALCOMM Incorporated
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Dividends. On January 19, 2024, we announced a cash dividend of \$0.80 per share on our common stock, payable on March 21, 2024 to stockholders of record as of the close of business on February 29, 2024.

Earnings Per Common Share. Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding during the reporting period. Diluted earnings per share is computed by dividing net income by the combination of the weighted-average number of common shares outstanding and the weighted-average number of dilutive common share equivalents, comprised of shares issuable under our share-based compensation plans, during the reporting period, using the treasury stock method. The following table provides information about the diluted earnings per share calculation (in millions):

	Three Months Ended	
	December 24, 2023	December 25, 2022
Dilutive common share equivalents included in diluted shares	11	9
Shares of common stock equivalents not included because the effect would be anti-dilutive or certain performance conditions were not satisfied at the end of the period	14	5

Note 5. Commitments and Contingencies

Legal and Regulatory Proceedings.

Consolidated Securities Class Action Lawsuit: On January 23, 2017 and January 26, 2017, securities class action complaints were filed by purported stockholders of us in the United States District Court for the Southern District of California against us and certain of our then current and former officers and directors. The complaints alleged, among other things, that we violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 thereunder, by making false and misleading statements and omissions of material fact in connection with certain allegations that we are or were engaged in anticompetitive conduct. The complaints sought unspecified damages, interest, fees and costs. The court consolidated the two actions, and on July 3, 2017, the plaintiffs filed a consolidated amended complaint asserting the same basic theories of liability and requesting the same basic relief. On May 23, 2022, the plaintiffs filed a motion for class certification, and on March 20, 2023, the court issued an order granting in part and denying in part the plaintiffs' motion for class certification. The order denied class certification on the basis of alleged misrepresentations relating to our chip-level licensing practices, but certified a class on the basis of alleged misrepresentations relating to the separate operations of QCT and QTL. Trial is scheduled to begin on October 28, 2024. We intend to continue to vigorously defend ourselves in this matter.

Consumer Class Action Lawsuits: Beginning in January 2017, a number of consumer class action complaints were filed against us 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. The cases filed in the Southern District of California were subsequently transferred to the Northern District of California. On July 11, 2017, the plaintiffs filed a consolidated amended complaint alleging that we violated California and federal antitrust and unfair competition laws by, among other things, refusing to license standard-essential patents to our competitors, conditioning the supply of certain of our baseband chipsets on the purchaser first agreeing to license our entire patent portfolio, entering into exclusive deals with companies, including Apple Inc., and charging unreasonably high royalties that do not comply with our commitments to standard setting organizations. The complaint sought unspecified damages and disgorgement and/or restitution, as well as an order that we be enjoined from further unlawful conduct. On September 27, 2018, the court certified the class. We appealed the court's class certification order to the United States Court of Appeals for the Ninth Circuit (Ninth Circuit). On September 29, 2021, the Ninth Circuit vacated the class certification order, ruling that the district court had failed to correctly assess the propriety of applying California law to a nationwide class, and remanded the case to the district court. On June 10, 2022, the plaintiffs filed an amended complaint, limiting the proposed class to California residents rather than a nationwide class. We filed a motion to dismiss the amended complaint, and on January 6, 2023, the court issued an order granting in part and denying in part our motion to dismiss. We subsequently filed a motion for summary judgment on the plaintiffs' remaining claims. The court granted our motion in its entirety and, on October 5, 2023, entered final judgment in Qualcomm's favor. On November 2, 2023, the plaintiffs filed a notice of appeal to the Ninth Circuit. We intend to continue to vigorously defend ourselves in this matter.

QUALCOMM Incorporated
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Beginning in November 2017, several other consumer class action complaints were filed against us in Canada (in the Supreme Court of British Columbia and the Quebec Superior Court), Israel (in the Haifa District Court) and the United Kingdom (in the Competition Appeal Tribunal), each on behalf of a putative class of purchasers of cellular phones and other cellular devices, alleging violations of certain of those countries' competition and consumer protection laws and seeking damages. The claims in these complaints are similar to those in the U.S. consumer class action complaints described above. These matters are at various stages of litigation, and we intend to continue to vigorously defend ourselves.

ParkerVision, Inc. v. QUALCOMM Incorporated: On May 1, 2014, ParkerVision filed a complaint against us in the United States District Court for the Middle District of Florida alleging that certain of our products infringed seven ParkerVision patents. On August 21, 2014, ParkerVision amended the complaint, alleging that we infringed 11 ParkerVision patents and sought damages and injunctive and other relief. ParkerVision subsequently reduced the number of patents asserted to three. The asserted patents are now expired, and injunctive relief is no longer available. ParkerVision continues to seek damages related to the sale of many of our radio frequency (RF) products sold between 2008 and 2018. On March 23, 2022, the court entered judgment in our favor on all claims and closed the case. On April 20, 2022, ParkerVision filed a notice of appeal to the United States Court of Appeals for the Federal Circuit, and on November 6, 2023, the court held a hearing on the appeal. The court has not yet issued a ruling. We intend to continue to vigorously defend ourselves in this matter.

Arm Ltd. v. QUALCOMM Incorporated: On August 31, 2022, Arm Ltd. (ARM) filed a complaint against us in the United States District Court for the District of Delaware. Our subsidiaries Qualcomm Technologies, Inc. and NuVia, Inc. (Nuvia) are also named in the complaint. The complaint alleges that following our acquisition of Nuvia, we and Nuvia breached Nuvia's Architecture License Agreement with ARM (the Nuvia ALA) by failing to comply with the termination obligations under the Nuvia ALA. The complaint seeks specific performance, including that we cease all use of and destroy any technology that was developed under the Nuvia ALA, including processor core technology. ARM also contends that we violated the Lanham Act through trademark infringement and false designation of origin through unauthorized use of ARM's trademarks and seeks associated injunctive and declaratory relief. ARM further seeks exemplary or punitive damages, costs, expenses and reasonable attorney's fees, and equitable relief addressing any infringement occurring after entry of judgment.

On September 30, 2022, we filed our Answer and Counterclaim in response to ARM's complaint denying ARM's claims. Our counterclaim seeks a declaratory judgment that we did not breach the Nuvia ALA or the Technology License Agreement between Nuvia and ARM and that, following the acquisition of Nuvia, our architected cores (including all further developments, iterations or instantiations of the technology we acquired from Nuvia), server System-on-Chip (SoC) and compute SoC are fully licensed under our existing Architecture License Agreement and Technology License Agreement with ARM (the ARM-Qualcomm Agreements). We further seek an order enjoining ARM from making any claim that our products are not licensed under the ARM-Qualcomm Agreements, are not ARM-compliant or that we are prohibited from using ARM's marks in the marketing of any such products. On October 26, 2022, we filed an Amended Counterclaim seeking additional declaratory relief that certain statements ARM is making in the marketplace concerning our rights under the ARM-Qualcomm Agreements are false, and that ARM has no right to prevent us from shipping our products, which are validly licensed. Trial is scheduled to begin on September 23, 2024. We intend to continue to vigorously defend ourselves in this matter.

Contingent Losses and Other Considerations: Litigation and investigations are inherently uncertain, and we face difficulties in evaluating or estimating likely outcomes or ranges of possible loss, particularly in antitrust and trade regulation investigations. We have not recorded any accrual at December 24, 2023 for contingent losses associated with the pending matters described above based on our belief that losses, while reasonably possible, are not probable. Further, any possible amount or 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 our business, results of operations, financial condition or cash flows. We are engaged in numerous other legal actions not described above (for example, our 2010 European Commission matter relating to the Icera complaint, and other matters arising in the ordinary course of our business, including those relating to employment matters or the initiation or defense of proceedings relating to intellectual property rights) and, while there can be no assurance, we believe that the ultimate outcome of these other legal actions will not have a material adverse effect on our business, results of operations, financial condition or cash flows.

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Note 6. Segment Information

We are organized on the basis of products and services and have three reportable segments. We conduct business primarily through our QCT semiconductor business and our QTL licensing business. QCT develops and supplies integrated circuits and system software based on 3G/4G/5G and other technologies, including RFFE (radio frequency front-end), for use in mobile devices; automotive systems for connectivity, digital cockpit and ADAS/AD; and IoT including consumer electronic devices; industrial devices; and edge networking products. QTL grants licenses or otherwise provides rights to use portions of our intellectual property portfolio, which includes certain patent rights essential to and/or useful in the manufacture and sale of certain wireless products. Our QSI (Qualcomm Strategic Initiatives) reportable segment makes strategic investments. We also have nonreportable segments, including QGOV (Qualcomm Government Technologies) and our cloud computing processing initiative.

The table below presents revenues and earnings (loss) before income taxes (EBT) for reportable segments (in millions):

	Three Months Ended	
	December 24, 2023	December 25, 2022
Revenues		
QCT	\$ 8,423	\$ 7,892
QTL	1,460	1,524
QSI	13	7
Reconciling items	39	40
Total	<u>\$ 9,935</u>	<u>\$ 9,463</u>
EBT		
QCT	\$ 2,593	\$ 2,183
QTL	1,080	1,117
QSI	11	(8)
Reconciling items	(722)	(921)
Total	<u>\$ 2,962</u>	<u>\$ 2,371</u>

Reconciling items for revenues and EBT in the previous table were as follows (in millions):

	Three Months Ended	
	December 24, 2023	December 25, 2022
Revenues		
Nonreportable segments	<u>\$ 39</u>	<u>\$ 40</u>
EBT		
Unallocated cost of revenues	\$ (56)	\$ (65)
Unallocated research and development expenses	(533)	(522)
Unallocated selling, general and administrative expenses	(185)	(167)
Unallocated other income (expenses)	28	(80)
Unallocated interest expense	(178)	(170)
Unallocated investment and other income, net	208	87
Nonreportable segments	<u>(6)</u>	<u>(4)</u>
	<u>\$ (722)</u>	<u>\$ (921)</u>

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Note 7. Fair Value Measurements and Marketable Securities

The following table presents our fair value hierarchy for assets and liabilities measured at fair value on a recurring basis at December 24, 2023 (in millions):

	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	\$ 4,979	\$ 1,796	\$ —	\$ 6,775
Marketable securities:				
Corporate bonds and notes	—	3,220	—	3,220
U.S. Treasury securities and government-related securities	220	65	—	285
Mortgage- and asset-backed securities	—	280	—	280
Equity securities	136	—	—	136
Total marketable securities	356	3,565	—	3,921
Derivative instruments	—	30	—	30
Other investments	815	—	51	866
Total assets measured at fair value	\$ 6,150	\$ 5,391	\$ 51	\$ 11,592
Liabilities				
Derivative instruments	\$ —	\$ 205	\$ —	\$ 205
Other liabilities	813	—	—	813
Total liabilities measured at fair value	\$ 813	\$ 205	\$ —	\$ 1,018

Long-term Debt. At December 24, 2023, the aggregate fair value of our outstanding fixed-rate notes, based on Level 2 inputs, was approximately \$15.1 billion.

Marketable Securities. At December 24, 2023 and September 24, 2023, our marketable securities were all classified as current and were primarily comprised of available-for-sale debt securities (substantially all of which were corporate bonds and notes).

The contractual maturities of available-for-sale debt securities were as follows (in millions):

	December 24, 2023
Years to Maturity	
Less than one year	\$ 1,820
One to five years	1,678
Five to ten years	7
No single maturity date	280
Total	\$ 3,785

Debt securities with no single maturity date included mortgage- and asset-backed securities.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This information should be read in conjunction with the condensed consolidated financial statements and the notes thereto included in "Part I, Item 1" of this Quarterly Report and with "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the fiscal year ended September 24, 2023 contained in our 2023 Annual Report on Form 10-K.

This Quarterly Report (including but not limited to this section titled Management's Discussion and Analysis of Financial Condition and Results of Operations) contains forward-looking statements. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "may," "will," "would" and similar expressions or variations of such words are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements in this Quarterly Report. Additionally, statements concerning future matters such as our future business, prospects, results of operations or financial condition; research and development or technology investments; new or enhanced products, services or technologies; emerging industries or business models; design wins or product launches; industry, market or technology trends, dynamics or transitions; our expectations regarding future demand or supply conditions or macroeconomic factors; strategic investments or acquisitions, and the anticipated timing or benefits thereof; cost reduction initiatives, associated restructuring charges and the anticipated timing thereof; legal or regulatory matters; U.S./China trade or national security tensions; vertical integration by our customers; competition; annual effective tax rates; and other statements regarding matters that are not historical are also forward-looking statements.

Although forward-looking statements in this Quarterly Report reflect our good faith judgment, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include without limitation those discussed under the heading "Risk Factors" below, as well as those discussed elsewhere in this Quarterly Report. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report. We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Quarterly Report. Readers are urged to carefully review and consider the various disclosures made in this Quarterly Report, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

First Quarter Fiscal 2024 Overview

Revenues for the first quarter of fiscal 2024 were \$9.9 billion, an increase of 5% compared to the year ago quarter, with net income of \$2.8 billion, an increase of 24% compared to the year ago quarter. Key items from the first quarter of fiscal 2024 included:

- QCT revenues increased by 7% in the first quarter of fiscal 2024 compared to the year ago quarter, primarily due to higher handset and automotive revenues, partially offset by lower IoT revenues.
- QTL revenues decreased by 4% in the first quarter of fiscal 2024 compared to the year ago quarter.

Our Business and Operating Segments

We develop and commercialize foundational technologies and products used in mobile devices and other wireless products. We derive revenues principally from sales of integrated circuit products and licensing our intellectual property, including patents and other rights.

We are organized on the basis of products and services and have three reportable segments. We conduct business primarily through our QCT (Qualcomm CDMA Technologies) semiconductor business and our QTL (Qualcomm Technology Licensing) licensing business. Our QSI (Qualcomm Strategic Initiatives) reportable segment makes strategic investments. We also have nonreportable segments, including QGOV (Qualcomm Government Technologies) and our cloud computing processing initiative.

Our reportable segments are operated by QUALCOMM Incorporated and its direct and indirect subsidiaries. QTL is operated by QUALCOMM Incorporated, which owns the vast majority of our patent portfolio. Substantially all of our products and services businesses, including QCT, and substantially all of our engineering and research and development functions are operated by Qualcomm Technologies, Inc. (QTI), a wholly-owned subsidiary of QUALCOMM Incorporated, and QTI's subsidiaries. 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 QUALCOMM Incorporated.

Seasonality. Many of our products and much of our intellectual property are incorporated into consumer wireless devices, which are subject to seasonality and other fluctuations in demand. Our revenues have historically fluctuated based on consumer demand for devices, as well as on the timing of customer/licensee device launches and/or innovation cycles (such as the transition to the next generation of wireless technologies). This has resulted in fluctuations in QCT revenues in advance of and during device launches incorporating our products and in QTL revenues when licensees' sales occur. These trends may or may not continue in the future. Further, the trends for QTL have been, and may in the future be, impacted by disputes and/or resolutions with licensees and/or governmental investigations or proceedings.

Results of Operations

Revenues (in millions)

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Equipment and services	\$ 8,316	\$ 7,784	\$ 532
Licensing	1,619	1,679	(60)
	<u>\$ 9,935</u>	<u>\$ 9,463</u>	<u>\$ 472</u>

First quarter 2024 vs. 2023

The increase in revenues in the first quarter of fiscal 2024 was primarily due to:

- + \$525 million in higher equipment and services revenues from our QCT segment
- \$64 million in lower licensing revenues from our QTL segment

Costs and Expenses (in millions, except percentages)

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Cost of revenues	\$ 4,312	\$ 4,044	\$ 268
Gross margin	57 %	57 %	

First quarter 2024 vs. 2023

Gross margin percentage remained flat in the first quarter of fiscal 2024.

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Research and development	\$ 2,096	\$ 2,251	\$ (155)
% of revenues	21 %	24 %	

First quarter 2024 vs. 2023

The decrease in research and development expenses in the first quarter of fiscal 2024 was primarily due to a \$156 million decrease driven by lower costs related to the development of wireless and integrated circuit technologies (including 5G and application processor technologies). This was primarily driven by a decrease in employee-related costs as a result of certain restructuring actions initiated in fiscal 2023 (which were substantially completed by the first quarter of fiscal 2024) to fund continued investments in key growth and diversification opportunities.

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Selling, general and administrative	\$ 627	\$ 623	\$ 4
% of revenues	6 %	7 %	

First quarter 2024 vs. 2023

Selling, general and administrative expenses remained approximately flat in the first quarter of fiscal 2024.

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Other (income) expense	\$ (28)	\$ 80	\$ (108)

First quarter 2024 vs. 2023

Other income and expenses in the first quarter of fiscal 2024 and 2023 included certain restructuring amounts (primarily related to accrued severance costs) from cost reduction actions initiated in fiscal 2023.

Interest Expense and Investment and Other Income, Net (in millions)

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Interest expense	\$ 178	\$ 170	\$ 8
Investment and other income, net			
Interest and dividend income	\$ 149	\$ 55	\$ 94
Net gains on marketable securities	11	11	—
Net gains on other investments	5	—	5
Net gains on deferred compensation plan assets	66	26	40
Impairment losses on other investments	(12)	(14)	2
Other	(7)	(2)	(5)
	\$ 212	\$ 76	\$ 136

The increase in interest and dividend income in the first quarter of fiscal 2024 was primarily due to higher interest rates earned on higher balances of interest-bearing securities.

Income Tax Expense (in millions, except percentages)

The following table summarizes the primary factors that caused our income tax provision to differ from the expected income tax provision at the U.S. federal statutory rate:

	Three Months Ended	
	December 24, 2023	December 25, 2022
Expected income tax provision at federal statutory tax rate	\$ 622	\$ 498
Benefit from foreign-derived intangible income (FDII) deduction related to capitalizing research and development expenditures	(189)	(112)
Benefit from FDII deduction, excluding the impact of capitalizing research and development expenditures	(164)	(121)
Benefit related to the research and development tax credit	(75)	(54)
Foreign currency gains related to foreign withholding tax receivable	(39)	(130)
Excess tax benefit associated with share-based awards	(29)	(23)
Other	25	40
Income tax expense	\$ 151	\$ 98
Effective tax rate	5 %	4 %

We estimate our annual effective income tax rate to be 7% for fiscal 2024, which is lower than the U.S. federal statutory rate. Our estimated annual and first quarter of fiscal 2024 effective tax rates reflect the additional benefit from FDII deductions related to certain changes made in the second half of fiscal 2023 related to income attribution and sourcing of research and development expenditures. Additional information regarding our annual effective income tax rate and income tax expense is provided in this Quarterly Report in “Notes to Condensed Consolidated Statements, Note 3. Income Taxes.”

Discontinued Operations (in millions)

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Discontinued operations, net of income taxes	\$ (44)	\$ (38)	\$ (6)

Discontinued operations in the first quarter of fiscal 2024 and 2023 related to the Non-Arriver businesses. Information regarding the Non-Arriver businesses is provided in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 2. Composition of Certain Financial Statement Items - Discontinued Operations.”

Segment Results

The following should be read in conjunction with our financial results for the first quarter of fiscal 2024 for each reportable segment included in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 6. Segment Information.”

QCT Segment (in millions, except percentages)

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Revenues			
Handsets	\$ 6,687	\$ 5,754	\$ 933
Automotive	598	456	142
IoT (internet of things)	1,138	1,682	(544)
Total revenues (1)	\$ 8,423	\$ 7,892	\$ 531
EBT (2)	\$ 2,593	\$ 2,183	\$ 410
EBT as a % of revenues	31 %	28 %	3 points

(1) Descriptions of our three QCT revenue streams can be found in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 2. Composition of Certain Financial Statement Items.”

(2) Earnings before income taxes.

Substantially all of QCT’s revenues consist of equipment and services revenues, which were \$8.3 billion and \$7.7 billion in the first quarter of fiscal 2024 and 2023, respectively. QCT handsets, automotive and IoT revenues mostly relate to sales of our Snapdragon platforms (which include processors and modems), stand-alone Mobile Data Modems, radio frequency transceiver, power management and wireless connectivity integrated chipsets as well as sales of 4G, 5G sub 6 and 5G millimeter wave RFFE products.

First quarter 2024 vs. 2023

The increase in QCT revenues in the first quarter of fiscal 2024 was primarily due to:

- + higher handsets revenues, primarily driven by \$704 million in higher chipset shipments to certain major OEMs (primarily driven by the normalization of customer inventory levels, which were elevated in the prior year, and the acceleration of certain customer device launches relative to the prior year), and \$208 million in higher revenues per chipset primarily driven by increases in average selling prices
- lower IoT revenues, primarily driven by a decrease in demand across edge networking and industrial products (primarily driven by elevated customer inventory levels and the negative effects of the macroeconomic environment weakness)
- + higher automotive revenues, primarily driven by an increase in demand for connectivity and digital cockpit products

QCT EBT as a percentage of revenues increased in the first quarter of fiscal 2024 primarily due to:

- + lower research and development expenses
- + higher revenues

Gross margin percentage remained flat in the first quarter of fiscal 2024, primarily driven by higher product costs, offset by higher average selling prices.

QTL Segment (in millions, except percentages)

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Licensing revenues	\$ 1,460	\$ 1,524	\$ (64)
EBT	1,080	1,117	(37)
EBT as a % of revenues	74 %	73 %	1 point

First quarter 2024 vs. 2023

The decrease in QTL licensing revenues in the first quarter of fiscal 2024 was primarily due to a \$68 million decrease in revenues from the ending of the recognition of certain upfront license fee consideration in the first quarter of fiscal 2023 from our long-term license agreement with Nokia.

QTL EBT as a percentage of revenues increased in the first quarter of fiscal 2024 primarily due to:

- + lower cost of sales primarily driven by a decrease in amortization expense related to acquired patents
- lower revenues

QSI Segment (in millions)

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Equipment and services revenues	\$ 13	\$ 7	\$ 6
Income (loss) before income taxes	11	(8)	19

First quarter 2024 vs. 2023

QSI segment results were not material in the first quarter of fiscal 2024 and 2023.

Looking Forward

We believe that 5G combined with high-performance, low-power processing and on-device intelligence will continue to drive adoption of certain technologies that are already commonly used in smartphones by industries and applications beyond mobile handsets, such as automotive and IoT. We believe it is important that we remain a leader in 5G technology development, standardization, intellectual property creation and licensing, and a leading developer and supplier of 5G integrated circuit products in order to sustain and grow our business long-term.

As we look forward to the next several quarters:

- We expect certain customers will continue to draw down on their inventory (which remains at elevated levels), which will continue to have a negative impact on our revenues, results of operations and cash flows.
- Our inventory levels continue to be elevated, and we expect this will continue in the near term. If we overestimate future customer demand, it may result in increased excess or obsolete inventory or reserve charges, negatively impacting our results of operations and cash flows.
- We expect transitions to new generations of leading process technology nodes to continue to drive product cost increases from certain of our key semiconductor wafer suppliers.
- We expect continued intense competition, including from vertical integration by certain of our customers (for example, Samsung and Huawei).
- Current U.S./China trade relations and/or national security protection policies may negatively impact our business, growth prospects and results of operations. See “Risk Factors” in this Quarterly Report, including the Risk Factor titled “*A significant portion of our business is concentrated in China, and the risks of such concentration are exacerbated by U.S./China trade and national security tensions.*”

We have recently extended, renewed or entered into license agreements with several key OEMs, and we are currently negotiating with several other key OEMs whose agreements expire in early fiscal 2025. We have also been engaged in extended negotiations with a growing, as-yet-unlicensed China-headquartered OEM that sells primarily in developing regions. See “Risk Factors” in this Quarterly Report, including the Risk Factor titled “*The continued and future success of our licensing programs requires us to continue to evolve our patent portfolio and to renew or renegotiate license agreements that are expiring.*”

In addition to the foregoing business and market-based matters, we continue to devote resources to working with and educating participants in the wireless industry and governments as to the benefits of our licensing programs and our extensive technology investments in promoting a highly competitive and innovative wireless industry. However, we expect that certain companies may be dissatisfied with the need to pay reasonable royalties for the use of our technologies and not welcome the success of our licensing programs in enabling new, highly cost-effective competitors to their products. Accordingly, such companies and/or governments or regulators may continue to challenge our business model in various forums throughout the world.

Further discussion of risks related to our business is provided in the section titled “Risk Factors” included in this Quarterly Report.

Liquidity and Capital Resources

Our principal sources of liquidity are our existing cash, cash equivalents and marketable securities, cash generated from operations and cash provided by our debt programs. The following tables present selected financial information related to our liquidity at December 24, 2023 and September 24, 2023 and for the first three months of fiscal 2024 and 2023 (in millions):

	December 24, 2023	September 24, 2023	Change
Cash, cash equivalents and marketable securities			
Cash and cash equivalents (1)	\$ 8,133	\$ 8,450	\$ (317)
Marketable securities	3,921	2,874	1,047
	<u>\$ 12,054</u>	<u>\$ 11,324</u>	<u>\$ 730</u>
Debt (2)	<u>\$ 15,480</u>	<u>\$ 15,398</u>	<u>\$ 82</u>

(1) Excludes \$61 million and \$77 million of cash and cash equivalents classified as held for sale at December 24, 2023 and September 24, 2023, respectively.

(2) Includes our issued debt reported as long-term and \$914 million reported as short-term debt (which matures in May 2024). As of December 24, 2023 and September 24, 2023, our credit facility was undrawn, and we had no commercial paper outstanding.

	Three Months Ended		
	December 24, 2023	December 25, 2022	Change
Net cash provided by operating activities	\$ 2,949	\$ 3,095	\$ (146)
Net cash used by investing activities	(1,256)	(133)	(1,123)
Net cash used by financing activities	(2,041)	(1,015)	(1,026)

Cash, cash equivalents and marketable securities. The net increase in cash, cash equivalents and marketable securities for the first quarter of fiscal 2024 was primarily due to net cash provided by operating activities, partially offset by \$895 million in cash dividends paid, \$784 million in payments to repurchase 6 million shares of our common stock, \$370 million in payments of tax withholdings related to the vesting of share-based awards and \$214 million in capital expenditures.

During the first quarter of fiscal 2024, we paid \$1.0 billion related to certain previously postponed U.S. federal income tax-payments from fiscal 2023, negatively impacting net cash provided by operating activities. Net changes in our operating assets and liabilities for the first quarter of fiscal 2024 did not have a material impact on our net cash provided by operating activities.

Capital Return Program. Our stock repurchase program is subject to periodic evaluations to determine when and if repurchases are in the best interests of our stockholders, and we may accelerate, suspend, delay or discontinue repurchases at any time. We currently intend to continue to use cash dividends as a means of returning capital to stockholders, subject to capital availability and our view that cash dividends are in the best interests of our stockholders, among other factors. Additional information regarding our capital returns is provided in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 4. Capital Stock.”

Additional Capital Requirements. Expected working and other capital requirements are described in our 2023 Annual Report on Form 10-K in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.” At December 24, 2023, other than for the changes disclosed in the “Notes to Condensed Consolidated Financial Statements”, “Looking Forward” and “Liquidity and Capital Resources” in this Quarterly Report, there have been no other material changes to our expected working and other capital requirements described in our 2023 Annual Report on Form 10-K.

Further, regulatory authorities in certain jurisdictions have investigated our business practices and instituted proceedings against us and they or other regulatory authorities may do so in the future. Additionally, certain of our direct and indirect customers and licensees have pursued, and they or others may in the future pursue, litigation, arbitration or other strategies against us related to our business. Unfavorable resolutions of one or more of these matters have had and could in the future have a material adverse effect on our business, revenues, results of operations, financial condition and cash flows. See “Risk Factors” in this Quarterly Report.

We believe, based on our current business plan and the facts and factors known by us, our cash, cash equivalents and marketable securities, our expected cash flow generated from operations and our expected financing activities will satisfy our working and other capital requirements for at least the next 12 months and thereafter for the foreseeable future. See “Risk Factors” in this Quarterly Report.

Recent Accounting Guidance

Information regarding recent accounting guidance and the impact of such guidance on our condensed consolidated financial statements is provided in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 1. Basis of Presentation and Significant Accounting Policies Update.”

Risk Factors

You should consider each of the following factors in evaluating our business and our prospects, any of which could negatively impact our business, results of operations, cash flows and financial condition, and require significant management time and attention. Further, 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, results of operations, cash flows and financial condition, and require significant management time and attention. In such cases, the trading price of our common stock could decline. You should also consider the other information set forth in this Quarterly Report in evaluating our business and our prospects, including but not limited to our financial statements and the related notes, and “Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.” References to “and,” “or” and “and/or” should be read to include the others, as appropriate.

RISKS RELATED TO OUR OPERATING BUSINESSES

We derive a significant portion of our revenues from a small number of customers and licensees, and particularly from their sale of premium tier handset devices. 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.

We derive a significant portion of our revenues from a small number of customers and licensees, and particularly from their sale of premium tier handset devices, and we expect this trend to continue in the foreseeable future. The mobile 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. Certain Chinese original equipment manufacturers (OEMs) have increased and may continue to increase their device share in China and in certain regions outside of China, and we derive a significant portion of our revenues from a small number of these OEMs as well. See also “Notes to Condensed Consolidated Financial Statements, Note 2. Composition of Certain Financial Statement Items - Concentrations.”

In addition, a number of our largest customers have developed, are developing or may develop their own integrated circuit products, or may choose our competitors’ integrated circuit products, which they have in the past utilized, currently utilize and may in the future utilize in some or all of their devices, rather than our products, which could significantly reduce the revenues we derive from these customers. See also the Risk Factor titled “*Our business, particularly our semiconductor business, may suffer as a result of our customers vertically integrating (i.e., developing their own integrated circuit products).*”

Further, political actions, including trade and/or national security protection policies, or other actions by governments, particularly the U.S. and Chinese governments, have in the past, currently are and could in the future limit or prevent us from transacting business with certain of our customers, limit, prevent or discourage those customers from transacting business with us, or make it more expensive to do so, any of which could also significantly reduce the revenues we derive from these

customers. See also the Risk Factor titled “*A significant portion of our business is concentrated in China, and the risks of such concentration are exacerbated by U.S./China trade and national security tensions.*”

In addition, we spend a significant amount of engineering and development time, funds and resources in understanding our key customers’ feedback and/or specifications and attempt to incorporate such input into our product launches and technologies. These efforts may not require or result in purchase commitments from such customers or we may have lower purchases from such customers than expected, and consequently, we may not achieve the anticipated revenues from these efforts, or these efforts may result in non-recoverable costs.

The loss of any one of our significant customers, a reduction in the purchases of our products by any of these customers or the cancellation of significant purchases by any of these customers, whether due to the use of their own integrated circuit products or our competitors’ integrated circuit products, government restrictions, a decline in global, regional or local economic conditions, a decline in consumer demand (or a shift in consumer demand away from new devices in favor of refurbished or secondhand devices), elevated inventory levels at our customers or otherwise, would reduce our revenues and could harm our ability to achieve or sustain expected results of operations. 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 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 and success of such introductions may cause our revenues and results of operations to fluctuate.

Apple purchases our MDM (or thin modem) 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. Consequently, to the extent Apple takes device share from our customers who purchase our integrated modem and application processor products, our revenues and margins may be negatively impacted.

The mobile industry has also experienced slowing growth in the premium-tier device segment due to, among other factors, a maturing premium-tier smartphone industry in which demand is increasingly driven by new product launches and innovation cycles. A reduction in sales of premium-tier devices, 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), a shift in share away from OEMs that utilize our premium-tier products, or a shift in consumer demand in favor of refurbished or secondhand devices, would 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.

Further, while our product and revenue diversification strategies have resulted in an increasing portion of our revenues coming from outside of mobile handsets, e.g., from industries such as automotive and IoT, certain product categories within those industries may in themselves be subject to high levels of customer concentration.

Although we have more than 300 licensees, we derive a significant portion of our licensing revenues from a limited number of licensees, which includes a number of Chinese OEMs. In the event that one or more of our significant licensees fail to meet their reporting and payment obligations, or we are unable to renew or modify one or more of their license agreements under similar terms as their existing agreements, our revenues, results of operations and cash flows would be adversely impacted. Moreover, the success of our core licensing business depends in part on the ability of our licensees to continue to develop, introduce and deliver high-volume products that achieve and sustain customer acceptance. We do not have control over the product development, sales efforts or pricing of products by our licensees, and our licensees might not be successful in these efforts. Reductions in sales of our licensees’ products, or reductions in the average selling prices of such products without a sufficient increase in the volumes sold, would generally have an adverse effect on our licensing revenues.

Our business, particularly our semiconductor business, may suffer as a result of our customers vertically integrating (i.e., developing their own integrated circuit products).

Certain of our largest customers (for example, Samsung) develop their own integrated circuit products, which they have in the past utilized, and currently utilize, in certain of their devices and we expect will in the future utilize in some or all of their devices, rather than our products (and they have and may continue to sell their integrated circuit products to third parties, discretely or together with certain of their other products, in competition with us).

Apple has utilized modem products of one of our competitors in some of its devices rather than our products, and solely utilized one of our competitors' products in several of its prior device launches. In December 2019, Apple acquired Intel's modem assets and is developing its own modem products using those assets. Accordingly, we expect Apple to use its own modem products, rather than our products, in some or all of its future devices.

Similarly, we derive a significant portion of our revenues from Chinese OEMs. Certain of our customers in China have developed, and others may in the future develop, their own integrated circuit products and use such integrated circuit products in their devices rather than our integrated circuit products, including due to pressure from or policies of the Chinese government (whose *Made in China 2025* campaign targets 70% semiconductor self-sufficiency by 2025), concerns over losing access to our integrated circuit products as a result of actual, threatened or potential U.S. or Chinese government actions or policies, including trade protection or national security policies, or other reasons. See also the Risk Factor titled *"A significant portion of our business is concentrated in China, and the risks of such concentration are exacerbated by U.S./China trade and national security tensions."*

In addition, periodic supply/capacity constraints within the semiconductor industry may further incentivize our customers to vertically integrate in an effort to secure additional control over their supply chains.

If our customers begin using their own integrated circuit products rather than our products in some or all of their devices, or increase their use of their own integrated circuit products from current levels, our business, revenues, results of operations, cash flows and financial position could be materially adversely impacted. See also the Risk Factor titled *"We derive a significant portion of our revenues from a small number of customers and licensees, and particularly from their sale of premium tier handset devices. 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."*

A significant portion of our business is concentrated in China, and the risks of such concentration are exacerbated by U.S./China trade and national security tensions.

We derive a significant portion of our revenues from Chinese OEMs, and from non-Chinese OEMs that utilize our integrated circuit products in devices they sell into China, which has the largest number of smartphone users in the world. We also source certain critical integrated circuit products from suppliers in China.

Due to various factors, including pressure, encouragement or incentives from, or policies of, the Chinese government (including its *Made in China 2025* campaign), concerns over losing access to our integrated circuit products as a result of actual, threatened or potential U.S. or Chinese government actions or policies, including trade protection or national security policies, or other reasons, some of our customers in China have developed, and others may in the future develop, their own integrated circuit products and use such integrated circuit products in their devices, or use our competitors' integrated circuit products in their devices, rather than our products, which could materially harm our business, revenues, results of operations, cash flows and financial position. See also the Risk Factor titled *"Our business, particularly our semiconductor business, may suffer as a result of our customers vertically integrating (i.e., developing their own integrated circuit products)."*

Political actions, including trade protection and national security policies of the U.S. and Chinese governments, such as tariffs, bans or placing companies on restricted entity lists, have in the past, currently are and could in the future limit or prevent us from transacting business with certain of our Chinese customers or suppliers, limit, prevent or discourage certain of our Chinese customers or suppliers from transacting business with us, or make it more expensive to do so. Given our revenue concentration in China, if, due to actual, threatened or potential U.S. or Chinese government actions or policies: we were further limited in, or prohibited from, selling our integrated circuit products to Chinese customers; our non-Chinese OEM customers were limited in, or prohibited from, selling devices that incorporate our integrated circuit products into China; Chinese OEMs develop and use their own integrated circuit products or use our competitors' integrated circuit products in some or all of their devices rather than our integrated circuit products; Chinese tariffs on our integrated circuit products or on devices which incorporate our integrated circuit products made purchasing such products or devices more expensive to our Chinese customers or Chinese consumers; or our Chinese licensees delay or cease making payments of license fees they owe us, our business, revenues, results of operations, cash flows and financial position could be materially harmed. Similarly, if, due to U.S. or Chinese government actions or policies, we were limited in or prohibited from obtaining critical integrated circuit products from our suppliers in China, our business, revenues, results of operations, cash flows and financial position could be materially harmed. See also the Risk Factors titled *"We derive a significant portion of our revenues from a small number of customers and licensees, and particularly from their sale of premium tier handset devices. 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"* and *"Our business, particularly our semiconductor business, may suffer as a result of our customers vertically integrating (i.e., developing their own integrated circuit products)."*

For example, we currently have export licenses from the U.S. Department of Commerce that allow us to sell 4G and other integrated circuit products, including Wi-Fi products, but excluding 5G products, to Huawei. Recent news reports have indicated that the Department of Commerce is considering not granting any new licenses for sales to Huawei and potentially revoking existing licenses. Further, we do not have a license to sell 5G products to Huawei, and Huawei has recently announced the launch of new 5G-capable devices using its own integrated circuit products. As a result, we do not expect to receive material product revenues from Huawei going forward. Additionally, to the extent that Huawei's 5G devices take share from Chinese OEMs that utilize our 5G products or from non-Chinese OEMs that utilize our 5G products in devices they sell into China, our revenues, results of operations and cash flows could be further impacted.

Finally, government policies in China that regulate the amount and timing of funds that may flow out of the country have impacted and may continue to impact the timing of our receipt of, and/or ability to receive, payments from our customers and licensees in China, which may negatively impact our cash flows.

RISKS RELATED TO NEW INITIATIVES

Our growth depends in part on our ability to extend our technologies and products into new and expanded product areas, and industries and applications beyond mobile handsets. Our research, development and other investments in these new and expanded product areas, industries and applications, and related technologies and products, as well as in our existing technologies and products, and new technologies, may not generate operating income or contribute to future results of operations that meet our expectations.

While we continue to invest significant resources toward advancements primarily in support of 5G-based technologies, we also invest in new and expanded product areas, and industries and applications beyond mobile handsets, by utilizing our existing technical and business expertise and through acquisitions or other strategic transactions.

In particular, our future growth depends in part on new and expanded product areas, and industries and applications beyond mobile handsets, such as automotive and IoT; our ability to develop leading and cost-effective technologies and products for these new and expanded product areas, industries and applications; and third parties incorporating our technologies and products into devices used in these product areas, industries and applications. Accordingly, we intend to continue to make substantial investments in these new and expanded product areas, industries and applications, and in developing related products and technologies. Our growth also depends significantly on our ability to develop and patent 5G and next-generation wireless technologies, and to develop and commercialize products using these technologies.

However, our research, development and other investments in these new and expanded product areas, industries and applications, and corresponding technologies and products, as well as in our existing technologies and products and new technologies in mobile handsets, may not succeed because, among other reasons: we may not be issued patents on the technologies we develop; the technologies we develop may not be incorporated into relevant standards; new and expanded product areas, industries and applications beyond mobile handsets, and consumer demand therein, may not develop or grow as anticipated; we may be unable to attract or retain employees with the necessary skills in such new and expanded product areas, industries and applications; our strategies or the strategies of our customers, licensees or partners may not be successful; alternate technologies or products may be better or may reduce the advantages we anticipate from our investments; competitors' technologies or products may be more cost effective, have more capabilities or fewer limitations or be brought to market faster than our new technologies or products; we may not be able to develop, or our competitors may have more established and/or stronger, customer, vendor, distributor or other channel relationships; and competitors may have longer operating histories in industries and applications that are new to us. We may also underestimate the costs of, or overestimate the future revenues or margins that could result from, these investments, and these investments may not, or may take many years to, generate material returns.

For example, 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 significant barriers to entry and increased costs. Additionally, certain customers have adopted, and other customers may adopt, policies that require us to achieve certain sustainability, climate or other environmental, social and governance (ESG)-related targets, such as our 2040 net-zero global GHG emissions commitment and our interim GHG emissions reduction goals. If we fail to achieve ESG-related targets that meet our customers' requirements or expectations, these customers may not purchase products or services from us.

If our products fail to perform to specifications, compete with the product quality of our competitors or meet quality or regulatory standards (including product safety and information security standards, which may differ by region, geography and industry, and which are particularly stringent in the automotive industry) or other standards (including sustainability or other ESG-related standards) of a particular industry or application, we may be unable to successfully expand our business in that industry or application, and our growth could be limited.

In addition, in order to successfully extend our technologies and products into new and expanded product areas, and industries and applications beyond mobile handsets, we may need to transition to new business models or transform aspects of our organization, and we may not be successful in doing so.

If we are not successful in extending our technologies and products into new and expanded product areas, and industries and applications beyond mobile handsets, if our new technologies and products are not successful, or if we are not successful in the time frames we anticipate, we may incur significant costs and asset impairments, our business and revenues may not grow or grow as anticipated, our revenues and margins may be negatively impacted, our stock price may decline and our reputation may be harmed.

We may engage in acquisitions and other strategic transactions or make investments, or be unable to consummate planned strategic acquisitions, which could adversely affect our results of operations or fail to enhance stockholder value.

We engage in acquisitions and other strategic transactions, including joint ventures, and make investments, which we believe are important to the future of our business. We routinely acquire businesses and other assets, including patents, technology and other intangible assets, enter into joint ventures or other strategic transactions, and purchase minority equity interests in or make loans to companies, including those that may be private and early-stage. Our strategic activities are generally focused on opening or expanding opportunities for our products and technologies, supporting the design and introduction of new products (or enhancing existing products) for mobile handsets, and furthering our growth and diversification strategy in industries and applications beyond mobile handsets. Many of our strategic activities entail a high degree of risk and require the use of significant amounts of capital, and investments may not become liquid for several years after the date of the investment, if at all. Our strategic activities may not be successful, generate financial returns or result in increased adoption or continued use of our technologies or products. We may underestimate the costs 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 or variable interests. In addition, we have in the past recorded, and may in the future record, impairment or other 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 results of operations and financial condition, 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 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, facilities, technology, products, processes, operations (including supply and manufacturing operations), sales and distribution channels, business models and business systems; retaining customers and suppliers of the businesses; consolidating research and development 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 acquired technologies or products or from future technologies or products based on these technologies, and we may become subject to liabilities, including liabilities arising as a result of litigation, that are not covered by any indemnification protection that we may obtain. Additionally, we may not be successful in entering or expanding into new sales or distribution channels, business or operational models, geographic regions, industries and applications served by or adjacent to the associated businesses or in addressing potential new opportunities that may arise out of our strategic acquisitions.

Many of our acquisitions and other strategic investments require approval by the United States and/or foreign government agencies. Certain agencies in the past have, and may in the future, deny the transaction or fail to approve in a timely manner, resulting in us not realizing the anticipated benefits of the proposed transaction. Future acquisitions or other strategic investments may be more difficult, complex or expensive to the extent that our reputation for our ability to consummate acquisitions has been or is in the future harmed. Further, if U.S./China relations remain strained, our ability to consummate any transaction that would require approval from the relevant regulatory agency(ies) in China may be severely impacted. In addition, acquisitions that we have completed could subsequently be reviewed and/or challenged by government agencies, which could result in fines, penalties or other liability, or requirements to divest all or a portion of an acquired business.

If we do not achieve the anticipated benefits of business acquisitions or other strategic activities, or if we are unable to consummate acquisitions or strategic investments that we consider important to the future of our business, our business and results of operations may be adversely affected, our growth and diversification strategy may not be successful, our stock price may decline and our reputation may be harmed.

RISKS RELATED TO SUPPLY AND MANUFACTURING

We depend on a limited number of third-party suppliers for the procurement, manufacture, assembly and testing of our products manufactured in a fabless production model. If we fail to execute supply strategies that provide supply assurance, technology leadership and reasonable margins, 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.

We primarily utilize 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 facilities we own that manufacture certain of our RFFE modules and RF (radio frequency) filter products, we rely on 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. There are a limited number of such third-party suppliers, and even fewer who are capable of manufacturing at the leading process technology nodes, or who are willing to operate at older process technology nodes necessary for certain of our integrated circuit products. The semiconductor manufacturing foundries that supply our products are primarily located in Asia, as are the primary warehouses where we store finished goods for fulfillment of customer orders.

The following issues related to our third-party suppliers could have an adverse effect on our ability to meet customer demand and negatively impact our revenues, business operations, profitability and cash flows:

- our suppliers' failure or inability to react to shifts in product demand, including situations where demand for integrated circuits exceeds suppliers' capacity to meet that demand;
- a failure or inability by our suppliers to procure raw materials or allocate adequate raw materials for our products, or an increase in prices for raw materials or components;
- an inability to procure or utilize raw materials, components or products from our suppliers due to government prohibitions or restrictions on transactions with certain countries and/or companies, and alternative suppliers, raw material sources or raw materials are not available or not available in acceptable time frames or upon acceptable terms;
- a failure by our suppliers to allocate adequate manufacturing, assembly or test capacity for our products;
- our suppliers' failure or inability to develop or maintain, or a delay in developing or building out, manufacturing capacity for leading process technologies, including transitions to smaller geometry process technologies;
- the loss of a supplier or the failure or inability of a supplier to meet performance, quality or yield specifications or delivery schedules;
- additional expense 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;
- natural disasters, the effects of climate change, acts of war or other geopolitical conflicts impacting the regions in which our suppliers and their manufacturing foundries or assembly, test or other facilities are located;
- health crises, including epidemics or pandemics, such as the COVID-19 pandemic, and government and business responses thereto, which impact our suppliers, including as a result of quarantines or closures;
- cyber-attacks on our suppliers' information technology (IT) systems, including those related to their manufacturing foundries or assembly, test or other facilities;
- trade or national security protection policies, particularly U.S. or Chinese government policies, that limit or prevent us from transacting business with suppliers of critical integrated circuit products, or that limit or prevent such suppliers from transacting business with us or from procuring materials, machinery or technology necessary to manufacture goods for us; and
- any other reduction, interruption, delay or limitation in our product supply sources.

We rely on sole- or limited-source suppliers for certain products, which may exacerbate the risks identified above, and subject us to other significant risks, including poor product performance and reduced control over delivery schedules, manufacturing capability and yields, quality assurance, quantity and costs. While we have established and may in the future establish alternate suppliers for certain products, these suppliers may require significant amounts of time and levels of support to bring such products to production, both of which may increase for complex or leading process technologies. 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, the elimination or limitation of a foundry supplier's ability to manufacture components or products for us

due to trade or national security protection policies could increase our vulnerability to sole- or limited-source arrangements and limit or prevent us from procuring critical components or products from those suppliers. Future consolidation of foundry suppliers could also 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, increase our manufacturing costs and limit the amount of capacity available to us. Our arrangements with our suppliers may obligate us to incur costs to manufacture, assemble 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 (which adds risk to manufacturing yields and reliability), 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. Any of the above could negatively impact our business, results of operations and cash flows.

Although we have long-term contracts with our suppliers, some 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 manufacture, assembly and testing of products for their other customers (including our competitors) while reducing or limiting capacity to manufacture, assemble or test our products, and such capacity may be limited based on our suppliers' ability and willingness to invest in the capital required to manufacture in the leading process technologies. Our suppliers or potential alternate suppliers may also manufacture their own integrated circuits that compete with our products. Such suppliers have in the past allocated and may again allocate raw materials and manufacturing capacity to their own products and reduce or limit the production of our products. To the extent we do obtain long-term capacity commitments, we may incur additional costs related to those commitments or make non-refundable payments for capacity commitments that are not used. Further, certain of our suppliers have in the past attempted, and may in the future attempt, to unilaterally reduce their capacity commitments to us. Accordingly, capacity for our products may not be available when we need it. Finally, we may not receive reasonable pricing, manufacturing or delivery terms from our suppliers, and our ability to obtain favorable terms may be diminished during times of high demand and/or limited manufacturing capacity for integrated circuit products.

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. To the extent we are unable to obtain adequate supply to meet our delivery obligations, we may be obligated to make payments to our customers for such shortfalls. From time to time, the global semiconductor industry experiences demand for integrated circuits that exceeds the industry's capacity to meet that demand. Our ability to meet increased demand for our products has been in the past and may in the future be limited due to the inability to obtain the additional manufacturing, assembly and test capacity necessary to fully meet such demand. If we are unable to fully meet customer demand, this could result in lost sales opportunities, reduced revenue growth and harm to our customer relationships. These issues may be exacerbated if customers overstate their expected demand requirements in order to procure additional supply, which could negatively impact our ability to forecast and to allocate supply appropriately among our customers. The above issues may also be exacerbated with respect to our platform solutions, which already entail a great deal of complexity due to differing lead-times, technologies and suppliers for each integrated circuit product included in such solutions. Additionally, our suppliers have in the past and may in the future increase their prices during periods of capacity constraints, or for other reasons, thus increasing our costs.

While capacity constraints have largely abated, we expect to continue to see product cost increases from certain of our key semiconductor wafer suppliers, which, without corresponding increases in the prices of our products, could negatively impact our margins.

We place orders with our suppliers using our and our customers' forecasts of demand for our products, which are based on a number of assumptions and estimates. As we move to smaller geometry process technologies, the manufacturing lead-time increases. As a result, the orders we place with our suppliers are generally only partially covered by commitments from our customers. If we, or our customers, overestimate demand, or if demand is impacted by factors outside of our or our customers' control, and such demand is not covered by a binding commitment from our customers, we may experience increased excess or obsolete inventory or reserve charges, which would negatively impact our results of operations. Further, to the extent our customers procure supply of our integrated circuit products beyond their current needs (i.e., build up inventory of our integrated circuit products), whether due to concerns over supply, overestimating demand and/or a decline in macroeconomic conditions, or otherwise, they may not purchase expected quantities of our products in subsequent quarters, which may negatively impact our revenues, results of operations and cash flows in such quarters.

See also the Risk Factor below titled *"There are numerous risks associated with the operation and control of our manufacturing facilities, including a higher portion of fixed costs relative to a fabless model; environmental compliance and liability; impacts related to climate change; exposure to natural disasters, health crises, geopolitical conflicts and cyber-*

attacks; timely supply of equipment and materials; and various manufacturing issues” as similar risks, as well as additional risks, may be applicable to our third-party suppliers’ manufacturing facilities, which could result in disruptions to our business or additional costs to us, and negatively impact our results of operations.

There are numerous risks associated with the operation and control of our manufacturing facilities, including a higher portion of fixed costs relative to a fabless model; environmental compliance and liability; impacts related to climate change; exposure to natural disasters, health crises, geopolitical conflicts and cyber-attacks; timely supply of equipment and materials; and various manufacturing issues.

We operate various facilities that manufacture certain of our RFFE modules and RF filter products. Our manufacturing facilities are characterized by a higher portion of fixed costs relative to a fabless model. We may be faced with a decline in the utilization rates of our manufacturing facilities due to decreases in demand for our products, including in less favorable industry or macroeconomic environments, or due to our failure to win and/or retain designs with OEMs. As a result, from time to time our manufacturing facilities operate at lower capacity levels, while the fixed costs associated with such facilities continue to be incurred, resulting in lower gross profit. Due to the factors above, we are currently experiencing, and expect to continue to experience in the near term, such underutilization of capacity at our manufacturing facilities.

We are subject to many complex environmental, health and safety laws, regulations and rules in each jurisdiction in which we operate our manufacturing (and research and development) facilities. The regulatory landscape in these areas continues to evolve, and we anticipate additional laws, regulations and rules in the future. In particular, new, or changes in, environmental and climate change laws, regulations or rules, including relating to greenhouse gas emissions, could lead to new or additional investments in production processes and could increase environmental compliance expenditures. In addition, certain environmental laws impose strict, and in certain circumstances joint and several, liability on current or previous owners or operators of real property, or parties who arranged for hazardous substances to be sent to disposal or treatment facilities, for the cost of investigation, removal or remediation of hazardous substances. As a result, we may incur clean-up costs in connection with any such removal or remediation efforts, as well as other third-party claims in connection with contaminated sites. In addition, we could be held liable for consequences arising out of human exposure to hazardous substances or other environmental damage. If we, or companies or facilities we acquire or have acquired, in the past failed or in the future fail to comply with any such laws and regulations, then we could incur regulatory penalties, fines and legal liabilities; suspension of production; significant compliance requirements; alteration of our manufacturing, assembly or test processes; restriction on our ability to modify or expand our facilities; damage to our reputation; and restrictions on our operations or sales. 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 at all times be in compliance with such laws, regulations, rules and permits. See also the risk factor titled *“Our business may suffer due to the impact of, or our failure to comply with, the various existing, new or amended laws, regulations, policies or standards to which we are subject.”*

Climate change concerns and the potential resulting environmental impact may result in new environmental, health and safety laws and regulations that may affect us, our suppliers and our customers. Such laws or regulations could cause us to incur additional direct costs for compliance, including costs associated with changes to manufacturing processes or the procurement of raw materials used in manufacturing processes, as well as increased indirect costs resulting from our customers, suppliers or both incurring additional compliance costs that are passed on to us. These costs may adversely impact our results of operations and financial condition. In addition, climate change could cause certain natural disasters, such as drought, wildfires, storms, flooding or rising sea levels, to occur more frequently or with greater intensity, which could pose physical risks to our manufacturing facilities or our suppliers’ facilities, could disrupt the availability of water necessary for the operation of such facilities, and could increase or decrease temperatures resulting in increased operating costs and/or business disruption.

We have manufacturing facilities in Asia and Europe, and the primary warehouses where we store finished goods are located in Asia. If tsunamis, flooding, earthquakes, volcanic eruptions, drought or other natural disasters, effects of climate change, acts of war or other geopolitical conflicts were to damage, destroy or disrupt any of these facilities, it could disrupt our operations, cease or delay production and shipments of inventory and result in costly repairs, replacements or other costs and lost business. In addition, natural disasters, effects of climate change, acts of war or other geopolitical conflicts may result in disruptions in transportation, distribution channels and supply chains and significant increases in the prices of raw materials. Further, health crises, including epidemics or pandemics, such as the COVID-19 pandemic, and government and business responses thereto, could affect our manufacturing facilities, including by resulting in quarantines and/or closures, which could result in disruptions to and potential closures of our manufacturing operations. Our manufacturing operations could also be disrupted by cyber-attacks on our IT systems, as described in the Risk Factor below titled *“Our business and operations could suffer in the event of security breaches of our IT systems, or other misappropriation of our technology, intellectual property or other proprietary or confidential information.”*

Our manufacturing operations depend on securing raw materials, equipment 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, including in some cases sole suppliers, particularly in Asia. There may be cases where supplies of raw materials, equipment and other products are interrupted or limited by natural disaster, geopolitical conflict, accident or some other event affecting a supplier or source of raw materials; supply is suspended due to quality or other issues; there is a shortage of supply due to a rapid increase in demand; and/or we or our suppliers are prohibited from utilizing certain raw materials, or products or components that incorporate such raw materials, due to government restrictions related to the countries from which such raw materials originate, and acceptable alternative suppliers, raw materials or raw materials sources are not available or not available in acceptable time frames or upon acceptable terms, among others, which could impact production and prevent us from supplying our 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. From time to time, suppliers may extend lead times, limit amounts supplied to us or increase prices due to capacity constraints or other factors. Additionally, supply and costs of raw materials, equipment and other products may be negatively impacted by trade and/or national security protection policies, such as tariffs, or actions by governments that limit or prevent us from transacting business with certain countries or companies or that limit or prevent certain companies from transacting business with us, or trade tensions, particularly with countries in Asia. 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 our products or do so in a timely, cost-effective or competitive manner. Further, to remain competitive and 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, cash flows and financial condition.

From time to time, we purchase equipment to meet expected customer demand in advance of any purchase orders or long-term purchase commitments. Further, we typically begin manufacturing our products using our or our customers' forecasts of demand for our products, which are based on a number of assumptions and estimates and may not be covered by long-term purchase commitments. As a result, we may incur increased inventory and manufacturing costs and/or record impairment charges to the extent anticipated sales ultimately do not materialize or are lower than expected. If we or our customers overestimate demand, or if demand is impacted by factors outside of our or our customers' control, and such demand is not covered by a binding commitment from our customers, we may experience higher inventory carrying and operating costs and/or increased excess or obsolete inventory or reserve charges, which would negatively impact our results of operations.

RISKS RELATED TO CYBERSECURITY OR MISAPPROPRIATION OF OUR CRITICAL INFORMATION

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

Third parties regularly attempt to gain unauthorized access to our IT systems, and many such attacks are increasingly more sophisticated. These attacks, which might be related to industrial, corporate or other espionage, criminal hackers or state-sponsored intrusions, include trying to covertly introduce malware to our computers and networks, including those in our manufacturing operations, exploiting vulnerabilities in hardware, software or other IT infrastructure and impersonating authorized users, among others. We are also subject to ransom-style cyber-attacks, which could expose our confidential or proprietary information, demand payment of money and/or impact our IT systems and cause widespread disruption to our business, including our manufacturing operations. Third parties that store and/or process our confidential information, or that provide products, software or services used in our IT infrastructure, may be subject to similar attacks, which could also result in malware being introduced into our IT infrastructure, e.g., through the third parties' software and/or software updates. Such attacks could result in the misappropriation, theft, misuse, disclosure, loss or destruction of the technology, intellectual property, or the proprietary, confidential or personal information, of us or our employees, customers, licensees, suppliers or other third parties, as well as damage to or disruptions in our IT systems. We believe that we have a robust cybersecurity program that is aligned to international cybersecurity frameworks, and that we leverage industry best practices across people, processes and technologies in an attempt to mitigate cybersecurity threats. However, we cannot anticipate, detect, repel or implement fully effective preventative measures against all cybersecurity threats, particularly because the techniques used are increasingly sophisticated and constantly evolving. For example, as AI continues to evolve, cyber-attackers could also use AI to develop malicious code and sophisticated phishing attempts. As part of our cybersecurity program, we seek to identify and remediate vulnerabilities in our IT systems and software (including third party software used in our IT systems) that could be

exploited by hackers or other malicious actors. However, we may not be aware of all such vulnerabilities, and we may fail to identify and/or remediate such vulnerabilities before they are exploited. Attempts to gain unauthorized access to our IT systems or other attacks have in the past, in certain instances and to certain degrees, been successful (but have not caused significant harm), and may in the future be successful, and in some cases, we might be unaware of an incident or its magnitude and effects.

In addition, employees and former employees, in particular former employees who become employees of our competitors, customers, licensees or other third parties, including state actors, have in the past and may in the future misappropriate, wrongfully use, publish or provide to our competitors, customers, licensees or other third parties, including state actors, our technology, intellectual property or other proprietary or confidential information. This risk is exacerbated as competitors for talent, particularly engineering talent, increasingly attempt to hire our employees. See also the Risk Factor titled “*We may not be able to attract or retain qualified employees.*” Similarly, we provide access to certain of our technology, intellectual property and other proprietary or confidential information to our direct and indirect customers and licensees and certain of our consultants, who have in the past and may in the future wrongfully use such technology, intellectual property or information, or wrongfully disclose such technology, intellectual property or information to third parties, including our competitors or state actors. We also provide access to certain of our technology, intellectual property and other proprietary or confidential information to certain of our joint venture partners, including those affiliated with state actors and including in foreign jurisdictions where ownership restrictions may require us to take a minority ownership interest in the joint venture. Such joint venture partners may wrongfully use such technology, intellectual property or information, or wrongfully disclose such technology, intellectual property or information to third parties, including our competitors or state actors. Our technology, intellectual property and other proprietary or confidential information that we have provided to customers, licensees or other business partners could also be wrongfully obtained by third parties through cyber-attacks on such customers’, licensees’ or other business partners’ IT systems.

The misappropriation, theft, misuse, disclosure, loss or destruction of the technology, intellectual property, or the proprietary, confidential or personal information, of us or our employees, customers, licensees, suppliers or other third parties, could harm our competitive position, reduce the value of our investment in research and development and other strategic initiatives, cause us to lose business, damage our reputation, subject us to legal or regulatory proceedings, cause us to incur other loss or liability and otherwise adversely affect our business. We expect to continue to devote significant resources to the security of our IT systems, and our technology, intellectual property and proprietary and confidential information.

Further, certain countries in which we operate have implemented, and other countries or regions may implement, cybersecurity laws that require our overall IT security environment to meet certain standards and/or be certified. Such laws may be complex, ambiguous and subject to interpretation, which may create uncertainty regarding compliance. As a result, our efforts to comply with such laws may be expensive and may fail, which could adversely affect our business, results of operations and cash flows. In addition, our contracts with certain of our customers require us to obtain cybersecurity certifications for our IT systems. Failure to obtain or maintain the necessary cybersecurity certifications could result in loss of future revenues, damage to our customer relationships and reputation, and a shift of business to our competitors.

RISKS RELATED TO HUMAN CAPITAL MANAGEMENT

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

Our future success depends 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. In addition, in order to extend our business into certain new and expanded product areas and industries and applications beyond mobile handsets, we need to attract, retain and motivate engineering and other technical personnel with specialized skills in these areas, and these skills are in high demand among our competitors. The market for employees in our industry is extremely competitive, and competitors for talent, particularly engineering talent, increasingly attempt to hire, and to varying degrees have been successful in hiring, our employees or employment candidates, including by establishing or expanding local offices near our headquarters in San Diego, California. Further, the increased availability of remote working arrangements has expanded the pool of companies that can compete for our employees and employment candidates. A number of such competitors for talent are significantly larger than us and/or offer compensation in excess of what we offer or other benefits that we do not offer. 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.

The COVID-19 pandemic caused us to modify our workforce practices, including having the vast majority of our employees work from home. Upon the reopening of our offices, we initially operated under a hybrid work model, meaning

that the majority of our employees had the flexibility to work remotely at least some of the time. In fiscal 2023, we implemented changes to our hybrid work model that require the majority of our employees to spend the majority of their working time in the office. This requirement for greater in-office attendance may not meet the needs or expectations of our employees and could negatively impact our ability to attract and retain employees, particularly if it is perceived as less favorable compared to other companies' remote work policies.

If we are unable to attract or retain qualified employees or fail to maintain employee productivity due to any of the factors described above or for other reasons, our business could be adversely impacted.

RISKS SPECIFIC TO OUR LICENSING BUSINESS

The continued and future success of our licensing programs requires us to continue to evolve our patent portfolio and to renew or renegotiate license agreements that are expiring.

We own a very strong portfolio of issued and pending patents related to 3G, 4G, 5G and other technologies. It is critical that we continue to evolve our patent portfolio, particularly in 5G. If we do not maintain a strong portfolio that is applicable to current and future standards, products and services, our future licensing revenues could be negatively impacted.

Our patent license agreements in effect that generate a significant portion of our licensing revenues are effective for a specified term. To receive royalties after the expiration date of the specified term, we will need to extend or modify such license agreements or enter into new license agreements with such licensees. We might not be able to extend or modify license agreements, or enter into new license agreements, in the future without negatively affecting the material terms and conditions of our license agreements with such licensees, and such modifications or new agreements may negatively impact our revenues. In some circumstances, we may extend, modify or enter into new license agreements as a result of arbitration or litigation, and terms imposed by arbitrators or courts may be less favorable to us than existing terms, and may impact the financial or other terms of license agreements not subject to the litigation or arbitration. If there is a delay in extending, modifying or entering into a new license agreement with a licensee, 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 licensees. Finally, certain of our license agreements contain binding renewal provisions which provide that if the parties are unable to agree upon the terms and conditions of a new license agreement by a specified date, either party may initiate binding arbitration proceedings to establish such terms and conditions. Such new license agreement would become effective immediately after the expiration of the prior agreement. Nonetheless, in either event, we may not be able to recognize some or any revenues related to that licensee's product sales until such new license agreement is finalized.

Efforts by some OEMs 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 or actions by governments, courts, regulators or agencies, Standards Development Organizations (SDOs) or other industry organizations that harm our business.

From time to time, companies initiate various strategies to attempt to negotiate, renegotiate, reduce 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 or unenforceability of our patents or licenses, alleging that we do not license our patents on fair, reasonable and nondiscriminatory (FRAND) terms, or alleging some form of unfair competition or competition law violation; (ii) taking positions contrary to our understanding (and/or the plain language) 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 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, seeking to impose some form of compulsory licensing or weakening a patent holder's ability to enforce its rights or obtain a fair return for such rights; and (vi) attempts by licensees to shift their royalty obligation to their suppliers in order to make royalty collection more difficult or reduce the amount of royalties collected.

In addition, certain licensees have disputed, underreported, underpaid, not reported 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 have delayed entering into or renewing license agreements with us for their use of our intellectual property, and they or others may engage in such behavior in the future. The fact that one or more licensees dispute, underreport, underpay, do not report or do not pay royalties owed to us may encourage other licensees to take similar actions or not renew their existing license agreements, and may encourage other licensees or unlicensed companies to delay entering into, or to not enter into, new license agreements. Further, to the extent such licensees and companies increase their

device share, the negative impact of their underreporting, underpayment, non-payment or non-reporting on our business, revenues, results of operations, cash flows and financial condition will be exacerbated.

We have been in the past and are currently subject to various litigation and/or governmental investigations and proceedings. Certain of these matters are described in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 5. Commitments and Contingencies.” We may become subject to other litigation or governmental investigations or proceedings in the future. Additionally, certain of our direct and indirect customers and licensees have pursued, and others may in the future pursue, litigation or arbitration against us related to our business. Unfavorable resolutions of one or more of these matters have had and could in the future have a material adverse effect on our business, revenues, results of operations, cash flows and financial condition. See also the Risk Factors below titled *“Changes in our patent licensing practices, whether due to governmental investigations, legal challenges or otherwise, could adversely impact our business and results of operations”* and *“Our business may suffer as a result of adverse rulings in governmental investigations or proceedings or other legal proceedings.”*

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 (referred to as standard-essential patents). 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 standard-essential patent portfolio.

Further, some third parties 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 should not be an available remedy for infringement of standard-essential patents and have made proposals that could severely limit damage awards and other remedies by courts for patent infringement (e.g., by limiting the base upon which the royalty rate 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 (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. Further, SDOs in certain countries may attempt to modify widely accepted standards and claim the resulting standard as their own. In addition, governments may enact policies concerning standard-essential patents, such as the European Commission’s recently proposed regulations which would create a new regulatory scheme for standard-essential patents, that may have various consequences, some of which may be detrimental, such as by devaluing standard-essential patents or disrupting worldwide technology standards. Other jurisdictions may adopt similar regulatory schemes, which could also have such effects.

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 standard-essential 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 technologies for inclusion in future standards (which could make our technologies 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 cash flows could be negatively impacted. In addition, the legal and other costs associated with asserting or defending our positions have been and may in the future be significant. We expect that such challenges, regardless of their merits, will continue into the foreseeable future and will require the investment of substantial management time and financial resources.

Changes in our patent licensing practices, whether due to governmental investigations, legal challenges or otherwise, could adversely impact our business and results of operations.

As described in the Risk Factor below titled *“Our business may suffer as a result of adverse rulings in governmental investigations or proceedings or other legal proceedings,”* we have been in the past, currently are and may in the future be subject to various governmental investigations and/or legal proceedings challenging our patent licensing practices. Certain of these matters are described in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 5.

Commitments and Contingencies.” We believe that one intent of certain of these governmental investigations and legal proceedings has been to reduce the amount of royalties that licensees are required to pay to us for their use of our intellectual property.

If we were required to reduce the royalty rates in our patent license agreements, our revenues, earnings and cash flows 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 (e.g., license at the chipset level rather than at the device level), our revenues, earnings and cash flows would be negatively impacted unless there was a sufficient increase in the volume of sales of devices upon which royalties are paid or we were able to increase our royalty rates to offset the decrease in revenues resulting from such lower royalty base.

If we were required to grant patent licenses to chipset manufacturers or other component suppliers (which could lead to implementing a more complex, multi-level licensing structure in which we license certain portions of our patent portfolio to chipset manufacturers or other component suppliers and other portions to OEMs), we would incur additional transaction costs, which may be significant, and we could 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 sell chipsets to OEMs that do not have a license to our patents, our licensing programs could be negatively impacted by patent exhaustion claims raised by such unlicensed OEMs (i.e., claims that our sale of chipsets to such OEMs forecloses us from asserting any patents substantially embodied by the chipsets against such OEMs). Such sales could provide OEMs with a defense in the event we asserted our patents against them to obtain licensing revenue for those patents. Moreover, such a requirement could negatively impact our ability to maintain our licensing program for products that do not use our chipsets. This could have a material adverse effect on our licensing programs and our results of operations, cash flows and financial condition.

To the extent that we were required to implement any of these licensing and/or business practices, including by modifying or renegotiating our existing license agreements or pursuing other commercial arrangements, we would incur additional transaction costs, which may be significant, we could incur delays in recognizing revenues until license negotiations were completed, and our business, revenues, results of operations, cash flows and financial condition could be harmed. 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 or governmental agencies in other jurisdictions may attempt to obtain similar outcomes for themselves or for such other jurisdictions, as applicable, which could result in increased legal costs and further harm to our business, revenues, results of operations, cash flows and financial condition.

RISKS RELATED TO REGULATORY AND LEGAL CHALLENGES

Our business may suffer as a result of adverse rulings in governmental investigations or proceedings or other legal proceedings.

We have been in the past and currently are subject to various governmental investigations and/or legal proceedings. Certain of these matters are described in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 5. Commitments and Contingencies.” Key allegations or findings in those matters include or have in the past included, among others: that we violate FRAND licensing commitments by refusing to grant licenses to chipset manufacturers; that our royalty rates are too high; 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); that we unlawfully require customers to execute a patent license before we sell them cellular modem chipsets; that we have entered into exclusive agreements with chipset customers that foreclose competition; that we leverage our position in baseband chipsets in the RFFE space; and that we violate antitrust laws and engage in anticompetitive conduct and unfair methods of competition. We may become subject to other litigation or governmental investigations or proceedings 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 our business, revenues, results of operations, cash flows and financial condition. Depending on the matter, various remedies that could result from an unfavorable resolution include, among others: the loss of our ability to enforce one or more of our patents; injunctions; monetary damages, fines or other orders to pay money; the issuance of orders to cease certain conduct or modify our business practices, such as requiring us to reduce our royalty rates, reduce the base on which our royalties are calculated, grant patent licenses to chipset manufacturers or other component suppliers, sell chipsets to unlicensed OEMs or modify or renegotiate some or all of our existing license agreements; and determinations that some or all of our license agreements are invalid or unenforceable. In addition, a governmental body in a particular country or region may successfully assert and impose remedies with effects that extend beyond the borders of that country or region. If some or

all of our license agreements are declared invalid or unenforceable and/or we are required to renegotiate these license agreements, we may not receive, or may not be able to recognize, some or any licensing or royalty revenues under the impacted license agreements unless and until we enter into new license agreements; and even licensees whose license agreements are not impacted may demand to renegotiate their agreements or invoke the dispute resolution provision in their agreements, and we may not be able to recognize some or any revenues under such agreements. The renegotiation of license agreements could result in terms that are less favorable to us than existing terms, or lead to arbitration or litigation to resolve the licensing terms, which could also be less favorable to us than existing terms, and each of which could take months or years. Licensees may underreport, underpay, not report or not pay royalties owed to us pending the conclusion of such negotiations, arbitration or litigation. In addition, we may be sued for alleged overpayments of past royalties paid to us, including private antitrust actions seeking treble damages under U.S. antitrust laws. The occurrence of any of the above could have a material adverse effect on our business, revenues, results of operations, cash flows and financial condition, and our stock price could decline, possibly significantly, in which case we may have to significantly cut costs and other uses of cash, including in research and development, significantly impairing our ability to maintain product and technology leadership and invest in next generation technologies. Further, depending on the breadth and severity of the circumstances above, we may have to reduce, suspend or eliminate our capital return programs, and our ability to timely pay our indebtedness may be impacted.

These challenges have required, and may in the future require, the investment of significant management time and attention and have resulted, and may in the future result, in significant legal costs.

RISKS RELATED TO INDUSTRY DYNAMICS AND COMPETITION

Our revenues depend on our customers' and licensees' sales of products and services based on CDMA, OFDMA and other communications technologies, including 5G, and customer demand for our products based on these technologies.

We develop, patent and commercialize technology and products based on CDMA, OFDMA and other communications technologies, which are primarily wireless. We depend on our customers and licensees to develop devices and services based on these technologies to drive consumer demand for such devices, and to establish the selling prices for such devices (which impact the amount of royalties we receive for certain devices). Further, the timing of our shipments of our products is dependent 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 and applications beyond mobile handsets, such as automotive and IoT, among others. Commercial deployments of 5G networks and devices have begun and are expected to continue for the foreseeable future. However, the timing and scale of certain such deployments were delayed due to the COVID-19 pandemic, and future deployments may similarly be delayed for reasons that are beyond our control.

Our revenues and 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: our customers' and licensees' revenues and sales of products, particularly premium-tier handset products, and services using these technologies, or average selling prices of such products, decline due to, for example, the maturity of smartphone penetration in developed regions, including China; we do not continue to maintain our intellectual property and technical leadership in 5G, including in ongoing 5G standardization efforts; we are unable to drive the adoption of our products into networks and devices, including devices beyond mobile handsets; consumers' rates of replacement of smartphones and other devices decline; or there is a shift in consumer demand away from new devices in favor of refurbished or secondhand devices.

Our industry is subject to intense competition in an environment of rapid technological change. Our success depends in part on our ability to adapt to such change and compete effectively; and such change and competition could result in decreased demand for our products and technologies or declining average selling prices for our products or those of our customers or licensees.

Our products and technologies face significant competition. Competition may intensify as our current competitors expand their product offerings, improve their products or reduce the prices of their products as part of a strategy to maintain existing business and customers or attract new business and 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: OEM concentrations; vertical integration; competition in certain geographic regions; government intervention or support of national industries or competitors; the ability to maintain product differentiation in light of evolving industry standards and speed of technological change (including the transition to smaller geometry process technologies, the demand for always on, always connected capabilities, the increasing use of AI and machine learning technologies and the need to run complex AI-based applications on devices); access to capacity in the supply chain; and value-added features that drive selling prices and consumer demand for new devices.

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, and technological and public policy changes. Additionally, the semiconductor industry has experienced and may continue to experience consolidation, which could result in significant changes to the competitive landscape. For example, if any key supplier of technologies and intellectual property to the semiconductor industry was sold to one of our competitors, it could negatively affect our ability to procure or license such technologies and intellectual property in the future, at all or upon acceptable terms, which could have wide-ranging impacts on our business and operations.

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 including millimeter wave (mmWave), graphics and other processors, camera, connectivity and on-device AI) and with smaller geometry process technologies that drive both performance and lower power consumption;
- develop and offer integrated circuit products at competitive cost and price points and to effectively cover all geographic regions and all device tiers;
- continue to be a leader in mobile, and drive the adoption of our technologies and integrated circuit products into the most popular device models and across a broad spectrum of devices in mobile, such as smartphones, tablets, laptops and other mobile computing devices;
- increase or accelerate adoption of our technologies and products in industries and applications outside of mobile handsets, including automotive and IoT;
- maintain or accelerate demand for our integrated circuit products at the premium device tier, while also driving the adoption of our products into high, mid- and low-tier devices across all regions;
- remain a leader in 5G technology development, standardization, intellectual property creation and licensing, and develop, commercialize and remain a leading supplier of 5G integrated circuit products, including RFFE products;
- maintain access to sufficient capacity in the supply chain relative to our competitors to meet customer demand;
- create standalone value and contribute to the success of our existing businesses through acquisitions, joint ventures and other strategic transactions, and by developing customer, licensee, vendor, distributor and other channel relationships in new industries and applications;
- identify potential acquisition targets that will grow or sustain our business or address strategic needs, reach agreement on terms acceptable to us, close the transactions and effectively integrate these new businesses, products, technologies and employees;
- provide leading products and technologies to OEMs, 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; and
- 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 regions.

We compete with many different semiconductor companies, ranging from multinational companies with integrated research and development, manufacturing, sales and marketing organizations across a broad spectrum of product lines, to companies that are focused on a single application, industry or standard product, including those that produce products for mobile handsets, automotive or IoT, among others. Most of these competitors compete with us with respect to some, but not all, of our businesses or product lines. 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 Apple, Broadcom, HiSilicon, MediaTek, Mobileye, Nvidia, NXP Semiconductors, Qorvo, Samsung, Skyworks, Texas Instruments and UNISOC. Some of these current and potential competitors may have advantages over us that include, among others: motivation by our customers in certain circumstances to use our competitors' integrated circuit products, to utilize their own internally-developed integrated circuit products and/or sell such products to others, or to utilize alternative technologies; lower cost structures or a willingness and ability to accept lower prices or lower margins for their products, particularly in China; foreign government support of other technologies, competitors or OEMs that sell devices that

do not contain our integrated circuit products; better known brand names; ownership and control of manufacturing facilities and greater expertise in manufacturing processes; the development and sale of infrastructure equipment for wireless networks, which may enable such competitors to better optimize their integrated circuit products for performance on those networks; more extensive relationships with local distribution companies and OEMs in certain geographic regions (such as China); more experience in industries and applications beyond mobile handsets (such as automotive and IoT); and a more established presence in certain regions.

In addition, certain of our largest customers have in the past utilized, currently utilize and may in the future utilize our competitors' integrated circuit products in some or all of their devices, rather than our products. Further, certain of those customers have developed, are developing or may develop their own integrated circuit products (effectively making them competitors), which they have in the past utilized, currently utilize and may in the future utilize in some or all of their devices, rather than our products. See also the Risk Factor titled *"Our business, particularly our semiconductor business, may suffer as a result of our customers vertically integrating (i.e., developing their own integrated circuit products)."*

Further, political actions, including trade and/or national security protection policies, or other actions by governments, particularly the U.S. and Chinese governments, have in the past, currently are and could in the future limit or prevent us from transacting business with certain of our customers or suppliers; limit, prevent or discourage certain of our customers or suppliers from transacting business with us; or make it more expensive to do so. This could advantage our competitors by enabling them with increased sales, economies of scale, operating income and/or cash flows, and/or enabling critical technology transfer, allowing them to increase their investments in technology development, research and development, and commercialization of products. See also the Risk Factor titled *"A significant portion of our business is concentrated in China, and the risks of such concentration are exacerbated by U.S./China trade and national security tensions."*

Competition in any or all product areas or device tiers may result in the loss of business or customers, which would negatively impact our business, revenues, results of operations, cash flows and financial condition. Such competition may also reduce average selling prices for our chipset products or the products of our customers and licensees. Certain of these dynamics are particularly pronounced in emerging regions and China where competitors may have lower cost structures or may have a willingness and ability to accept lower prices or lower margins on their products. 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.

RISKS RELATED TO PRODUCT DEFECTS OR SECURITY VULNERABILITIES

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

Our products are complex and may contain defects, errors or security vulnerabilities, or experience failures or unsatisfactory performance, due to any number of issues, including issues in materials, design, fabrication, packaging and/or use within a system. Development of products in new domains of technology, and the migration to integrated circuit technologies with smaller geometric feature sizes, increases complexity and adds risk to manufacturing yields and reliability, and increases the likelihood of product defects, errors or security vulnerabilities. Defects, errors, security vulnerabilities or other unintended functionality could also be introduced into our products by cyber-attacks or other actions by malicious actors, either directly or through third-party products or software used in our products or IT infrastructure. Further, because of the complexity of our products, defects, errors or security vulnerabilities might only be detected when the products are in use. Risks associated with product or technology defects, errors or security vulnerabilities are exacerbated by the fact that our customers typically integrate our products into consumer and other devices.

The use of devices containing our products to interact with untrusted systems or otherwise access untrusted content creates a risk of exposing the system hardware and software in those devices to malicious attacks. Further, security vulnerabilities in our products or the technologies we use could expose our customers, or end users of our customers' products, to hackers or other unscrupulous third parties who develop and deploy malware that could attack our products or our customers' products or IT infrastructure. Such attacks could result in the disruption of our customers' businesses or the misappropriation, theft, misuse, disclosure, loss or destruction of the technology or intellectual property, or the proprietary, confidential or personal information, of our customers, their employees or the end users of our customers' devices. While we continue to focus on this issue and take measures to safeguard our products from cybersecurity threats, device capabilities continue to evolve, enabling more elaborate functionality and applications, and increasing the risk of security failures, and techniques used to perpetrate cybersecurity attacks are increasingly sophisticated and constantly evolving. See also the Risk

Factor titled “*Our business and operations could suffer in the event of security breaches of our IT systems, or other misappropriation of our technology, intellectual property or other proprietary or confidential information.*”

Our products may be responsible for critical functions in our customers’ products and networks. Failure of our products to perform to specifications, meet certain regulatory or industry standards (including product safety and information security standards, which may differ by region, geography and industry, and which are particularly stringent in the automotive industry), or other product defects, errors or security vulnerabilities, could lead to substantial damage to the products we sell to our customers, the devices into which our products are integrated and the end users of such devices, and potentially to our customers’ IT infrastructure. Such defects, errors or security vulnerabilities could give rise to significant costs, including costs related to developing solutions, recalling products, repairing or replacing defective products, writing down defective inventory or indemnification obligations under our agreements, and could result in the loss of sales and divert the attention of our engineering personnel from our product development efforts. In addition, defects, errors or security vulnerabilities in our products could result in failure to achieve market acceptance, a loss of design wins, a shifting of business to our competitors, and litigation or regulatory action against us, and could harm our reputation, our relationships with customers and partners and our ability to attract new customers, as well as the perceptions of our brand. Other potential adverse impacts of product defects, errors or security vulnerabilities include shipment delays, write-offs of property, plant and equipment and intangible assets, and losses on unfavorable purchase commitments. In addition, defects, errors or security vulnerabilities in the products of our customers or licensees could cause a delay or decrease in demand for the products into which our products are integrated, and thus for our products.

In addition, the occurrence of defects, errors or security vulnerabilities may give rise to product liability claims, particularly if such defects, errors or security vulnerabilities in our products or the technology we use, or the products into which they are integrated, result in personal injury or death, and could result in significant costs, expenses and losses. If a product liability claim is brought against us, the cost of defending the claim could be significant, and could divert the attention of our technical and management personnel and harm our business, even if we are successful. We may be named in product liability claims even if there is no evidence that our products caused the damage in question, and even though we may have indemnity from our customers, and such claims could result in significant costs and expenses. We may also be required to indemnify and/or defend our customers from product liability claims relating to our products. Further, our business liability insurance may be inadequate, may not cover the claims, and future coverage may be unavailable on acceptable terms, which could adversely impact our financial results. The above is exacerbated by the fact that our products may be used, and perform critical functions, in various high-risk applications such as: automobiles, including ADAS/AD functions; cameras and artificial intelligence, including home and enterprise security; home automation, including smoke and noxious gas detectors; medical condition monitoring; location and asset tracking and management, including wearables for child safety and elderly health; robotics, including public safety drones and autonomous municipality vehicles; and XR for treatment of phobias or PTSD, early detection of disorders or special needs, among others.

Accordingly, defects, errors or security vulnerabilities in our products or the technologies we use could have an adverse impact on us, on our customers and the end users of our customers’ products. If any of these risks materialize, there could be a material adverse effect on our business, results of operations and financial condition.

RISKS RELATED TO INTELLECTUAL PROPERTY

The enforcement and protection of our intellectual property may be expensive, could fail to prevent misappropriation or unauthorized use of our intellectual property, could result in the loss of our ability to enforce one or more patents, and could be adversely affected by changes in patent laws, by laws in certain foreign jurisdictions that may not effectively protect our intellectual property and 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 intellectual property, including our patent portfolio. Policing unauthorized use of our products, technologies and intellectual property is difficult and time consuming. The steps we have taken have not always prevented, and we cannot be certain the steps we take in the future will prevent, the misappropriation or unauthorized use of our products, technologies or intellectual property, particularly in foreign countries where the laws may not protect our rights as fully or as readily as U.S. laws or where the enforcement of such laws may be lacking or ineffective. See also the Risk Factor titled “*Our business and operations could suffer in the event of security breaches of our IT systems, or other misappropriation of our technology, intellectual property or other proprietary or confidential information.*”

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. We cannot predict with certainty the long-term effects of any potential changes. In the United States, Europe (including the

United Kingdom), India, China and elsewhere, there is continued discussion regarding potential patent law changes, and there is current and potential future litigation regarding patents, the outcomes of which could be detrimental to our licensing business. Some proposed changes would apply to only standard-essential patents, and such changes may substantially alter the incentives to participate in standardization or develop standards-compliant products. See also the Risk Factor entitled *“Efforts by some OEMs 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 or actions by governments, courts, regulators or agencies, Standards Development Organizations (SDOs) or other industry organizations that harm our business.”*

Further, the laws in certain foreign countries in which our patents are or may be licensed, or 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. 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 ways that are detrimental to our licensing programs 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 and contracts, including collecting royalties for use of our patent portfolio due to, among others: refusal by certain licensees to report and pay all or a portion of the royalties they owe to us; policies or political actions of governments, including trade protection and national security policies; challenges to our licensing practices under competition laws; adoption of mandatory licensing provisions by foreign jurisdictions; failure of foreign courts to recognize and enforce judgments of contract breach and damages issued by courts in the United States; and challenges before competition agencies to our licensing business or the pricing and integration of additional features and functionality into our chipset products. See also the Risk Factors titled *“Efforts by some OEMs 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 or actions by governments, courts, regulators or agencies, Standards Development Organizations (SDOs) or other industry organizations that harm our business”* and *“Our business may suffer as a result of adverse rulings in governmental investigations or proceedings or other legal proceedings.”*

We have engaged in litigation and arbitration in the past and may need to further litigate or arbitrate in the future to enforce our contract and intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights of others. As a result of any such litigation or arbitration, 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 or initiating litigation or arbitration), license terms (including but not limited to royalty rates for the use of our intellectual property) could be imposed that are less favorable to us than existing terms, and 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 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.

Additionally, although our license agreements generally 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.

See also the Risk Factors titled *“Efforts by some OEMs 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 or actions by governments, courts, regulators or agencies, Standards Development Organizations (SDOs) or other industry organizations that harm our business”* and *“Our business and operations could suffer in the event of security breaches of our IT systems, or other misappropriation of our technology, intellectual property or other proprietary or confidential information.”*

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 or other intellectual property claims against us relating to our technologies or products, including those we have acquired from other companies. These claims have resulted and may again result in our involvement in litigation, and we are currently involved in such litigation, including

certain matters described in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 5. Commitments and Contingencies.” 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 were found to infringe another company’s intellectual property, we could be subject to an injunction or be required to redesign our products, or to license such intellectual property or pay damages or other compensation to such other company (any of which could be costly). If we are unable to redesign our products, license such intellectual property used in our products or otherwise distribute our products (e.g., through a licensed supplier), we could be prohibited from making and selling our products. Similarly, our suppliers could be found to infringe another company’s intellectual property, and such suppliers could then be enjoined from providing products or services to us.

In any potential dispute involving us and another company’s 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 damages arising from qualifying claims of patent infringement by products sold 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 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 harm our relationships with them and could result in a decline in our chipset sales or a reduction in our licensees’ sales, causing a corresponding decline in our chipset 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 and/or cause product release or shipment delays, any of which could have an adverse effect on our results of operations and cash flows.

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) 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 (or on the sale of our customers’ devices using such products) or the issuance of orders to cease certain conduct 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 customers and their wireless operator customers, which in turn could harm our relationships with them and could result in a decline in our chipset sales or a reduction in our licensees’ sales, causing corresponding declines in our chipset or licensing revenues.

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 that we will continue to see, customers request 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 our products’ source code and may expose our related intellectual property to adverse licensing conditions. Licensing of such open source software may impose certain obligations on us if we were to distribute derivative works of that 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 to license such derivative works under a particular type of license that is different than what we customarily use to license our software. Furthermore, in the course of product development, we may make contributions to third-party open source projects that could subject our intellectual property to adverse licensing conditions. For example, to encourage the growth of a software ecosystem that is interoperable with our products, we may need to contribute certain implementations under the open source licensing terms that govern such projects, which may adversely impact our associated intellectual property. Developing open source products, while adequately protecting the intellectual property upon which our licensing programs depend, 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. Also, our use and our customers’ use of open source software may subject our products and our customers’ products to governmental and third-party scrutiny and delays in product certification, which could cause customers to view our products as less desirable than our competitors’ products.

GENERAL RISK FACTORS

We operate in the highly cyclical semiconductor industry, which is subject to significant downturns. We are also susceptible to declines in global, regional and local economic conditions generally. Our stock price and financial results are subject to substantial quarterly and annual fluctuations due to these dynamics, among others.

The semiconductor industry is highly cyclical, volatile, subject to downturns and characterized by constant and rapid technological change, price erosion, evolving technical standards, frequent new product introductions, short product life cycles and fluctuations in product supply and demand. Periods of downturns have been characterized by diminished demand for end-user products, high inventory levels, excess or obsolete inventory adjustments or reserves, underutilization of manufacturing capacity, changes in revenue mix and erosion of average selling prices. During such downturns, our revenues have declined, and our results of operations and financial condition have been adversely impacted. We expect our business to continue to be subject to such cyclical downturns. In addition, we are currently seeing and expect to continue to see elevated inventory levels at certain of our customers (negatively impacting the volume of chipsets they purchase from us until such inventory is depleted).

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 also have adverse, wide-ranging effects on our business and financial results, including: a decrease in demand for our products and technologies; a decrease in demand for the products and services of our customers or licensees; the inability of our suppliers to deliver on their supply commitments to us, our inability to supply our products to our customers and/or the inability of our customers or licensees to supply their products to end users; the insolvency of key suppliers, customers or licensees; delays in reporting or payments from our customers or licensees; failures by counterparties; and/or negative effects on wireless device inventories. In addition, our customers' and licensees' ability to purchase or pay for our products and intellectual property and network operators' ability to upgrade their wireless networks could be adversely affected, potentially leading to a reduction, cancellation or delay of orders for our products. Further, inflationary pressure may increase our costs, including employee compensation costs, reduce demand for our products or those of our customers or licensees due to increased prices of those products, or result in employee attrition to the extent our compensation does not keep up with inflation, particularly if our competitors' compensation does.

Our stock price and financial results 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 our financial results include those identified above and throughout this Risk Factors section, as well as: volatility of the stock market in general and technology and semiconductor companies in particular; announcements concerning us, our suppliers, our competitors or our customers or licensees, including any announcement concerning the initiation of, or any developments in, any lawsuit or governmental investigation or proceeding against us; and variations between our actual financial results or guidance and expectations of securities analysts or investors, among others. In the past, securities class action litigation has been brought against companies following periods of volatility in the market price of their securities, among other reasons. 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 in this Quarterly Report in "Notes to Condensed Consolidated Financial Statements, Note 5. Commitments and Contingencies."

Geopolitical conflicts, natural disasters, pandemics and other health crises, and other factors outside of our control, could significantly disrupt our business.

We have operations and facilities in the United States and many other countries throughout the world. We derive a significant portion of our revenues from Chinese OEMs and from non-Chinese OEMs that utilize our integrated circuit products in devices they sell into China (which has the largest number of smartphone users in the world); our key suppliers and their manufacturing foundries and assembly, test and other facilities are primarily located in Taiwan and Korea; our manufacturing facilities for RFFE and RF products are located in China, Germany and Singapore; the primary warehouses where we store finished goods for fulfillment of customer orders are located in Singapore; and a significant portion of our workforce (including engineering and other technical personnel) is based in India. Acts of war, terrorism, geopolitical conflicts, political instability or tensions such as the current geopolitical tensions involving China and Taiwan, natural disasters, the effects of climate change, pandemics such as the COVID-19 pandemic, or other health crises affecting any of the regions in which we operate, and particularly those in which our customers, suppliers, manufacturing facilities and/or significant portions of our workforce are concentrated, could significantly disrupt our business by, among others: reducing demand for our products and services or end-user devices incorporating our products or intellectual property; impairing our customers' or licensees' ability to purchase or pay for our products, services or intellectual property; delaying or preventing our suppliers from providing us with critical components or raw materials; delaying or preventing our foundry or semiconductor assembly and test providers from manufacturing, assembling or testing our products; preventing us from

manufacturing products or shipping finished products; damaging or destroying inventory; delaying or preventing network operators from upgrading their wireless networks to meet new technology standards; or preventing a significant number of our employees, or employees who perform critical functions, from performing their duties for us. For example, our business depends on our ability to receive consistent and reliable chipset supply from our foundry partners, particularly in Taiwan. Consequently, a significant or prolonged military or other geopolitical conflict involving China and Taiwan could severely limit or prevent us from receiving chipset supply from Taiwan, which would have a material adverse impact on our business (and likely on the semiconductor industry as a whole). In addition, acts of war, terrorism, geopolitical conflicts, political instability or tensions, natural disasters, the effects of climate change, pandemics or other health crises impacting any of these regions could also result in a decline in global, regional or local economic conditions generally, or increased volatility in financial markets, which could have adverse effects on our business and financial results. See also the Risk Factor titled *“We operate in the highly cyclical semiconductor industry, which is subject to significant downturns. We are also susceptible to declines in global, regional and local economic conditions generally. Our stock price and financial results are subject to substantial quarterly and annual fluctuations due to these dynamics, among others.”* Any such events may also have the effect of exacerbating the other risks discussed in this “Risk Factors” section.

Our business may suffer due to the impact of, or our failure to comply with, the various existing, new or amended laws, regulations, policies or standards to which we are subject.

Our business and products, and those of our customers and licensees, are subject to various laws, rules and regulations globally, as well as government policies and the specifications of international, national and regional communications standards bodies (collectively, Regulations). These include, among others, Regulations related to: patent licensing practices; antitrust, competition and competitive business practices; the flow of funds out of certain countries (e.g., China); cybersecurity; privacy and data protection; imports and exports, such as the U.S. Export Administration Regulations administered by the U.S. Department of Commerce; protection of intellectual property; trade and trade protection including tariffs; foreign policy and national security; environmental protection (including climate change), health and safety; supply chain, responsible sourcing, including the use of conflict minerals, and human rights; spectrum availability and license issuance; adoption of standards; taxation; labor, employment and human capital; corporate governance; public disclosure and reporting (including reporting of ESG-related data); automotive industry safety and quality standards; AI technologies; and business conduct. Compliance with, or changes in the interpretation of, existing Regulations, the adoption of new Regulations, changes in the oversight of our activities by governments or standards bodies, or rulings in court, regulatory, administrative or other proceedings relating to such Regulations, among others, could have an adverse effect on our business and results of operations. See also the Risk Factors titled *“Our business may suffer as a result of adverse rulings in governmental investigations or proceedings or other legal proceedings,” “Changes in our patent licensing practices, whether due to governmental investigations, legal challenges or otherwise, could adversely impact our business and results of operations,” “A significant portion of our business is concentrated in China, and the risks of such concentration are exacerbated by U.S./China trade and national security tensions,” “There are numerous risks associated with the operation and control of our manufacturing facilities, including a higher portion of fixed costs relative to a fabless model; environmental compliance and liability; impacts related to climate change; exposure to natural disasters, health crises, geopolitical conflicts and cyber-attacks; timely supply of equipment and materials; and various manufacturing issues,” and “Tax liabilities could adversely affect our results of operations.”*

Regulations are complex and changing (which may create uncertainty regarding compliance), are subject to varying interpretations, and their application in practice may evolve over time. As a result, our efforts to comply with Regulations may fail, particularly if there is ambiguity as to how they should be applied in practice. Failure to comply with any Regulation may adversely affect our business, results of operations and cash flows. New Regulations, or evolving interpretations thereof, may cause us to incur higher costs as we revise current practices, policies or procedures; may divert management time and attention to compliance activities; and may negatively impact our ability to conduct business in certain jurisdictions.

There are risks associated with our debt.

Our outstanding debt and any additional debt we incur may have negative consequences on our business, including, among others: requiring us to use cash to pay the principal of and interest on our debt, 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, general corporate or other purposes; and limiting our flexibility in planning for, or reacting to, changes in our business, industries or the market. Our ability to make payments of principal and interest on our debt depends upon our future performance, which is subject to economic and political conditions, industry cycles and financial, business and other factors, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations to service our debt, we may be required to, among others: refinance or restructure all or a portion of our debt;

reduce or delay planned capital or operating expenditures; reduce, suspend or eliminate our dividend payments and/or our stock repurchase program; 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 or restructuring are higher than our current rates, interest expense related to such refinancing or restructuring would increase. Further, 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 financing in the future and the terms of such debt could be adversely affected.

Tax liabilities could adversely affect our results of operations.

We are subject to income taxes in the United States and numerous foreign jurisdictions. 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, as well as countries where we own intellectual property. The final determination of tax audits and any related legal proceedings could materially differ from amounts reflected in our income tax provisions and accruals. In such case, our income tax provision, results of operations and cash flows in the period or periods in which that determination is made could be negatively affected.

Tax rules may change in a manner that adversely affects our future reported results of operations or the way we conduct our business. Most of our income is taxable in the United States with a significant portion qualifying for preferential treatment as FDII (foreign-derived intangible income). Beginning in fiscal 2027, the effective tax rate for FDII increases from 13% to 16%. Further, if U.S. tax rates increase and/or the FDII deduction is eliminated or reduced, both of which have been proposed by the current U.S. presidential administration, our provision for income taxes, results of operations and cash flows would be adversely (potentially materially) affected. Also, if our customers move manufacturing operations to the United States, our FDII deduction may be reduced. Further, if the requirement to capitalize certain research and development expenditures for federal income tax purposes is changed, as has been proposed by Congress, this would negatively affect our provision for income taxes and results of operations (although it would have a favorable impact on our cash flows from operations due to lower cash tax payments).

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, has made certain changes and is recommending additional changes to numerous long-standing tax principles. These changes, if and as adopted by countries, may increase tax uncertainty and may adversely affect our provision for income taxes, results of operations and cash flows.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial market risks related to interest rates, foreign currency exchange rates and equity prices are described in our 2023 Annual Report on Form 10-K. At December 24, 2023, there have been no material changes to the financial market risks described at September 24, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report.

Changes in Internal Control over Financial Reporting. There were no changes in our internal control over financial reporting, as defined under Rule 13a-15(f) promulgated under the Exchange Act, in the first quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding certain legal proceedings is provided in this Quarterly Report in “Notes to Condensed Consolidated Financial Statements, Note 5. Commitments and Contingencies.”

ITEM 1A. RISK FACTORS

We have provided updated Risk Factors in the section labeled “Risk Factors” in “Part I, Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We do not believe those updates have materially changed the type or magnitude of the risks we face in comparison to the disclosure provided in our 2023 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Issuer Purchases of Equity Securities

Our purchases of our common stock in the first quarter of fiscal 2024 were:

	Total Number of Shares Purchased (In thousands)	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (In thousands)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (2) (In millions)
September 25, 2023 to October 22, 2023	326	\$ 110.53	326	\$ 5,111
October 23, 2023 to November 19, 2023	2,714	114.21	2,714	4,801
November 20, 2023 to December 24, 2023	3,330	131.41	3,330	4,363
Total	6,370		6,370	

(1) Average Price Paid Per Share excludes cash paid for commissions.

(2) On October 12, 2021, we announced a \$10.0 billion stock repurchase program. The stock repurchase program has no expiration date. Shares withheld to satisfy statutory tax withholding requirements related to the vesting of share-based awards are not issued or considered stock repurchases under our stock repurchase program and, therefore, are excluded from the table above.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On November 29, 2023, James H. Thompson, our Chief Technology Officer, Qualcomm Technologies, Inc., adopted a Rule 10b5-1 trading arrangement (as defined in Item 408 of Regulation S-K) providing for the sale of up to 72,000 shares of our common stock through November 8, 2024.

On December 7, 2023, Akash Palkhiwala, then our Chief Financial Officer (currently our Chief Financial Officer and Chief Operating Officer), adopted a Rule 10b5-1 trading arrangement providing for the sale of up to 40,000 shares of our common stock through February 28, 2025.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Form	Date of First Filing	Exhibit Number	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation.	8-K	4/20/2018	3.1	
3.2	Amended and Restated Bylaws.	8-K	7/21/2023	3.2	
10.24	Form of Qualcomm Incorporated 2023 Long-Term Incentive Plan Executive Performance Stock Unit Award Grant Notice and Executive Performance Stock Unit Award Agreement (2023 Form). (1)				X
10.25	Form of Qualcomm Incorporated 2023 Long-Term Incentive Plan Executive Restricted Stock Unit Award Grant Notice and Executive Restricted Stock Unit Award Agreement (2023 Form). (1)				X
10.26	Form of 2024 Annual Cash Incentive Plan Performance Unit Agreement. (1)				X
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Cristiano R. Amon.				X
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Akash Palkhiwala.				X
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, for Cristiano R. Amon.				X
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, for Akash Palkhiwala.				X
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	XBRL Taxonomy Extension Schema.				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.				X
101.LAB	XBRL Taxonomy Extension Labels Linkbase.				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase.				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

(1) Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QUALCOMM Incorporated

/s/ Akash Palkhiwala

Akash Palkhiwala

Chief Financial Officer and Chief Operating Officer

Dated: January 31, 2024

QUALCOMM INCORPORATED
2023 Long-Term Incentive Plan
Executive Performance Stock Unit Award
RTSR Shares Grant Notice

Qualcomm Incorporated (the “*Company*”), pursuant to its 2023 Long-Term Incentive Plan (the “*Plan*”), hereby grants to you, the Participant named below, a Performance Stock Unit Award (the “*Award*”) subject to all of the terms and conditions as set forth in this Executive Performance Stock Unit Award RTSR Shares Grant Notice and the Executive Performance Stock Unit EPS Shares Grant Notice (together, the “*Grant Notice*”), the Executive Performance Stock Unit Award Agreement (the “*Agreement*”), which is attached hereto, and the Plan,¹ all of which are incorporated herein in their entirety.

Participant: «First_Name» «Last_Name» **RTSR Grant No.:** «RTSR Number »

Emp #: «ID» **Date of Grant:** <<Date of Grant>>

Target Relative Total Shareholder Return (“RTSR”) Shares: «Target RTSR Shares»

Performance Period: <<Performance Period>>

Service Vesting Date: <<Service Vesting Date>>

Additional Terms/Acknowledgments: You must acknowledge, in the form determined by the Company, receipt of, and represent that you have read, understand, accept and agree to the terms and conditions of, this Grant Notice, the Agreement including the Exclusive Consulting Agreement attached to the Agreement and the Plan (including, but not limited to, the binding arbitration provision in Section 3.6 of the Plan).

Qualcomm Incorporated:

By:

<<Name>>

<<Title>>

<<Date>>

Attachment: Executive Performance Stock Unit Award Agreement

¹ A copy of the Plan can be obtained at go/MyHR.

QUALCOMM INCORPORATED
2023 Long-Term Incentive Plan
Executive Performance Stock Unit Award
EPS Shares Grant Notice

Qualcomm Incorporated (the “*Company*”), pursuant to its 2023 Long-Term Incentive Plan (the “*Plan*”), hereby grants to you, the Participant named below, a Performance Stock Unit Award (the “*Award*”) subject to all of the terms and conditions as set forth in this Executive Performance Stock Unit Award EPS Shares Grant Notice and the Executive Performance Stock Unit Award RTSR Shares Grant Notice (together, the “*Grant Notice*”), the Executive Performance Stock Unit Award Agreement (the “*Agreement*”), which is attached hereto, and the Plan,² all of which are incorporated herein in their entirety.

Participant: «First_Name» «Last_Name» **EPS Grant No.:** «EPS Number »

Emp #: «ID» **Date of Grant:** <<Date of Grant>>

Target Earnings Per Share (“EPS”) Shares: «Target EPS Shares»

Performance Period: <<Performance Period>>

Service Vesting Date: <<Service Vesting Date>>

Additional Terms/Acknowledgments: You must acknowledge, in the form determined by the Company, receipt of, and represent that you have read, understand, accept and agree to the terms and conditions of, this Grant Notice, the Agreement including the Exclusive Consulting Agreement attached to the Agreement and the Plan (including, but not limited to, the binding arbitration provision in Section 3.6 of the Plan).

Qualcomm Incorporated:

By:
 <<Name>>
 <<Title>>
 <<Date>>

Attachment: Executive Performance Stock Unit Award Agreement

² A copy of the Plan can be obtained at go/MyHR.

Qualcomm Incorporated
2023 Long-Term Incentive Plan
Executive Performance Stock Unit Award
Agreement

Qualcomm Incorporated (the “**Company**”) has granted this Performance Stock Unit Award (this “**Award**”) to you, the Participant named in the Executive Performance Stock Unit Award RTSR Shares Grant Notice and the Executive Performance Stock Unit EPS Shares Grant Notice (together, the “**Grant Notice**”) pursuant to the terms and conditions set forth in the Grant Notice, this Executive Performance Stock Unit Award Agreement and the attachments hereto (together with the Grant Notice, the “**Agreement**”) and the 2023 Long-Term Incentive Plan (the “**Plan**”). Capitalized terms that are not explicitly defined in the Grant Notice or this Agreement but are defined in the Plan shall have the same definitions as in the Plan.

The details of this Award are as follows:

1. VESTING. In order for the Award to vest each of two vesting conditions must be satisfied: (i) a continued services and/or qualified termination condition as set forth in this Section 1 (the “**Service Vesting Condition**”) and (ii) the performance-based vesting conditions set forth on Attachment 1.

1.1 SERVICE VESTING CONDITION. Except to the extent provided in the remainder of this Section 1 and Section 6, the Service Vesting Condition for this Award will be satisfied on the Service Vesting Date specified in the Grant Notice if and to the extent that you continue in Service through that Service Vesting Date. If your Service terminates (or is deemed to have terminated) before the Service Vesting Date for any reason other than as specified in the remainder of this Section 1, this Award is not eligible to vest and shall be forfeited.

1.2 TERMINATION OF SERVICE DUE TO DEATH, DISABILITY OR UPON ATTAINMENT OF NORMAL RETIREMENT AGE. You will be eligible to vest in this Award if prior to the Service Vesting Date specified in the Grant Notice your Service terminates due to your death, Disability, Qualified Termination (as defined below) or CIC Qualified Termination (as defined below) or in connection with your attainment of Normal Retirement Age (as defined below), if and to the extent that you continue in employment with the Participating Companies through the date you have attained Normal Retirement Age. If your Service terminates for any reason other than due to death or Disability, or your employment terminates for any reason other than a Qualified Termination (as defined below), a CIC Qualified Termination (as defined below), or prior to the date on which you have attained Normal Retirement Age, this Award is not eligible to vest and shall be forfeited.

1.3 QUALIFIED TERMINATION. If your employment terminates as a result of a Qualified Termination before you attain Normal Retirement Age, then effective as of your Qualified Termination, subject to your execution and delivery of a Separation Agreement (as defined in the Severance Plan) and non-revocation so that it becomes effective before the 60th day following your Qualified Termination and continued compliance with the Confidentiality Agreement (as defined in the Severance Plan) and the Separation Agreement (the “**Qualified Termination Conditions**”), you will have satisfied the Service Vesting Condition and will be eligible to vest in this Award as described in Section 2.5.

1.4 CIC QUALIFIED TERMINATION. If your employment terminates due to a CIC Qualified Termination before you attain Normal Retirement Age, you will have

satisfied the Service Vesting Condition and will be eligible to vest in this Award upon your CIC Qualified Termination as described in Section 2.6, subject to the Release (as described in the CIC Severance Plan) becoming non-revocable (the “**CIC Qualified Termination Conditions**”).

1.5 DEFINITIONS. For purposes of this Agreement, the following capitalized terms are defined as follows:

“**Cause**” has the meaning given such term in the Severance Plan before a Change in Control and the meaning given such term in the CIC Severance Plan on or after a Change in Control. Whether a termination of employment was for Cause or a termination of employment could have been implemented for Cause shall be determined by the Committee.

“**CIC Qualified Termination**” means a Qualified Termination as defined in the CIC Severance Plan.

“**CIC Severance Plan**” means the Qualcomm Incorporated Executive Officer Change in Control Severance Plan, as may be amended from time to time.

“**Disability**” has the meaning given such term in the Severance Plan and CIC Severance Plan.

“**Normal Retirement Age**” shall be [the later of: (a) the date which is three (3) months after the Grant Date or (b)] the earlier of (1) the date on which you have attained age fifty-five (55) and completed at least ten (10) years of consecutive employment (as measured from your most recent date of hire), or (2) the date on which the sum of all of your years of employment (with aggregation of any partial years of employment) and attained age equals 80.

“**Qualified Termination**” means a Qualified Termination as defined in the Severance Plan.

“**Severance Plan**” means the Qualcomm Incorporated Executive Officer Severance Plan, as may be amended from time to time.

1.6 SUSPENSION OF VESTING. Notwithstanding any other provision of the Plan or this Agreement, the Company reserves the right, in its sole discretion, to suspend or reduce vesting of this Award in the event of any leave of absence or part-time Service applicable to you which occurs prior to the Service Vesting Date.

2. SETTLEMENT OF THE AWARD.

2.1 AMOUNT, FORM AND TIMING OF PAYMENT OF AWARD - CONTINUED SERVICE THROUGH SERVICE VESTING DATE SPECIFIED IN THE GRANT NOTICE. If you continue in Service through the Service Vesting Date specified in the Grant Notice, you will have satisfied the Service Vesting Condition and shall be eligible to be paid in a number of shares of Stock equal to the total number of Shares Earned (if any) determined pursuant to Attachment 1, which is attached hereto and made a part hereof. Such shares of Stock shall be issued in payment within the thirty (30) days after the later of (a) the Service Vesting Date specified in the Grant Notice or (b) the date on which the HR & Compensation Committee (the “**Committee**”) determines and certifies in writing the number of shares (if any) that are payable, which determination and certification shall be made by the Committee no later than the December 31st that next follows the end of the Performance Period. Notwithstanding the foregoing, in the event that either (i) your employment is terminated for

Cause at any time prior to the date you are issued the shares of Stock, or (ii) the Committee determines that the occurrence of circumstances constituting Cause for your termination occurred at any time prior to the date you are issued the shares of Stock (and regardless of whether or not your employment is terminated for Cause or if you were employed on the date of such occurrence), you will not have satisfied the Service Vesting Condition and you will immediately forfeit your right to payment under this Section 2.1.

2.2 AMOUNT, FORM AND TIMING OF PAYMENT OF AWARD - ATTAINMENT OF NORMAL RETIREMENT AGE DURING SERVICE. If you attain Normal Retirement Age while you remain employed by the Participating Companies you will have satisfied the Service Vesting Condition and you shall be eligible to be paid in a number of shares of Stock equal to the total number of Shares Earned (if any) determined pursuant to Attachment 1, which is attached hereto and made a part hereof. Such shares of Stock shall be issued in payment within the thirty (30) days after the later of (a) the Service Vesting Date specified in the Grant Notice or (b) the date on which the Committee determines and certifies in writing the number of shares (if any) that are payable, which determination and certification shall be made by the Committee no later than the December 31st that next follows the end of the Performance Period; provided, however, that you will be deemed to have satisfied the Service Vesting Condition and accordingly payment shall be made pursuant to this Section 2.2 following your termination of employment with the Participating Company only if such termination was not for Cause and you (A) execute a general release of claims in a form satisfactory to the Company and that general release becomes irrevocable before the 60th day following your termination of employment, and (B) comply with the requirements of the Exclusive Consulting Agreement attached hereto as Attachment 2 (the “*Consulting Agreement*”). Notwithstanding the foregoing, in the event you violate any of the provisions contained in the Consulting Agreement, you will not have satisfied the Service Vesting Condition and all rights to payment under this Section 2.2 shall be immediately forfeited without consideration. In the event that either (i) your employment is terminated for Cause at any time prior to the date you are issued the shares of Stock, or (ii) the Committee determines that the occurrence of circumstances constituting Cause for your termination occurred at any time prior to the date you are issued the shares of Stock (and regardless of whether or not your employment is terminated for Cause or if you were employed on the date of such occurrence), you will not have satisfied the Service Vesting Condition and you will immediately forfeit your right to payment under this Section 2.2. You acknowledge and agree that your provision of services in compliance with the terms of the Consulting Agreement shall be taken into consideration solely for purposes of your eligibility to vest in the Award shall not be deemed continued Service with the Participating Companies for purposes of your eligibility to vest in any other equity awards.

2.3 AMOUNT, FORM AND TIMING OF PAYMENT OF AWARD - TERMINATION OF SERVICE BEFORE THE SERVICE VESTING DATE SPECIFIED IN THE GRANT NOTICE DUE TO DEATH OR DISABILITY. If your Service terminates before the Service Vesting Date specified in the Grant Notice due to your death or Disability, you (or in the event of death, your estate, personal representative, or beneficiary to whom this Award may be transferred by will or by the laws of descent and distribution), will be paid a number of shares of Stock equal to the product of (1) the sum of (a) the RTSR Shares Earned (if any) and (b) the EPS Shares Earned (if any) determined pursuant to Attachment 1 hereto except that the Performance Period for this determination will be the period beginning on the date specified in the Grant Notice, and ending on the last day of the Company’s fiscal year in which your Service terminates, multiplied by (2) a fraction the numerator of which is the number of whole and partial months (rounded up to the next whole month) from the beginning of the Performance Period until the date your Service terminates, and the denominator of which is 36. Shares of Stock payable pursuant to this Section 2.3 shall be issued in payment within the thirty (30) days after the date on which the Committee determines and certifies in writing the number of shares of Stock (if any) that are payable pursuant to this Section 2.3, which determination and

certification shall be made by the Committee no later than the December 31st that next follows the end of the Company's fiscal year in which such termination of Service occurred.

2.4 AMOUNT, FORM AND TIMING OF PAYMENT UPON DEATH DURING THE PERFORMANCE PERIOD FOLLOWING TERMINATION OF SERVICE DUE TO DISABILITY. If your Service with the Company and/or the Participating Company that employs you (the "**Employer**") terminates because of your Disability and you are entitled to receive or have received a payment of Stock pursuant to Section 2.3, and you later die during the Performance Period specified in the Grant Agreement or following the expiration of such Performance Period, your estate, personal representative, or beneficiary to whom this Award may be transferred by will or by the laws of descent and distribution will be paid an additional number of shares of Stock equal to the difference (if any) between (1) the shares of Stock you would have received under Section 2.3 had you remained in Service until the date of your death, reduced by (2) any shares of Stock you are entitled to receive or have received pursuant to Section 2.3 as a result of termination of your Service due to your Disability. Shares of Stock payable pursuant to this Section 2.4 shall be issued in payment within the thirty (30) days after the date on which the Committee determines and certifies in writing the number of shares of Stock (if any) that are payable pursuant to this Section 2.4, which determination and certification shall be made by the Committee no later than the December 31st that next follows the end of the Company's fiscal year in which such termination of Service occurred.

2.5 AMOUNT, FORM AND TIMING OF PAYMENT UPON A QUALIFIED TERMINATION. If your employment terminates before the Service Vesting Date specified in the Grant Notice due to a Qualified Termination before you attain Normal Retirement Age and you satisfy the Qualified Termination Conditions, you will be paid a number of shares of Stock equal to the product of (1) the sum of (a) the RTSR Shares Earned (if any) and (b) the EPS Shares Earned (if any) determined pursuant to Attachment 1 hereto, except that the Performance Period for this determination will be the period beginning on the date specified in the Grant Notice and ending on the last day of the Company's fiscal year in which the Qualified Termination occurs, multiplied by (2) a fraction the numerator of which is the number of whole and partial months (rounded up to the next whole month) from the beginning of the Performance Period until the Qualified Termination and the denominator of which is 36. Shares of Stock payable pursuant to this Section 2.5 shall be issued in payment within the thirty (30) days after the date on which the Committee determines and certifies the number of shares of Stock (if any) that are payable pursuant to this Section 2.5, which determination and certification shall be made by the Committee no later than the December 31st that next follows the end of the Company's fiscal year in which such Qualified Termination occurs.

2.6 AMOUNT, FORM AND TIMING OF PAYMENT UPON A CIC QUALIFIED TERMINATION. If your employment terminates before the Vesting Date specified in the Grant Notice due to a CIC Qualified Termination before you attain Normal Retirement Age and you satisfy the CIC Qualified Termination Conditions, you will be paid a number of shares of Stock equal to the sum of (a) the number of RTSR Shares Earned (if any) determined pursuant to Attachment 1 hereto (except that the Performance Period for this determination will be the period beginning on the date specified in the Grant Notice and ending on the last day of the Company's fiscal year in which the CIC Qualified Termination occurs) and (b) the number of Target EPS Shares specified in the Grant Notice. Shares of Stock payable pursuant to this Section 2.6 shall be issued in payment within the thirty (30) days after the date on which the Committee determines and certifies in writing the number of shares of Stock (if any) that are payable pursuant to this Section 2.6, which determination and certification shall be made by the Committee no later than the December 31st that next follows the end of the Company's fiscal year in which such CIC Qualified Termination occurs.

2.7 TAX WITHHOLDING. You acknowledge that the Employer may be subject to withholding tax obligations arising by reason of the vesting and/or payment of this Award. You authorize your Employer to satisfy the withholding tax obligations by one or a combination of the following methods, as selected by the Company in its sole discretion: (a) withholding from your pay and any other amounts payable to you; (b) withholding of Stock and/or cash from the payment of this Award, with the number of shares of Stock to be withheld to be calculated by reference to the Fair Market Value (as defined below in this Section 2.7) of such Stock; (c) arranging for the sale of shares of Stock payable in connection with this Award (on your behalf and at your direction which you authorize by accepting this Award); or (d) any other method allowed by the Plan or applicable law. Notwithstanding the foregoing, you may elect in the manner specified by the Company to make a cash payment to the Company or your Employer to satisfy the withholding tax obligations with respect to this Award, provided such election is made during an open trading window under the Qualcomm Insider Trading Policy and you are not in possession of any material nonpublic information at the time of such election. If your Employer satisfies the withholding obligations by withholding a number of whole shares of Stock as described in subsection (b) herein, for tax purposes you will be deemed to have been issued the full number of shares of Stock subject to this Award, notwithstanding that a number of shares is held back in order to satisfy the withholding obligations. The “*Fair Market Value*” of any Stock withheld pursuant to this Section 2.7 shall be determined by reference to an amount equal to the closing price of a share of Stock as quoted on any national or regional securities exchange or market system constituting the primary market for the Stock on the date of determination (or, if there is no closing price on that day, the last trading day prior to that day) or, if the Stock is not listed on a national or regional securities exchange or market system, the value of a share of Stock as determined by the Committee in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse. The Company shall not be required to issue any shares of Stock pursuant to this Agreement unless and until the withholding obligations are satisfied.

3. TAX ADVICE. You represent, warrant and acknowledge that the Company and, if different, your Employer, has made no warranties or representations to you with respect to the income tax consequences of the transactions contemplated by this Award, and you are in no manner relying on the Company, your Employer or their representatives for an assessment of such tax consequences. **YOU UNDERSTAND THAT THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR REGARDING THE TAX TREATMENT OF THIS OR ANY OTHER AWARD. NOTHING STATED HEREIN IS INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAXPAYER PENALTIES.**

4. DIVIDEND EQUIVALENTS. If the Board declares a cash dividend on the Company’s Stock, you will be entitled to Dividend Equivalents in the form, payable on the terms and at such times as provided in Section 10.3 of the Plan.

5. SECURITIES LAW COMPLIANCE. Notwithstanding anything to the contrary contained herein, no shares of Stock will be issued to you upon vesting of this Award unless the Stock is then registered under the Securities Act or, if such Stock is not then so registered, the Company has determined that such vesting and issuance would be exempt from the registration requirements of the Securities Act. By accepting this Award, you agree not to sell any of the shares of Stock received under this Award at a time when applicable laws or Company policies prohibit a sale.

6. CHANGE IN CONTROL. In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the “*Acquiring Corporation*”), may, without your consent, either assume the

Company's rights and obligations under this Award or substitute for this Award a substantially equivalent award for the Acquiring Corporation's stock.

6.1 Payout Pursuant to a Change in Control. In the event the Acquiring Corporation elects not to assume or substitute for this Award in connection with a Change in Control, the vesting of this Award, so long as your Service has not terminated prior to the date of the Change in Control, shall be accelerated, effective as of the date ten (10) days prior to the date of the Change in Control, and immediately prior to the closing of the Change in Control, you will be paid a number of shares of Stock equal to the sum of (a) the RTSR Shares Earned determined pursuant to Attachment 1 based on a Performance Period ending ten (10) days before the Change in Control, plus (b) the number of Target EPS Shares specified in the Grant Notice.

6.2 Vesting Contingent Upon Consummation. The vesting of this Award and payment of any shares of Stock by reason of this Section 6 shall be conditioned upon the consummation of the Change in Control.

6.3 Applicability of Agreement. Notwithstanding the foregoing, shares of Stock acquired upon settlement of this Award prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of this Agreement except as otherwise provided in this Agreement.

6.4 Continuation of Award. Notwithstanding the foregoing, if the corporation the stock of which is subject to this Award immediately prior to an Ownership Change Event constituting a Change in Control is the surviving or continuing corporation and immediately after such Ownership Change Event, less than fifty percent (50%) of the total combined voting power of its voting stock is held by another corporation or by other corporations that are members of an affiliated group within the meaning of Section 1504(a) of the Code, without regard to the provisions of Section 1504(b) of the Code, this Award shall be assumed, substituted or continued and shall not terminate (and the vesting of such award shall not accelerate as provided in Section 6.1) unless the Committee otherwise provides in its discretion.

7. TRANSFERABILITY. Prior to the issuance of shares of Stock in settlement of this Award, the Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by your creditors or by your beneficiary (if any), except (i) transfer by will or by the laws of descent and distribution or (ii) to the extent permitted by the Company, transfer by written designation of a beneficiary, in a form acceptable to the Company, with such designation taking effect upon your death. All rights with respect to the Performance Stock Units shall be exercisable during your lifetime only by you or your guardian or legal representative. Prior to actual payment of any shares of Stock pursuant to this Award, this Award will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

8. AWARD NOT AN EMPLOYMENT OR SERVICE CONTRACT. This Award is not an employment or service contract and nothing in this Agreement, the Grant Notice or the Plan shall be deemed to create in any way whatsoever any obligation on your part to continue in the employment or Service of a Participating Company, or of a Participating Company to continue your employment or Service with the Participating Company. In addition, nothing in your Award shall obligate the Company, its stockholders, Board, Officers or Employees to continue any relationship which you might have as an Employee, Director or Consultant for the Company.

9. RESTRICTIVE LEGEND. Stock issued pursuant to the vesting and payment of this Award may be subject to such restrictions upon the sale, pledge or other transfer of the Stock as the Company and the Company's counsel deem necessary under applicable law or pursuant to this Agreement.

10. REPRESENTATIONS, WARRANTIES, COVENANTS, AND ACKNOWLEDGMENTS. You hereby agree that in the event the Company and the Company's counsel deem it necessary or advisable in the exercise of their discretion, the transfer or issuance of the shares of Stock issued pursuant to the vesting and payment of this Award may be conditioned upon you making certain representations, warranties, and acknowledgments relating to compliance with applicable securities laws.

11. VOTING AND OTHER RIGHTS. Subject to the terms of this Agreement, you shall not have any voting rights or any other rights and privileges of a shareholder of the Company unless and until shares of Stock are issued upon payment of this Award.

12. CODE SECTION 409A. It is the intent that the terms relating to the vesting and the payment of the Award as set forth in this Agreement shall qualify for exemption from or comply with the requirements of Section 409A of the Code, and any ambiguities herein will be interpreted to so qualify or comply. Notwithstanding the foregoing or anything herein to the contrary, if it is determined that this Award fails to satisfy the requirements of the "short-term deferral" exemption and is otherwise deferred compensation subject to Section 409A of the Code, and if you are a "specified employee" (as defined under Section 409A(a)(2)(B)(i) of the Code) as of the date of your "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)), then the issuance of any shares of Stock that would otherwise be made upon the date of the separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the separation from service, but only if such delay in the issuance of the shares is necessary to avoid the imposition of additional taxation on you in respect of the shares under Section 409A of the Code. The Company reserves the right, to the extent the Company deems appropriate or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all vesting or payments provided for under this Agreement are made in a manner that qualifies for exemption from or complies with the requirements of Section 409A of the Code; provided, however, that the Company makes no representation that the vesting or payments pursuant to this Award will be exempt from or comply with the requirements of Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the vesting or payments of this Award or require that any vesting or payments pursuant to this Award comply with the requirements of Section 409A of the Code. The Company will have no liability to you or any other party if the Award, the delivery of shares of Stock upon payment of the Award or other payment hereunder 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 Company with respect thereto.

13. NOTICES. Any notices provided for in this Agreement, the Grant Notice or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

14. NATURE OF GRANT. In accepting the Award, you acknowledge and agree that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, (subject to any limitations set forth in the Plan);
- (b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards or benefits in lieu of awards, even if other awards have been awarded repeatedly in the past;
- (c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;
- (d) your participation in the Plan is voluntary;
- (e) the Award and the shares of Stock subject to the Award are extraordinary items that do not constitute compensation of any kind for Services of any kind rendered to the Company or the Employer, and which are outside the scope of your employment or service contract, if any;
- (f) the Award and the shares of Stock subject to the Award are not intended to replace any pension rights or compensation;
- (g) the Award and the shares of Stock subject to the Award are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Participating Company;
- (h) the future value of the underlying shares of Stock is unknown and cannot be predicted with any certainty;
- (i) no claim or entitlement to compensation or damages shall arise from forfeiture of your Award resulting from termination of your employment or Service or your breach of any terms hereof (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid), and in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, waive your ability, if any, to bring any such claim, and release the Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;
- (j) the Award and the benefits evidenced by this Agreement do not create any entitlement, not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the Award or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Company's Stock; and

(k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of Stock; you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

15. APPLICABLE LAW. This Agreement shall be governed by the laws of the State of California as if the Agreement were between California residents and as if it were entered into and to be performed entirely within the State of California.

16. ARBITRATION. Any dispute or claim concerning any Performance Stock Units granted (or not granted) pursuant to the Plan and any other disputes or claims relating to or arising out of this Agreement or the Plan shall be fully, finally and exclusively resolved by binding arbitration conducted by the American Arbitration Association pursuant to the commercial arbitration rules in San Diego, California. By accepting this Award, you and the Company waive your respective rights to have any such disputes or claims tried by a judge or jury.

17. AMENDMENT. Your Award may be amended as provided in the Plan at any time, provided no such amendment may adversely affect this Award without your consent unless such amendment is necessary to comply with any applicable law or government regulation, or is contemplated in Section 12 hereof. No amendment or addition to this Agreement shall be effective unless in writing or in such electronic form as may be designated by the Company.

18. GOVERNING PLAN DOCUMENT. Your Award is subject to this Agreement, the Grant Notice and all the provisions of the Plan, the provisions of which are hereby made a part of this Agreement, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this Agreement, the Grant Notice and those of the Plan, the provisions of the Plan shall control.

19. SEVERABILITY. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

20. DESCRIPTION OF ELECTRONIC DELIVERY. The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, and any reports of the Company provided generally to the Company's stockholders, may be delivered to you electronically. In addition, if permitted by the Company, you may electronically accept and acknowledge the Grant Notice and/or this Agreement and/or deliver such documents to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic acknowledgement, acceptance and/or delivery may include but do not necessarily include use of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via electronic mail ("e-mail") or such other means specified by the Company. You hereby consent to receive the above-listed documents by electronic delivery and, if permitted by the Company, agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, as set forth herein.

21. WAIVER. The waiver by the Company with respect to your (or any other Participant's) compliance of any provision of this Agreement shall not operate or be construed as

a waiver of any other provision of this Agreement, or of any subsequent breach of such party of a provision of this Agreement.

22. REPAYMENT/FORFEITURE. Any benefits you may receive hereunder shall be subject to repayment or forfeiture as required to comply with (a) any applicable listing standards of a national securities exchange on which the Company's securities are listed or as otherwise required by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder, including Rule 10D-1 of the Exchange Act, (b) other applicable U.S. laws and the applicable laws of any other jurisdiction, (c) the Qualcomm Incorporated Incentive Compensation Repayment Policy, a copy of which is attached hereto as Attachment 3, or (d) any policies adopted by the Company, each to the extent determined by the Company in its discretion to be applicable to you.

ATTACHMENT 1

For purposes of Section 2.1 of this Agreement, “Shares Earned” means the sum of (1) the RTSR Shares Earned and (2) the EPS Shares Earned, as determined pursuant to this Attachment 1.

“***RTSR Shares Earned***” means the number of Shares determined by multiplying the Target RTSR Shares specified in the Grant Notice by the TSR Payout Percentage, rounding up to the nearest whole share. For purposes of determining the RTSR Shares Earned:

“***Beginning Period Average Price***” means the average official closing price per share of the issuer over the 40-consecutive-trading days ending with and including the first day of the Performance Period (or, if the applicable day is not a trading day, the immediately preceding trading day).

“***Ending Period Average Price***” means the average official closing price per share of the issuer over the 40-consecutive-trading days ending with and including the last day of the Performance Period (or, if the applicable day is not a trading day, the immediately preceding trading day).

“***Nasdaq-100 Companies***” means the companies that are included in the NASDAQ-100 Index (published by The NASDAQ Stock Market, or its successor) continuously from the beginning through the end of the Performance Period. The Committee shall have the authority to make appropriate adjustments to the extent necessary to account for extraordinary, unusual and infrequently occurring events and transactions involving the Nasdaq-100 Companies.

“***Performance Period***” means the period specified in the Grant Notice.

“***TSR***” means total shareholder return as determined by dividing (i) the sum of (A) the Ending Period Average Price minus the Beginning Period Average Price plus (B) all dividends and other distributions paid on the issuer’s shares during the Performance Period by (ii) the Beginning Period Average Price. In calculating TSR, all dividends are assumed to have been reinvested in shares when paid. The Committee shall have the authority to make appropriate equitable adjustments to account for extraordinary items affecting the TSR.

“***TSR Payout Percentage***” means the percentage that corresponds to the TSR Percentile Rank specified below:

TSR Percentile Rank	Payout Percentage
90 th percentile and above	200%
55 th percentile	100% (Target)
25 th percentile	25%
Below 25 th percentile	0%

Between the levels specified above, the Payout Percentage is interpolated linearly, rounded up to the nearest decimal point.

“TSR Percentile Rank” means the Company’s percentile ranking relative to the Nasdaq-100 Companies, based on TSR. TSR Percentile Rank is determined by ordering the Nasdaq-100 Companies (plus the Company if the Company is not one of the Nasdaq-100 Companies) from highest to lowest based on TSR for the Performance Period and counting down from the company with the highest TSR (ranked first) to the Company’s position on the list. If two companies are ranked equally, the ranking of the next company shall account for the tie, so that if one company is ranked first, and two companies are tied for second, the next company is ranked fourth. After this ranking, the TSR Percentile Rank will be calculated using the following formula, rounded to the nearest whole percentile by application of regular rounding:

$$\text{TSR Percentile Rank} = \frac{(N - R)}{N} * 100$$

“N” represents the number of Nasdaq-100 Companies for the Performance Period (plus the Company if the Company is not one of the Nasdaq-100 Companies for the Performance Period).

“R” represents the Company’s ranking among the Nasdaq-100 Companies (plus the Company if the Company is not one of the Nasdaq-100 Companies for the Performance Period).

For example, if there are 100 Nasdaq-100 Companies (including the Company), and the Company ranked 40th, the TSR Percentile Rank would be at the 60th percentile:
 $60 = (100 - 40)/100 * 100$.

Limitation on Amount of Payment. Notwithstanding anything in this Agreement to the contrary, if the Company’s TSR is negative for the Performance Period, then the RTSR Shares Earned will be equal to the lesser of (a) the number of RTSR Shares (if any) determined without regard to this Limitation on Amount of Payment, or (b) the Target RTSR Shares specified in the Grant Notice.

“EPS Shares Earned” means the number of shares determined by multiplying the Target EPS Shares specified in the Grant Notice by the EPS Payout Percentage, rounding up to the nearest whole share. For purposes of determining the EPS Shares Earned:

“Adjusted GAAP Earnings Before Tax” means income before tax from continuing operations determined in accordance with GAAP, adjusted to exclude the before-tax impact of the following items:

(1) Income before tax from continuing operations from the Qualcomm Strategic Initiative (“QSI”) segment as defined in the Company’s fiscal 2023 Form 10-K.

(2) Acquisition-related items, which includes: (a) recognition of the step-up of inventories to fair value, (b) purchase accounting effects on property, plant and equipment for acquisitions completed in or after the second quarter of fiscal 2017, (c) amortization of acquisition-related intangible assets, (d) purchase accounting effects on acquired or assumed debt, (e) third-party acquisition and integration services costs, (f) break-up fees, (g) costs related to temporary debt facilities and letters of credit executed prior to the close of an acquisition, (h) expenses related to the termination of contracts that limit the use of acquired intellectual property and (i) other costs incurred in connection with acquisitions that are to be expensed upon the close of the acquisition under GAAP. These adjustments shall apply only with respect to applicable items acquired or incurred in transactions that qualify as business combinations pursuant to GAAP.

(3) The following items for which each event individually equals or exceeds \$25 million on a pre-tax basis, except as expressly provided in (e) below:

(a) Restructuring and restructuring-related costs (in the aggregate by restructuring event), which consist of the following costs: (i) severance and benefits (including COBRA and outplacement expenses); (ii) third-party consulting and legal costs; (iii) increased security costs; (iv) acceleration of depreciation and/or amortization expense; (v) facilities and lease termination or abandonment charges; (vi) asset impairment charges and/or contract terminations; (vii) third-party business separation costs; and (viii) relocation costs as a result of an office or facility closure. Adjusted GAAP Earnings Before Tax shall not be adjusted for any such item that cannot specifically be tied to the restructuring event;

(b) Asset impairments;

(c) Gains/losses on divestitures or non-revenue generating asset sales and associated third-party costs (e.g. bankers’ fees for the sale of a business);

(d) Impact of (i) any fine or award arising from a legal or regulatory matter and (ii) any award, settlement, arbitration and/or judgment arising from a legal or contract dispute to the extent that the profit or loss arising from such award, settlement, arbitration or judgement is clearly attributable to one or more fiscal years ending before the beginning of the Performance Period; and

(e) Gains and losses driven by the revaluation of the Nonqualified Deferred Compensation Plan liabilities recognized in operating expense and the offsetting gains and losses on the related assets recognized in investments and other income.

(4) In the event of an acquisition during any fiscal year in the Performance Period with a purchase price determined in accordance with GAAP that is greater than \$5 billion, for a period of four (4) fiscal quarters (including the quarter in which the acquisition occurs), (i) the impact on earnings before tax from continuing operations from such acquisition; (ii) the impact of expense (e.g. interest expense) or amortization of premiums or discounts related to debt issued or assumed by the Company or any of its subsidiaries in connection with or related to such acquisition; and (iii) the impact on investment income as a result of usage of such funds in the purchase of such acquisition.

(5) Share-based compensation expenses.

(6) Contract disputes in excess of \$50 million for any fiscal year in the Performance Period (including but not limited to disputes resulting in litigation or arbitration) in which (a) a licensee withholds or fails to make royalty payments or disputes royalty payments paid, (b) attributable revenue is not recorded in GAAP revenue for the fiscal year, (c) such dispute is not resolved during the Performance Period, and (d) projected revenue from such licensee was included in determining the EPS Target for that fiscal year, in which event revenue for such fiscal year will be adjusted to include the amount of revenue the licensee withholds, fails to pay or disputes, or to the extent that the licensee fails to report information sufficient to determine for such fiscal year the actual impact on revenue of the withholding, failure to make royalty payments or dispute of payment amounts, such adjustment for such fiscal year shall be the specific amount for such licensee that was used for such fiscal year in the determination of the EPS Target. It is the intent of this provision to remove the impact of revenue disputes or the double counting of revenues, subject to the conditions set out herein.

“Adjusted GAAP Tax Rate” means fifteen percent (15%).

“Average EPS” means the sum of the EPS for each Company fiscal year in the Performance Period divided by the number of Company fiscal years in the Performance Period.

“EPS” means the quotient obtained by dividing (1) the product of Adjusted GAAP Earnings Before Tax multiplied by the difference between one (1) and the Adjusted GAAP Tax Rate by (2) the weighted average diluted shares for the Company’s fiscal year determined in accordance with GAAP but excluding share count impact of share buybacks, if any, that results in a full year weighted-average diluted share count lower than the diluted share count at the beginning of the Performance Period and the share count impact of shares issued in connection with any acquisition to the extent provided in paragraph 4 (of the definition of Adjusted GAAP Earnings Before Tax above) and equity awards assumed or granted to individuals who become employees of the Company or any of its subsidiaries as a result of such acquisition.

“EPS Payout Percentage” means the EPS Payout Percentage that corresponds to the Average EPS specified below:

Average EPS	EPS Payout Percentage
140% or higher of EPS Target	200% Payout
EPS Target	100% Payout
60% of EPS Target	33% Payout
Below 60% of EPS Target	0% Payout

Between the levels specified above, the EPS Payout Percentage is interpolated linearly.

“EPS Target” means Average EPS of \$<<>>.

ATTACHMENT 2

QUALCOMM INCORPORATED EXCLUSIVE CONSULTING AGREEMENT

1. **Consulting Services Following Normal Retirement Age.** In the event you terminate your employment with the Participating Companies and receive or are entitled to receive additional vesting, payments or other rights or benefits under the Award to which this Exclusive Consulting Agreement is attached as a result of having previously attained Normal Retirement Age, you will provide the Company consulting services related to the subject matter of that employment as provided in this Exclusive Consulting Agreement. Such consulting services will not exceed five (5) hours per month, and there will be no separate compensation for such services beyond that provided in the Award. Should the Company request services in excess of five (5) hours per month, you and the Company will negotiate appropriate compensation for such additional services before they are undertaken. You represent, warrant and covenant that you will perform any services under this Exclusive Consulting Agreement in a timely, professional and workmanlike manner and that all services, materials, information and deliverables provided by you hereunder will comply with (i) the requirements communicated by the Company, (ii) the Company's policies and procedures; and (iii) any other agreements between you and the Company, including but not limited to any severance, confidentiality or proprietary agreements. All capitalized terms in this Exclusive Consulting Agreement not otherwise defined herein shall have the meaning prescribed by the Qualcomm Incorporated 2023 Long-Term Incentive Plan (the "***Plan***") or the Award Agreement thereunder to which this Exclusive Consulting Agreement is attached.
2. **The Award.** You are a former high-level executive who is terminating employment with the Participating Companies after attaining Normal Retirement Age with respect to the Award and as such you are entitled to potential additional vesting, payments or other rights or benefits under the Award. Your agreement to the terms and conditions of this Exclusive Consulting Agreement is an express condition of the Award and the additional provisions of the Award applicable to you following attainment of Normal Retirement Age with respect to the Award. You acknowledge and agree that your provision of services in compliance with the terms of this Exclusive Consulting Agreement shall be taken into consideration solely for purposes of your eligibility to vest in the Award and shall not be deemed continued Service with the Participating Companies for purposes of your eligibility to vest in any other equity awards that may have been granted to you and with respect to which you did not attain Normal Retirement Age prior to your termination of employment.
3. **Independent Contractor Relationship.** Your relationship with the Company under this Exclusive Consulting Agreement is that of an independent contractor, and nothing herein is intended to, or shall be construed to, create a partnership, agency, joint venture, employment, or similar relationship. You will not be entitled to any of the benefits that the Company may make available to its employees, including, but not limited to, group health or life insurance, profit-sharing benefits, or retirement benefits, or awards under the Plan unless expressly provided in writing otherwise. You agree that providing services under this Exclusive Consulting Agreement shall not be treated as Service for purposes of the Plan or the Award. You are not authorized to make any representation, contract, or commitment on behalf of the Company unless specifically requested or authorized in writing to do so by a Company officer. You are solely responsible for, and will file, on a timely basis, all tax returns and payments required to be filed with, or made to, any federal, state, or local tax authority. You will indemnify and hold harmless the Company from and against any and all tax liability related to this Exclusive Consulting Agreement as well as any claims, actions, or charges arising out of or caused by your classification as an independent contractor.

4. Exclusivity.

4.1 The consultancy arrangement contemplated by this Exclusive Consulting Agreement shall be on an exclusive basis. You shall not, during the Term, without the prior written consent of the Committee, engage in any work, services, or other activities for any person or entity which directly or indirectly competes with the Company in any way. This includes, but is not limited to acting as an employee, officer, director, contractor, owner, consultant, or agent of any such person or entity. The determination of whether a person or entity is competitive with the Company shall be subject to the sole and exclusive discretion of the Committee. You shall act in the best interest of the Company while providing the Exclusive Consulting Services to the Company.

5. Term and Termination.

5.1 Term. This Exclusive Consulting Agreement is effective as of the date of your termination of employment with the Company following Normal Retirement Age and will terminate on the two-year anniversary thereof unless terminated earlier as set forth below (the “**Term**”).

5.2 Termination by the Company. The Company may terminate this Exclusive Consulting Agreement before the end of the Term for any breach by you of Section 4 hereof or any material breach by you of any other provision hereof. Should the Company believe that you breached this Exclusive Consulting Agreement in a manner that allows a termination pursuant to this Section 5.2, the Company will notify you in writing and allow you to cure any breach (if such breach is curable) within ten (10) days after the date of the Company’s written notice of breach. You understand that if the Company terminates this Exclusive Consulting Agreement pursuant to this Section 5.2, you will forfeit all additional vesting, payments or other rights or benefits under the Award as a result of having attained Normal Retirement Age and you will be subject to the Equity Clawback provisions of Section 6, below.

5.3 Termination by You. You may not terminate this Exclusive Consulting Agreement during the Term except or unless the Company materially breaches this Exclusive Consulting Agreement. Should you believe that the Company materially breached this Exclusive Consulting Agreement, you will notify the Company in writing and allow the Company to cure any breach (if such breach is curable) within ten (10) days after the date of your written notice of breach.

6. Equity Clawback. In the event of any breach by you of Section 4 hereof or any material breach by you of any other provision hereof, then any additional vesting, payments or other rights or benefits you may have as a result of having attained Normal Retirement Age shall automatically and immediately terminate and be forfeited. In addition, you shall, within thirty (30) days following notice from the Company, pay to the Company an amount equal to the aggregate benefit, value or gain you realized or obtained as a result of any additional vesting, payments or other rights or benefits you received under the Award as a result of having attained Normal Retirement Age.

ATTACHMENT 3

QUALCOMM INCORPORATED **Incentive Compensation Repayment Policy**

(Effective October 2, 2023)

1. INTRODUCTION

QUALCOMM Incorporated (the “*Company*”) is adopting this Incentive Compensation Repayment Policy (this “*Policy*”) to provide for the Company’s criteria and process for recovering certain Incentive Compensation (as defined below) erroneously awarded to or earned or received by Affected Officers (as defined below) under certain circumstances. This Policy is adopted effective as of the date set forth above (the “*Effective Date*”). As of the Effective Date, this Policy is the successor to and restates the Company’s Incentive Compensation Repayment Policy that was adopted effective September 23, 2020.

This Policy is administered by the HR and Compensation Committee (the “*Committee*”) of the Company’s Board of Directors (the “*Board*”). The Committee shall have full and final authority to make any and all determinations required under this Policy. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all parties. The Committee may amend or terminate this Policy at any time.

This Policy is intended to comply with Section 10D of the Securities and Exchange Act of 1934, as amended (the “*Exchange Act*”), Rule 10D-1 thereunder, and the applicable rules of the Nasdaq Stock Market, including Rule 5608, or any other national securities exchange on which the Company’s securities are then listed (the “*Exchange*”) and will be interpreted and administered consistent with that intent.

2. EFFECTIVE DATE

This Policy shall apply to all Incentive Compensation received by an Affected Officer on or after the Effective Date to the extent permitted or required by applicable law or the rules of the Exchange.

3. DEFINITIONS

For purposes of this Policy, the following terms shall have the meanings set forth below:

“*Affected Officer*” means any current or former “officer” as defined in Exchange Act Rule 16a-1 and includes the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a (significant) policy-making function, or any other person who performs similar policymaking functions for the Company. The Board makes a determination, at least annually, of the individuals who are the Company’s “officers” as defined in Exchange Act Rule 16a-1.

“*Erroneously Awarded Compensation*” means the amount of Incentive Compensation received that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based on the Restatement, computed without regard to any taxes paid. In the case of Incentive Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Restatement, the amount shall reflect a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was received, as determined by the Committee in its sole discretion. The Company shall maintain

documentation of the determination of such reasonable estimate and provide such documentation to the Exchange as required by such Exchange.

“Financial Reporting Measure” means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, whether or not such measure is presented within the financial statements or included in a filing with the Securities and Exchange Commission (“SEC”). Stock price and total shareholder return are also Financial Reporting Measures.

“Incentive Compensation” means any compensation that is awarded, earned or vested based in whole or in part on the attainment of a Financial Reporting Measure. For purposes of clarity, base salaries, bonuses or equity awards paid solely upon satisfying one or more subjective standards, strategic or operational measures, or continued employment are not considered Incentive Compensation, unless such awards were granted, paid or vested based in part on a Financial Reporting Measure.

“Restatement” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (i.e., a “Big R” restatement), or that would result in a material misstatement if the error was corrected in the current period or left uncorrected in the current period (i.e., a “little r” restatement).

4. RECOVERY

If the Company is required to prepare a Restatement, the Company shall seek to recover and claw back reasonably promptly all Erroneously Awarded Compensation that is received by an Affected Officer:

- (i) on and after the Effective Date;
- (ii) after beginning service as an Affected Officer;
- (iii) who served as an Affected Officer at any time during the performance period for that Incentive Compensation;
- (iv) while the Company has a class of securities listed on the Exchange; and
- (v) during the three completed fiscal years immediately preceding the date on which the Company was required to prepare the Restatement (including any transition period within or immediately following those years that results from a change in the Company’s fiscal year, provided that a transition period of nine to 12 months will be deemed to be a completed fiscal year).

For purposes of this Policy:

- Erroneously Awarded Compensation is deemed to be received in the Company’s fiscal year during which the Financial Reporting Measure specified in the Incentive Compensation is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period; and
- the date the Company is required to prepare a Restatement is the earlier of (x) the date the Board, the Committee or any officer of the Company authorized to take such action concludes, or reasonably should have concluded, that the Company is required to prepare the Restatement, or (y) the date a court, regulator, or other legally authorized body directs the Company to prepare the Restatement.

For purposes of clarity, in no event shall the Company be required to award any Affected Officers an additional payment or other compensation if the Restatement would have resulted in the grant, payment or vesting of Incentive Compensation that is greater than the Incentive Compensation actually received by the Affected Officer. The recovery of Erroneously Awarded Compensation is not dependent on if or when the Restatement is filed.

To the extent required by applicable law or the rules of the Exchange any profits realized from the sale of securities of the Company are subject to recoupment under this Policy.

5. SOURCES OF RECOUPMENT

In seeking recoupment of Erroneously Awarded Compensation under this Policy, to the extent permitted by applicable law, the Committee may, in its discretion, seek recoupment from the Affected Officer(s) from any of the following sources: (i) prior Incentive Compensation payments; (ii) future payments of Incentive Compensation; (iii) cancellation of outstanding Incentive Compensation; and (iv) direct repayment. To the extent permitted by applicable law, the Company may offset such amount against any compensation or other amounts owed by the Company to the Affected Officer.

To the extent that an Affected Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall, or shall cause one or more of its subsidiaries to, take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the Affected Officer; provided that the Affected Officer shall be required to reimburse the Company and its subsidiaries for any and all expenses reasonably incurred (including legal fees) by the Company or any of its subsidiaries in recovering such Erroneously Awarded Compensation.

6. LIMITED EXCEPTIONS TO RECOVERY

Notwithstanding the foregoing, the Committee, in its discretion, may choose to forgo recovery of Erroneously Awarded Compensation under the following circumstances, provided that the Committee (or a majority of the independent members of the Board) has made a determination that recovery would be impracticable because:

- (i) The direct expense paid to a third party to assist in enforcing this Policy would exceed the recoverable amounts; provided that the Company has made a reasonable attempt to recover such Erroneously Awarded Compensation, has documented such attempt and has (to the extent required) provided that documentation to the Exchange;
- (ii) Recovery would violate home country law where the law was adopted prior to November 28, 2022, and the Company provides an opinion of home country counsel to that effect to the Exchange that is acceptable to the Exchange; or
- (iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of the Internal Revenue Code of 1986, as amended.

7. INDEMNIFICATION AND INSURANCE

Neither the Company nor any of its subsidiaries is permitted to indemnify or reimburse any Affected Officer against the recovery of Erroneously Awarded Compensation. In addition, the Company and its subsidiaries are prohibited from paying the premiums on an insurance policy that would cover an Affected Officer's potential clawback obligations, or entering into any agreement that exempts any Incentive Compensation from this Policy or that waives the Company or any of its subsidiary's rights to

recover Erroneously Awarded Compensation in accordance with this Policy, and this Policy shall supersede any such agreement.

8. SEVERABILITY

If any provision of this Policy or the application of any such provision to any Affected Officer shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

9. NO IMPAIRMENT OF OTHER REMEDIES

This Policy does not preclude the Company from taking any other action to enforce an Affected Officer's obligations to the Company or limit any other remedies that the Company may have available to it and any other actions that the Company may take, including termination of employment, institution of civil proceedings, or reporting of any misconduct to appropriate government authorities. The Company will comply with the disclosure, documentation and records requirements related to this Policy under Section 10D of the Exchange Act, applicable listing rules of the Exchange and applicable SEC filings. This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company and any of its subsidiaries under applicable law, regulation or rule or pursuant to the terms of any similar policy in any employment agreement, offer letter, compensation plan, equity award agreement, or similar agreement, and any other legal remedies available to the Company or any of its subsidiaries. The Committee may require that any employment agreement, offer letter, compensation plan, equity award agreement, or any other agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Affected Officer to agree to abide by the terms of this Policy.

QUALCOMM INCORPORATED
2023 Long-Term Incentive Plan
Executive Restricted Stock Unit Grant Notice

Qualcomm Incorporated (the “**Company**”), pursuant to its 2023 Long-Term Incentive Plan (the “**Plan**”), hereby grants to you, the Participant named below, the number of Restricted Stock Units set forth below, each of which represents the right to receive one (1) share of the Company’s common stock, subject to all of the terms and conditions as set forth in this Executive Restricted Stock Unit Grant Notice (the “**Grant Notice**”) and the Executive Restricted Stock Unit Agreement (attached hereto) and the Plan¹ which are incorporated herein in their entirety. Capitalized terms not otherwise defined in this Grant Notice or the Executive Restricted Stock Unit Agreement shall have the meaning set forth in the Plan.

Participant: «Employee» **Grant No.:** «Number»

Emp #: «ID» **Number of Restricted Stock Units:** «Shares_Granted»

Date of Grant: «Date of Grant»

Vesting Dates:

<u>Restricted Stock Units Vested</u>	<u>Vesting Date</u>
«1/3 Shares»	«Vesting Date 1»
«1/3 Shares»	«Vesting Date 2»
«1/3 Shares»	«Vesting Date 3»

Additional Terms/Acknowledgments: You must acknowledge, in the form determined by the Company, receipt of, and represent that you have read, understand, accept and agree to the terms and conditions of, this Grant Notice, the Agreement including the Exclusive Consulting Agreement attached to the Agreement and the Plan (including, but not limited to, the binding arbitration provision in Section 3.6 of the Plan).

Qualcomm Incorporated:

By:

<<Name>>

<<Title>>

<<Date>>

Attachment: Executive Restricted Stock Unit Agreement

¹ A copy of the Plan can be obtained at go/MyHR.

Qualcomm Incorporated
2023 Long-Term Incentive Plan
Executive Restricted Stock Unit Agreement

Qualcomm Incorporated (the “**Company**”) has granted a number of Restricted Stock Units (this “**Award**”) with respect to the number of shares of the Company’s common stock (“**Stock**”) specified in the Executive Restricted Stock Unit Grant Notice (the “**Grant Notice**”) to you, the Participant named in the Grant Notice pursuant to the terms and conditions set forth in the Grant Notice, this Executive Restricted Stock Unit Agreement and the attachments hereto (together with the Grant Notice, the “**Agreement**”) and the 2023 Long-Term Incentive Plan (the “**Plan**”). Capitalized terms that are not explicitly defined in the Grant Notice or this Agreement but are defined in the Plan shall have the same definitions as in the Plan.

The terms and conditions of this Award are as follows:

1. VESTING.

1.1 SERVICE VESTING. Except to the extent that your Restricted Stock Units may vest earlier as provided in the Sections below, your Restricted Stock Units will vest to the extent you are in Service on the applicable Vesting Date(s) specified in the Grant Notice. If your Service terminates (or is deemed to have terminated) before the applicable Vesting Date(s) for any reason other than as specified in the remainder of this Section 1, your Restricted Stock Units otherwise scheduled to vest on such applicable Vesting Date(s) are not eligible to vest and shall be forfeited.

1.2 ATTAINMENT OF NORMAL RETIREMENT AGE. Your Restricted Stock Units are eligible to be fully vested upon your attainment of Normal Retirement Age (as defined below), prior to your termination of employment, subject to your satisfaction of the conditions set forth in Section 2.1(b) below. If your employment terminates for any reason prior to your attainment of Normal Retirement Age, your Restricted Stock Units are not eligible to vest pursuant to this Section 1.2.

1.3 DEATH. If your Service terminates because of your death, the vesting of your Restricted Stock Units shall be accelerated in full effective upon your death.

1.4 DISABILITY. If your Service terminates because of your Disability, the vesting of your Restricted Stock Units shall be accelerated in full effective as of the date on which your Service terminates due to your Disability.

1.5 QUALIFIED TERMINATION. If your employment terminates as a result of a Qualified Termination (as defined below) before you attain Normal Retirement Age, then effective as of your Qualified Termination, subject to your execution, delivery and non-revocation of a Separation Agreement (as defined in the Severance Plan) so that it becomes effective before the 60th day following your Qualified Termination and continued compliance with the Confidentiality Agreement (as defined in the Severance Plan) and the Separation Agreement (the “**Qualified Termination Conditions**”), the vesting of your Restricted Stock Units shall be accelerated effective as of the Qualified Termination with respect to a number of shares of Stock (rounded up to the nearest whole share) equal to the excess of (x) the number of Restricted Stock Units granted herein multiplied by a fraction, the numerator of which is equal to the number of months that have elapsed between the Date of Grant and the earlier of (1) the first anniversary of the Qualified Termination and (2) the final vesting date of the Restricted Stock Units and the denominator of which is the full number of months from the Date of Grant until the final vesting date of the Restricted Stock Units, over (y) the number of Restricted Stock Units (if any) that had vested prior to the Qualified Termination.

1.6 CIC QUALIFIED TERMINATION. If your employment terminates as a result of a CIC Qualified Termination (as defined below) before you attain Normal Retirement Age, then the vesting of your remaining unvested Restricted Stock Units shall be accelerated in full effective as of the date of your CIC Qualified Termination subject to the Release (as described in the CIC Severance Plan) becoming non-revocable (the “*CIC Qualified Termination Conditions*”).

1.7 SUSPENSION OF VESTING. Notwithstanding any other provision of the Plan or this Agreement, the Company reserves the right, in its sole discretion, to suspend or reduce vesting of this Award in the event of any leave of absence or part-time Service applicable to you which occurs prior to the applicable Vesting Date.

1.8 CHANGE IN CONTROL.

(a) In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the “*Acquiring Corporation*”), may, without your consent, either assume the Company’s rights and obligations under this Award or substitute for this Award a substantially equivalent award for the Acquiring Corporation’s stock.

(b) In the event the Acquiring Corporation elects not to assume or substitute for this Award in connection with a Change in Control, the vesting of this Award, so long as your Service has not terminated prior to the date of the Change in Control, shall be accelerated, effective as of immediately prior to the closing of the Change in Control. The vesting of this Award and payment of any shares of Stock by reason of this Section 1.8(b) shall be conditioned upon the consummation of the Change in Control.

(c) Notwithstanding the foregoing, shares of Stock acquired upon settlement of this Award prior to the Change in Control and any consideration received pursuant to the Change in Control with respect to such shares shall continue to be subject to all applicable provisions of this Agreement except as otherwise provided in this Agreement.

(d) Notwithstanding the foregoing, if the corporation the stock of which is subject to this Award immediately prior to an Ownership Change Event constituting a Change in Control is the surviving or continuing corporation and immediately after such Ownership Change Event, less than fifty percent (50%) of the total combined voting power of its voting stock is held by another corporation or by other corporations that are members of an affiliated group within the meaning of Section 1504(a) of the Code, without regard to the provisions of Section 1504(b) of the Code, this Award shall be assumed, substituted or continued and shall not terminate (and the vesting of such award shall not accelerate as provided in Section 1.8(b) unless the Committee otherwise provides in its discretion.

1.9 DEFINITIONS. For purposes of this Agreement, the following capitalized terms are defined as follows:

“*Cause*” has the meaning given such term in the Severance Plan before a Change in Control and the meaning given such term in the CIC Severance Plan on or after a Change in Control. Whether a termination of employment was for Cause or a termination of employment could have been implemented for Cause shall be determined by the Committee.

“*CIC Qualified Termination*” means a Qualified Termination as defined in the CIC Severance Plan.

“*CIC Severance Plan*” means the Qualcomm Incorporated Executive Officer Change in Control Severance Plan, as may be amended from time to time.

“**Disability**” has the meaning given such term in the Severance Plan and CIC Severance Plan.

“**Normal Retirement Age**” shall be [the later of: (a) the date which is three (3) months after the Grant Date or (b)] the earlier of (1) the date on which you have attained age fifty-five (55) and completed at least ten (10) years of consecutive employment (as measured from your most recent date of hire), or (2) the date on which the sum of all of your years of employment (with aggregation of any partial years of employment) and attained age equals 80.

“**Qualified Termination**” means a Qualified Termination as defined in the Severance Plan.

“**Severance Plan**” means the Qualcomm Incorporated Executive Officer Severance Plan, as may be amended from time to time.

2. PAYMENT OF YOUR RESTRICTED STOCK UNITS.

2.1 TIMING OF PAYMENT.

(a) Subject to the other terms of the Plan and this Agreement, any Restricted Stock Units that vest in accordance with Section 1.1 will be paid to you via an issuance of shares no later than thirty (30) days after the applicable Vesting Date specified in the Grant Notice.

(b) Subject to the other terms of the Plan and this Agreement, any Restricted Stock Units that are eligible to vest in accordance with Section 1.2 in connection with your attainment of Normal Retirement Age prior to termination of employment will be paid to you via an issuance of shares no later than thirty (30) days after the applicable Vesting Date specified in the Grant Notice (or if later, no later than ten (10) days after the effective date of any required release as specified below); provided, however, that payments shall be made pursuant to this Section 2.1(b) following termination of your employment with the Participating Company only if such termination was not for Cause and you (A) execute a general release of claims in a form satisfactory to the Company and that general release becomes irrevocable before the 60th day following your termination of employment, and (B) comply with the requirements contained in the Exclusive Consulting Agreement attached hereto as Attachment 1 (the “**Consulting Agreement**”). Notwithstanding the foregoing, in the event you violate any of the provisions contained in the Consulting Agreement, any Restricted Stock Units that were otherwise eligible to vest pursuant to Section 1.2 shall be immediately forfeited without consideration. Additionally, in the event that either (i) your employment is terminated for Cause at any time prior to the date you are issued the shares of Stock, or (ii) the Committee determines that the occurrence of circumstances constituting Cause for your termination occurred at any time prior to the date you are issued the shares of Stock (and regardless of whether or not your employment is terminated for Cause or if you were employed on the date of such occurrence), your Restricted Stock Units are not eligible to vest and you shall immediately forfeit your right to payment with respect to any Restricted Stock Units following the date of such termination under this Section 2.1(b). You acknowledge and agree that your provision of services in compliance with the terms of the Consulting Agreement shall be taken into consideration solely for purposes of your eligibility to vest in the Award and shall not be deemed continued Service with the Participating Companies for purposes of your eligibility to vest in any other equity awards.

(c) Subject to the other terms of the Plan and this Agreement, any Restricted Stock Units that vest and become nonforfeitable in accordance with Sections 1.3 or 1.4 will be paid to you no later than thirty (30) days after the date your Service terminates.

(d) Subject to the other terms of the Plan and this Agreement, any Restricted Stock Units that vest and become nonforfeitable in accordance with Section 1.5 will

be paid to you no later than 60 days after the date of your Qualified Termination, subject to your timely satisfaction of the Qualified Termination Conditions.

(e) Subject to the other terms of the Plan and this Agreement, any Restricted Stock Units that vest and become nonforfeitable in accordance with Section 1.6 will be paid to you no later than 60 days after the date of your CIC Qualified Termination, subject to your timely satisfaction of the CIC Qualified Termination Conditions.

2.2 FORM OF PAYMENT. Your vested Restricted Stock Units shall be paid in an issuance of whole shares of Stock except as otherwise provided in Section 10.3 of the Plan regarding fractional shares attributable to Dividend Equivalents.

2.3 TAX WITHHOLDING. You acknowledge that the Company and/or the Participating Company that employs you (the “**Employer**”) may be subject to withholding tax obligations arising by reason of the vesting and/or payment of this Award. You authorize your Employer to satisfy the withholding tax obligations by one or a combination of the following methods, as selected by the Company in its sole discretion: (a) withholding from your pay and any other amounts payable to you; (b) withholding of Stock and/or cash from the payment of this Award with the number of shares of Stock to be withheld to be calculated by reference to the Fair Market Value (as defined below in this Section 2.3) of such Stock; (c) arranging for the sale of shares of Stock payable in connection with this Award (on your behalf and at your direction which you authorize by accepting this Award); or (d) any other method allowed by the Plan or applicable law. Notwithstanding the foregoing, you may elect in the manner specified by the Company to make a cash payment to the Company or your Employer to satisfy the withholding tax obligations with respect to this Award, provided such election is made during an open trading window under the Qualcomm Insider Trading Policy and you are not in possession of any material nonpublic information at the time of such election. If your Employer satisfies the withholding obligations by withholding a number of whole shares of Stock as described in subsection (b) herein, for tax purposes you will be deemed to have been issued the full number of shares of Stock subject to this Award, notwithstanding that a number of shares is held back in order to satisfy the withholding obligations. The “**Fair Market Value**” of any Stock withheld pursuant to this Section 2.3 shall be determined by reference to an amount equal to the closing price of a share of Stock as quoted on any national or regional securities exchange or market system constituting the primary market for the Stock on the date of determination (or, if there is no closing price on that day, the last trading day prior to that day) or, if the Stock is not listed on a national or regional securities exchange or market system, the value of a share of Stock as determined by the Committee in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse. The Company shall not be required to issue any shares of Stock pursuant to this Agreement unless and until the withholding obligations are satisfied.

3. TAX ADVICE. You represent, warrant and acknowledge that the Company and, if different, your Employer, has made no warranties or representations to you with respect to the income tax consequences of the transactions contemplated by this Award, and you are in no manner relying on the Company, your Employer or their representatives for an assessment of such tax consequences. YOU UNDERSTAND THAT THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR REGARDING THE TAX TREATMENT OF THIS OR ANY OTHER AWARD. NOTHING STATED HEREIN IS INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAXPAYER PENALTIES.

4. DIVIDEND EQUIVALENTS. If the Board declares a cash dividend on the Company’s Stock, you will be entitled to Dividend Equivalents in the form, payable on the terms and at such times as provided in Section 10.3 of the Plan.

5. SECURITIES LAW COMPLIANCE. Notwithstanding anything to the contrary contained herein, no shares of Stock will be issued to you upon vesting of this Award unless the Stock is then registered under the Securities Act or, if such Stock is not then so registered, the Company has determined that such vesting and issuance would be exempt from the registration requirements of the Securities Act. By accepting this Award, you agree not to sell any of the shares of Stock received under this Award at a time when applicable laws or Company policies prohibit a sale.

6. TRANSFERABILITY. Prior to the issuance of shares of Stock in settlement of this Award, the Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by your creditors or by your beneficiary (if any), except (a) transfer by will or by the laws of descent and distribution or (b) to the extent permitted by the Company, transfer by written designation of a beneficiary, in a form acceptable to the Company, with such designation taking effect upon your death. All rights with respect to your Restricted Stock Units shall be exercisable during your lifetime only by you or your guardian or legal representative. Prior to actual payment any shares of Stock pursuant to this Award, this Award will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

7. AWARD NOT AN EMPLOYMENT OR SERVICE CONTRACT. This Award is not an employment or service contract and nothing in this Agreement, the Grant Notice or the Plan shall be deemed to create in any way whatsoever any obligation on your part to continue in the employment or Service of a Participating Company, or of a Participating Company to continue your employment or Service with the Participating Company. In addition, nothing in your Award shall obligate the Company, its stockholders, Board, Officers or Employees to continue any relationship which you might have as an Employee, Director or Consultant for the Company.

8. RESTRICTIVE LEGEND. Stock issued pursuant to the vesting and payment of this Award may be subject to such restrictions upon the sale, pledge or other transfer of the Stock as the Company and the Company's counsel deem necessary under applicable law or pursuant to this Agreement.

9. REPRESENTATIONS, WARRANTIES, COVENANTS, AND ACKNOWLEDGMENTS. You hereby agree that in the event the Company and the Company's counsel deem it necessary or advisable in the exercise of their discretion, the transfer or issuance of the shares of Stock issued pursuant to this Award may be conditioned upon you making certain representations, warranties, and acknowledgments relating to compliance with applicable securities laws.

10. VOTING AND OTHER RIGHTS. Subject to the terms of this Agreement, you shall not have any voting rights or any other rights and privileges of a shareholder of the Company unless and until shares of Stock are issued upon payment of this Award.

11. CODE SECTION 409A. It is the intent that the terms relating to the vesting and payment of the Award as set forth in this Agreement shall qualify for exemption from or comply with the requirements of Section 409A of the Code, and any ambiguities herein will be interpreted to so qualify or comply. Notwithstanding the foregoing or anything herein to the contrary, if it is determined that this Award fails to satisfy the requirements of the "short-term deferral" exemption and is otherwise deferred compensation subject to Section 409A of the Code, and if you are a "specified employee" (as defined under Section 409A(a)(2)(B)(i) of the Code) as of the date of your "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)), then the issuance of any shares of Stock that would otherwise be made upon the date of the separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date and will instead be issued in a lump sum on the date

that is six (6) months and one day after the date of the separation from service, but only if such delay in the issuance of the shares is necessary to avoid the imposition of additional taxation on you in respect of the shares under Section 409A of the Code. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that all payments provided for under this Agreement are made in a manner that qualifies for exemption from or complies with Section 409A of the Code; provided, however, that the Company makes no representation that the vesting or payments pursuant to this Award provided for under this Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the vesting or payments pursuant to this Award or require that any vesting or payments pursuant to this Award comply with the require Section of 409A of the Code. The Company will have no liability to you or any other party if the Award, the delivery of shares of Stock upon payment of the Award or other payment hereunder that is intended to be exempt from, or compliant with, Code Section 409A, is not so exempt or compliant or for any action taken by the Company with respect thereto.

12. NOTICES. Any notices provided for in this Agreement, the Grant Notice or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

13. NATURE OF GRANT. In accepting the Award, you acknowledge and agree that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, (subject to any limitations set forth in the Plan);
- (b) the Award is voluntary and occasional and does not create any contractual or other right to receive future awards, or benefits in lieu of awards, even if other awards have been awarded repeatedly in the past;
- (c) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;
- (d) your participation in the Plan is voluntary;
- (e) the Award and the shares of Stock subject to the Award are extraordinary items that do not constitute compensation of any kind for Services of any kind rendered to the Company or the Employer, and which are outside the scope of your employment or service contract, if any;
- (f) the Award and the shares of Stock subject to the Award are not intended to replace any pension rights or compensation;
- (g) the Award and the shares of Stock subject to the Award are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Participating Company;
- (h) the future value of the underlying shares of Stock is unknown and cannot be predicted with any certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of your Award resulting from termination of your employment or Service or your breach of any terms hereof (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid), and in consideration of the grant of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, waive your ability, if any, to bring any such claim, and release the Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(j) the Award and the benefits evidenced by this Agreement do not create any entitlement, not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the Award or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Company's Stock; and

(k) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of Stock; you are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

14. APPLICABLE LAW. This Agreement shall be governed by the laws of the State of California as if the Agreement were between California residents and as if it were entered into and to be performed entirely within the State of California.

15. ARBITRATION. Any dispute or claim concerning any Restricted Stock Units granted (or not granted) pursuant to the Plan and any other disputes or claims relating to or arising out of this Agreement or the Plan shall be fully, finally and exclusively resolved by binding arbitration conducted by the American Arbitration Association pursuant to the commercial arbitration rules in San Diego, California. By accepting this Award, you and the Company waive your respective rights to have any such disputes or claims tried by a judge or jury.

16. AMENDMENT. Your Award may be amended as provided in the Plan at any time, provided no such amendment may adversely affect this Award without your consent unless such amendment is necessary to comply with any applicable law or government regulation, or is contemplated in Section 11 hereof. No amendment or addition to this Agreement shall be effective unless in writing or in such electronic form as may be designated by the Company.

17. GOVERNING PLAN DOCUMENT. This Award is subject to this Agreement, the Grant Notice and all the provisions of the Plan, the provisions of which are hereby made a part of this Agreement, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this Agreement, the Grant Notice and those of the Plan, the provisions of the Plan shall control.

18. SEVERABILITY. If any provision of this Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent possible.

19. DESCRIPTION OF ELECTRONIC DELIVERY. The Plan documents, which may include but do not necessarily include: the Plan, the Grant Notice, this Agreement, and any

reports of the Company provided generally to the Company's stockholders, may be delivered to you electronically. In addition, if permitted by the Company, you may electronically accept and acknowledge the Grant Notice and/or this Agreement and/or deliver such documents to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic acknowledgement, acceptance and/or delivery may include but do not necessarily include use of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via electronic mail ("e-mail") or such other means specified by the Company. You hereby consent to receive the above-listed documents by electronic delivery and, if permitted by the Company, agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company, as set forth herein.

20. WAIVER. The waiver by the Company with respect to your (or any other Participant's) compliance of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of such party of a provision of this Agreement.

21. REPAYMENT/FORFEITURE. Any benefits you may receive hereunder shall be subject to repayment or forfeiture as required to comply with (a) any applicable listing standards of a national securities exchange on which the Company's securities are listed or as otherwise required by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder, including Rule 10D-1 of the Exchange Act, (b) other applicable U.S. laws, and the applicable laws of any other jurisdiction, (c) the Qualcomm Incorporated Incentive Compensation Repayment Policy, a copy of which is attached hereto as Attachment 2, or (d) any other repayment or forfeiture policies adopted by the Company, each to the extent determined by the Company in its discretion to be applicable to you.

Attachment 1

**QUALCOMM INCORPORATED
EXCLUSIVE CONSULTING AGREEMENT**

1. **Consulting Services Following Normal Retirement Age.** In the event you terminate your employment with the Participating Companies and receive or are entitled to receive additional vesting, payments or other rights or benefits under the Award to which this Exclusive Consulting Agreement is attached as a result of having previously attained Normal Retirement Age, you will provide the Company consulting services related to the subject matter of that employment as provided in this Exclusive Consulting Agreement. Such consulting services will not exceed five (5) hours per month, and there will be no separate compensation for such services beyond that provided in the Award. Should the Company request services in excess of five (5) hours per month, you and the Company will negotiate appropriate compensation for such additional services before they are undertaken. You represent, warrant and covenant that you will perform any services under this Exclusive Consulting Agreement in a timely, professional and workmanlike manner and that all services, materials, information and deliverables provided by you hereunder will comply with (i) the requirements communicated by the Company, (ii) the Company's policies and procedures; and (iii) any other agreements between you and the Company, including but not limited to any severance, confidentiality or proprietary agreements. All capitalized terms in this Exclusive Consulting Agreement not otherwise defined herein shall have the meaning prescribed by the Qualcomm Incorporated 2023 Long-Term Incentive Plan (the "***Plan***") or the Award Agreement thereunder to which this Exclusive Consulting Agreement is attached.
2. **The Award.** You are a former high-level executive who is terminating employment with the Participating Companies after attaining Normal Retirement Age with respect to the Award and as such you are eligible for additional vesting, payments or other rights or benefits under the Award. Your agreement to the terms and conditions of this Exclusive Consulting Agreement is an express condition of the Award and the additional provisions of the Award applicable to you following attainment of Normal Retirement Age with respect to the award. You acknowledge and agree that your provision of services in compliance with the terms of this Exclusive Consulting Agreement shall be taken into consideration solely for purposes of your eligibility to vest in the Award and shall not be deemed continued Service with the Participating Companies for purposes of your eligibility to vest in any other equity awards that may have been granted to you and with respect to which you did not attain Normal Retirement Age prior to your termination of employment.
3. **Independent Contractor Relationship.** Your relationship with Company under this Exclusive Consulting Agreement is that of an independent contractor, and nothing herein is intended to, or shall be construed to, create a partnership, agency, joint venture, employment, or similar relationship. You will not be entitled to any of the benefits that Company may make available to its employees, including, but not limited to, group health or life insurance, profit-sharing benefits, or retirement benefits, or awards under the Plan unless expressly provided in writing otherwise. You agree that providing services under this Exclusive Consulting Agreement shall not be treated as Service for purposes of the Plan or the Award. You are not authorized to make any representation, contract, or commitment on behalf of Company unless specifically requested or authorized in writing to do so by a Company officer. You are solely responsible for, and will file, on a timely basis, all tax returns and payments required to be filed with, or made to, any federal, state, or local tax authority. You will indemnify and hold harmless Company from and against any and all tax liability related to this Exclusive Consulting Agreement as well as any claims, actions, or charges arising out of or caused by your classification as an independent contractor.

4. Exclusivity.

4.1 The consultancy arrangement contemplated by this Exclusive Consulting Agreement shall be on an exclusive basis. You shall not, during the Term, without the prior written consent of the Compensation Committee, engage in any work, services, or other activities for any person or entity which directly or indirectly competes with Company in any way. This includes, but is not limited to acting as an employee, officer, director, contractor, owner, consultant, or agent of any such person or entity. The determination of whether a person or entity is competitive with Company shall be subject to the sole and exclusive discretion of the Compensation Committee. You shall act in the best interest of Company while providing the Exclusive Consulting Services to Company.

5. Term and Termination.

5.1 Term. This Exclusive Consulting Agreement is effective as of the date of your termination of employment with Company following Normal Retirement Age and will terminate on the two year anniversary thereof unless terminated earlier as set forth below (the “***Term***”).

5.2 Termination by the Company. The Company may terminate this Exclusive Consulting Agreement before the end of the Term for any breach of Section 4 hereof by you or any material breach by you of any other provision hereof. Should the Company believe that you breached this Exclusive Consulting Agreement in a manner that allows a termination pursuant to this Section 5.2, the Company will notify you in writing and allow you to cure any breach (if such breach is curable) within ten (10) days after the date of Company’s written notice of breach. You understand that if Company terminates this Exclusive Consulting Agreement pursuant to this Section 5.2, you will forfeit all additional vesting, payments or other rights or benefits under the Award as a result of having attained Normal Retirement Age and you will be subject to the Equity Clawback provisions of Section 6, below.

5.3 Termination by You. You may not terminate this Exclusive Consulting Agreement during the Term except or unless Company materially breaches this Consulting Agreement. Should you believe that Company materially breached this Exclusive Consulting Agreement, you will notify the Company in writing and allow Company to cure any breach (if such breach is curable) within ten (10) days after the date of your written notice of breach.

6. Equity Clawback. In the event of any breach by you of Section 4 hereof or any material breach by you of any other provision hereof, then any additional vesting, payments or other rights or benefits you may have as a result of having attained Normal Retirement Age shall automatically and immediately terminate and be forfeited. In addition, you shall, within thirty (30) days following notice from Company, pay to the Company an amount equal to the aggregate benefit, value or gain you realized or obtained as a result of any additional vesting, payments or other rights or benefits you received under the Award as a result of having attained Normal Retirement Age.

Attachment 2

QUALCOMM INCORPORATED Incentive Compensation Repayment Policy

(Effective October 2, 2023)

1. INTRODUCTION

QUALCOMM Incorporated (the “*Company*”) is adopting this Incentive Compensation Repayment Policy (this “*Policy*”) to provide for the Company’s criteria and process for recovering certain Incentive Compensation (as defined below) erroneously awarded to or earned or received by Affected Officers (as defined below) under certain circumstances. This Policy is adopted effective as of the date set forth above (the “*Effective Date*”). As of the Effective Date, this Policy is the successor to and restates the Company’s Incentive Compensation Repayment Policy that was adopted effective September 23, 2020.

This Policy is administered by the HR and Compensation Committee (the “*Committee*”) of the Company’s Board of Directors (the “*Board*”). The Committee shall have full and final authority to make any and all determinations required under this Policy. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all parties. The Committee may amend or terminate this Policy at any time.

This Policy is intended to comply with Section 10D of the Securities and Exchange Act of 1934, as amended (the “*Exchange Act*”), Rule 10D-1 thereunder, and the applicable rules of the Nasdaq Stock Market, including Rule 5608, or any other national securities exchange on which the Company’s securities are then listed (the “*Exchange*”) and will be interpreted and administered consistent with that intent.

2. EFFECTIVE DATE

This Policy shall apply to all Incentive Compensation received by an Affected Officer on or after the Effective Date to the extent permitted or required by applicable law or the rules of the Exchange.

3. DEFINITIONS

For purposes of this Policy, the following terms shall have the meanings set forth below:

“*Affected Officer*” means any current or former “officer” as defined in Exchange Act Rule 16a-1 and includes the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a (significant) policy-making function, or any other person who performs similar policymaking functions for the Company. The Board makes a determination, at least annually, of the individuals who are the Company’s “officers” as defined in Exchange Act Rule 16a-1.

“*Erroneously Awarded Compensation*” means the amount of Incentive Compensation received that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based on the Restatement, computed without regard to any taxes paid. In the case of Incentive Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Restatement, the amount shall reflect a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was received, as determined by the Committee in its sole discretion. The Company shall maintain

documentation of the determination of such reasonable estimate and provide such documentation to the Exchange as required by such Exchange.

“Financial Reporting Measure” means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, whether or not such measure is presented within the financial statements or included in a filing with the Securities and Exchange Commission (“SEC”). Stock price and total shareholder return are also Financial Reporting Measures.

“Incentive Compensation” means any compensation that is awarded, earned or vested based in whole or in part on the attainment of a Financial Reporting Measure. For purposes of clarity, base salaries, bonuses or equity awards paid solely upon satisfying one or more subjective standards, strategic or operational measures, or continued employment are not considered Incentive Compensation, unless such awards were granted, paid or vested based in part on a Financial Reporting Measure.

“Restatement” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (i.e., a “Big R” restatement), or that would result in a material misstatement if the error was corrected in the current period or left uncorrected in the current period (i.e., a “little r” restatement).

4. RECOVERY

If the Company is required to prepare a Restatement, the Company shall seek to recover and claw back reasonably promptly all Erroneously Awarded Compensation that is received by an Affected Officer:

- (i) on and after the Effective Date;
- (ii) after beginning service as an Affected Officer;
- (iii) who served as an Affected Officer at any time during the performance period for that Incentive Compensation;
- (iv) while the Company has a class of securities listed on the Exchange; and
- (v) during the three completed fiscal years immediately preceding the date on which the Company was required to prepare the Restatement (including any transition period within or immediately following those years that results from a change in the Company’s fiscal year, provided that a transition period of nine to 12 months will be deemed to be a completed fiscal year).

For purposes of this Policy:

- Erroneously Awarded Compensation is deemed to be received in the Company’s fiscal year during which the Financial Reporting Measure specified in the Incentive Compensation is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period; and
 - the date the Company is required to prepare a Restatement is the earlier of (x) the date the Board, the Committee or any officer of the Company authorized to take such action concludes, or reasonably should have concluded, that the Company is required to prepare the Restatement, or (y) the date a court, regulator, or other legally authorized body directs the Company to prepare the Restatement.
-

For purposes of clarity, in no event shall the Company be required to award any Affected Officers an additional payment or other compensation if the Restatement would have resulted in the grant, payment or vesting of Incentive Compensation that is greater than the Incentive Compensation actually received by the Affected Officer. The recovery of Erroneously Awarded Compensation is not dependent on if or when the Restatement is filed.

To the extent required by applicable law or the rules of the Exchange any profits realized from the sale of securities of the Company are subject to recoupment under this Policy.

5. SOURCES OF RECOUPMENT

In seeking recoupment of Erroneously Awarded Compensation under this Policy, to the extent permitted by applicable law, the Committee may, in its discretion, seek recoupment from the Affected Officer(s) from any of the following sources: (i) prior Incentive Compensation payments; (ii) future payments of Incentive Compensation; (iii) cancellation of outstanding Incentive Compensation; and (iv) direct repayment. To the extent permitted by applicable law, the Company may offset such amount against any compensation or other amounts owed by the Company to the Affected Officer.

To the extent that an Affected Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall, or shall cause one or more of its subsidiaries to, take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the Affected Officer; provided that the Affected Officer shall be required to reimburse the Company and its subsidiaries for any and all expenses reasonably incurred (including legal fees) by the Company or any of its subsidiaries in recovering such Erroneously Awarded Compensation.

6. LIMITED EXCEPTIONS TO RECOVERY

Notwithstanding the foregoing, the Committee, in its discretion, may choose to forgo recovery of Erroneously Awarded Compensation under the following circumstances, provided that the Committee (or a majority of the independent members of the Board) has made a determination that recovery would be impracticable because:

- (i) The direct expense paid to a third party to assist in enforcing this Policy would exceed the recoverable amounts; provided that the Company has made a reasonable attempt to recover such Erroneously Awarded Compensation, has documented such attempt and has (to the extent required) provided that documentation to the Exchange;
- (ii) Recovery would violate home country law where the law was adopted prior to November 28, 2022, and the Company provides an opinion of home country counsel to that effect to the Exchange that is acceptable to the Exchange; or
- (iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of the Internal Revenue Code of 1986, as amended.

7. INDEMNIFICATION AND INSURANCE

Neither the Company nor any of its subsidiaries is permitted to indemnify or reimburse any Affected Officer against the recovery of Erroneously Awarded Compensation. In addition, the Company and its subsidiaries are prohibited from paying the premiums on an insurance policy that would cover an Affected Officer's potential clawback obligations, or entering into any agreement that exempts any Incentive Compensation from this Policy or that waives the Company or any of its subsidiary's rights to

recover Erroneously Awarded Compensation in accordance with this Policy, and this Policy shall supersede any such agreement.

8. SEVERABILITY

If any provision of this Policy or the application of any such provision to any Affected Officer shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

9. NO IMPAIRMENT OF OTHER REMEDIES

This Policy does not preclude the Company from taking any other action to enforce an Affected Officer's obligations to the Company or limit any other remedies that the Company may have available to it and any other actions that the Company may take, including termination of employment, institution of civil proceedings, or reporting of any misconduct to appropriate government authorities. The Company will comply with the disclosure, documentation and records requirements related to this Policy under Section 10D of the Exchange Act, applicable listing rules of the Exchange and applicable SEC filings. This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company and any of its subsidiaries under applicable law, regulation or rule or pursuant to the terms of any similar policy in any employment agreement, offer letter, compensation plan, equity award agreement, or similar agreement, and any other legal remedies available to the Company or any of its subsidiaries. The Committee may require that any employment agreement, offer letter, compensation plan, equity award agreement, or any other agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Affected Officer to agree to abide by the terms of this Policy.

2024 ANNUAL CASH INCENTIVE PLAN Performance Unit Agreement

This Award Agreement between Qualcomm Incorporated (the “Company”) and <<Executive’s Name>> (the “Executive”) evidences the grant of a Performance Unit (this “Award”) under the Qualcomm Incorporated 2023 Long-Term Incentive Plan (the “Plan”), representing a right to receive a cash payment equal to the amount determined by the HR and Compensation Committee (the “Committee”) based on performance as set forth herein.

Definitions Capitalized terms used in this Award Agreement have the meaning specified under the Plan, except as otherwise specified herein.

Grant Date <<Grant Date>>

Performance Period The Performance Period is the Company’s 2024 fiscal year.

Amount Payable Under this Award The amount payable under this Award, if any, will be determined by the Committee based on the Performance Award Formula set out in Attachment A, which is attached to this Award Agreement and incorporated herein by reference.
To be eligible to receive payment with respect to this Award, your Service must be continuous from the Grant Date through the Payment Date specified below.

Payment Date This Award shall be paid in cash no later than thirty (30) calendar days after the Committee’s written determination of whether and the extent to which the Performance Goals set out in the Performance Award Formula have been achieved and its determination of the amount, if any, to be paid.

Repayment Policy By executing this Award Agreement, you acknowledge that any payment made with respect to this Award is subject to repayment or forfeiture as required to comply with (a) the Qualcomm Incorporated Incentive Compensation Repayment Policy as in effect from time to time, a copy of the current policy is attached to this Award Agreement as Attachment B and incorporated herein by reference; (b) any applicable listing standards of a national securities exchange on which the Company’s securities are listed or as otherwise required by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations of the U.S. Securities and Exchange Commission adopted thereunder, including Rule 10D-1 of the Exchange Act; (c) other applicable U.S. laws and the applicable laws of any other jurisdiction; and (d) any repayment or forfeiture policies hereinafter adopted by the Company, each to the extent determined by the Company in its discretion to be applicable to you (collectively, the “Repayment Policy”). You hereby agree to be bound by the Repayment Policy.

Terms of the Plan

This Award is subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any conflict between this Award Agreement and the terms of the Plan, then the terms of the Plan control.

QUALCOMM
INCORPORATED

Name:

Title:

Date:

I hereby acknowledge that I have read, understand, and accept the terms of this Award Agreement, the Plan, and the Repayment Policy.

EXECUTIVE

Name:

Date:

Attachments: *Attachment A* – Performance Award Formula
Attachment B – Incentive Compensation Repayment Policy

ATTACHMENT A

<<Executive's Name>>

Base Salary	Target Award Amount as a Percent of Base Salary	Target Award Amount	Maximum Award Amount (200% of Target Award Amount)
<<\$>>	<<%>>	<<\$>>	<<\$>>

PERFORMANCE AWARD FORMULA

The amount payable under this Award, if any, will be equal to the Target Award Amount multiplied by the product of the Financial Performance Incentive Multiple times the Non-Financial Performance Incentive Modifier, with the product capped at 200%.

Financial Performance Incentive Multiple

The Financial Performance Incentive Multiple will be calculated as follows:

Financial Performance Measures Performance Targets

- 2024 Adjusted Revenues: \$<<2024 Adjusted Revenues>>
- 2024 Adjusted Operating Income:..... \$<<2024 Adjusted Operating Income>>

“2024 Adjusted Revenues” means revenues determined in accordance with generally accepted accounting principles in the United States (“GAAP”), and shall be adjusted to exclude the impact of the following items:

- (1) Revenues from the Qualcomm Strategic Initiative (“QSI”) segment as defined in the Company’s fiscal 2023 Form 10-K.
- (2) The impact of any award, settlement, arbitration and/or judgment arising from a legal dispute or contract dispute to the extent the amount (a) is recorded to revenues for which each event individually equals or exceeds \$25 million and (b) is clearly attributable to one or more fiscal years ending before the beginning of the Performance Period.
- (3) Contract disputes in excess of \$50 million in the Performance Period (including but not limited to disputes resulting in litigation or arbitration) in which: (a) a licensee withholds or fails to make royalty payments or disputes royalty payments paid, (b) attributable revenue is not recorded in GAAP revenue for the Performance Period, (c) such dispute is not resolved during the Performance Period, and (d) projected revenue from such licensee was included in determining the 2024 Adjusted Revenue Performance Target, in which event revenue for the Performance Period will be adjusted to include the amount of revenue the licensee withholds, fails to pay or disputes, or to the extent that the licensee fails to report information sufficient to determine the actual impact on revenue of the withholding, failure to make royalty payments or dispute of payment amounts, such adjustment shall be the specific amount for such licensee that was used in the determining the 2024 Adjusted Revenue Performance Target. It is the intent of this

provision to avoid the impact of revenue disputes or the double counting of revenues, subject to the conditions set out herein.

(4) In the event of an acquisition during fiscal 2024 with a purchase price determined in accordance with GAAP that is greater than \$5 billion, the impact on revenues from such acquisition.

“2024 Adjusted Operating Income” means operating income from continuing operations determined in accordance with GAAP, and shall be adjusted to exclude the impact of the following items:

- (1) Operating Income from the QSI segment as defined in the Company’s fiscal 2023 Form 10-K.
- (2) Share-based compensation expense.
- (3) Gains and losses driven by the revaluation of our Nonqualified Deferred Compensation Plan liabilities recognized in operating expenses.
- (4) Acquisition-related items, which includes: (a) recognition of the step-up of inventories to fair value, (b) purchase accounting effects on property, plant and equipment for acquisitions completed in or after the second quarter of fiscal 2017, (c) amortization of acquisition related intangible assets, (d) third-party acquisition and integration services costs, (e) break-up fees, (f) expenses related to the termination of contracts that limit the use of acquired intellectual property and (g) other costs incurred in connection with acquisitions that are to be expensed upon the close of the acquisition under GAAP. These adjustments shall apply only with respect to applicable items acquired or incurred in transactions that qualify as business combinations pursuant to GAAP.
- (5) The following items for which each event individually equals or exceeds \$25 million on a pre-tax basis, except as expressly provided in (e) below:

- (a) Restructuring and restructuring-related costs (in the aggregate by restructuring event), which consist of the following costs: (i) severance and benefits (including COBRA and outplacement expenses); (ii) third-party consulting and legal costs; (iii) increased security costs; (iv) acceleration of depreciation and/or amortization expense; (v) facilities and lease termination or abandonment charges; (vi) asset impairment charges and/or contract terminations; (vii) third-party business separation costs; and (viii) relocation costs as a result of an office or facility closure.

2024 Adjusted Operating Income shall not be adjusted for any such item that cannot specifically be tied to the restructuring event.

- (b) Asset impairments;
- (c) Gains/losses on divestitures or non-revenue generating asset sales and associated third-party costs (e.g. bankers’ fees for the sale of a business);
- (d) Impact of (i) any fine or award arising from a legal or regulatory matter and (ii) any award, settlement, arbitration and/or judgment arising from a legal or contract dispute to the extent that the profit or loss arising from such award, settlement, arbitration or judgment is clearly attributable to one or more fiscal years ending before the beginning of the Performance Period; and
- (e) Gains and losses driven by the revaluation of the Nonqualified Deferred Compensation Plan liabilities recognized in operating expense.

(6) Contract disputes in excess of \$50 million in the Performance Period (including but not limited to disputes resulting in litigation or arbitration) in which: (a) a licensee withholds or fails to make royalty payments or disputes royalty payments paid, (b) attributable revenue is not recorded in GAAP revenue for the Performance Period, (c) such dispute is not resolved during the Performance Period, and (d) projected revenue from such licensee was included in determining the 2024 Adjusted Operating Income Performance Target, in which event revenue for the Performance Period will be adjusted to include the amount of revenue the licensee withholds, fails to pay or disputes, or to the extent that the licensee fails to report information sufficient to determine the actual impact on revenue of the withholding, failure to make royalty payments or dispute of payment amounts, such adjustment shall be the specific amount for such licensee that was used in determining the 2024 Adjusted Operating Income Performance Target. It is the intent of this provision to avoid the impact of revenue disputes or the double counting of revenues, subject to the conditions set out herein.

(7) In the event of an acquisition during fiscal 2024 with a purchase price that is greater than \$5 billion, the impact on operating income from such acquisition.

Weighted Financial Performance Ratio and Financial Performance Incentive Multiple

The Weighted Financial Performance Ratio will be based on a relative weighting of 40% to 2024 Adjusted Revenues and 60% to 2024 Adjusted Operating Income.

1. The Weighted Financial Performance Ratio for 2024 Adjusted Revenues will be the result of 0.40 multiplied by a fraction, the numerator of which is the actual 2024 Adjusted Revenues and the denominator of which is the 2024 Adjusted Revenues Performance Target stated above.
2. The Weighted Financial Performance Ratio for 2024 Adjusted Operating Income will be the result of 0.60 multiplied by a fraction, the numerator of which is the actual 2024 Adjusted Operating Income and the denominator of which is the 2024 Adjusted Operating Income Performance Target stated above.

The resulting Weighted Financial Performance Ratios for 2024 Adjusted Revenues and 2024 Adjusted Operating Income will then be summed (the sum referred to as the “Weighted Financial Performance Ratio”) and the “Financial Performance Incentive Multiple” will be calculated according to the schedule set forth below:

Weighted Financial Performance Ratio	Financial Performance Incentive Multiple	Rate of Increase / Decrease to the Financial Performance Incentive Multiple
> 126%	2.00	The Financial Incentive Performance Multiple is at the maximum of 2.00 when the Weighted Financial Performance Ratio is greater than 1.26.
126%	2.00	For each one percent that Weighted Financial Performance Ratio exceeds the objective (100%), the Financial Performance Incentive Multiple increases by 0.05 from the target Financial Performance Incentive Multiple of 0.70 up to a Financial Performance Incentive Multiple of 2.00 when the Weighted Financial Performance Ratio is 126%.
120%	1.70	
115%	1.45	
110%	1.20	
105%	0.95	
100%	0.70	
95%	0.5875	For each one percent that Weighted Financial Performance Ratio is less than the objective (100%), the Financial Performance Incentive Multiple decreases by 0.0225 from the target Financial Performance Incentive Multiple of 0.70 to a Financial Performance Incentive Multiple of 0.25 when the Weighted Financial Performance Ratio is 80%.
90%	0.475	
85%	0.3625	
80%	0.25	
< 80%	0.00	The Financial Performance Incentive Multiple is zero (0.00) when the Weighted Financial Performance Ratio is less than 80%.

Non-Financial Performance Incentive Modifier

The Non-Financial Performance Incentive Modifier will be evaluated based upon the following:

Non-Financial Performance Measure

- Human Capital Advancements

Non-Financial Performance Incentive Modifier

The Non-Financial Performance Incentive Modifier will be determined by the Committee in its discretion taking into consideration interim status input from Management and a final self-assessment of advancements with respect to the Non-Financial Performance Measure prepared by Management following the close of the fiscal year. Based on these inputs and related discussions, the Committee in its discretion will determine a single Non-Financial Performance Incentive Modifier which shall be applicable uniformly to the Executive and all Award participants for the Performance Period. The Non-Financial Performance Incentive Modifier may range from 0.9 to 1.1. However, the Maximum Award Amount is capped at 200% of the Target Award Amount.

ATTACHMENT B
QUALCOMM INCORPORATED
Incentive Compensation Repayment Policy

1. INTRODUCTION

QUALCOMM Incorporated (the “*Company*”) is adopting this Incentive Compensation Repayment Policy (this “*Policy*”) to provide for the Company’s criteria and process for recovering certain Incentive Compensation (as defined below) erroneously awarded to or earned or received by Affected Officers (as defined below) under certain circumstances. This Policy is adopted effective as of the date set forth above (the “*Effective Date*”). As of the Effective Date, this Policy is the successor to and restates the Company’s Incentive Compensation Repayment Policy that was adopted effective September 23, 2020.

This Policy is administered by the HR and Compensation Committee (the “*Committee*”) of the Company’s Board of Directors (the “*Board*”). The Committee shall have full and final authority to make any and all determinations required under this Policy. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all parties. The Committee may amend or terminate this Policy at any time.

This Policy is intended to comply with Section 10D of the Securities and Exchange Act of 1934, as amended (the “*Exchange Act*”), Rule 10D-1 thereunder, and the applicable rules of the Nasdaq Stock Market, including Rule 5608, or any other national securities exchange on which the Company’s securities are then listed (the “*Exchange*”) and will be interpreted and administered consistent with that intent.

2. EFFECTIVE DATE

This Policy shall apply to all Incentive Compensation received by an Affected Officer on or after the Effective Date to the extent permitted or required by applicable law or the rules of the Exchange.

3. DEFINITIONS

For purposes of this Policy, the following terms shall have the meanings set forth below:

“*Affected Officer*” means any current or former “officer” as defined in Exchange Act Rule 16a-1 and includes the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a (significant) policy-making function, or any other person who performs similar policymaking functions for the Company. The Board makes a determination, at least annually, of the individuals who are the Company’s “officers” as defined in Exchange Act Rule 16a-1.

“*Erroneously Awarded Compensation*” means the amount of Incentive Compensation received that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based on the Restatement, computed without regard to any taxes paid. In the case of Incentive Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Restatement, the amount shall reflect a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was received, as determined by the Committee in its sole discretion. The Company shall maintain documentation of the determination of such reasonable estimate and provide such documentation to the Exchange as required by such Exchange.

“Financial Reporting Measure” means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, whether or not such measure is presented within the financial statements or included in a filing with the Securities and Exchange Commission (“SEC”). Stock price and total shareholder return are also Financial Reporting Measures.

“Incentive Compensation” means any compensation that is awarded, earned or vested based in whole or in part on the attainment of a Financial Reporting Measure. For purposes of clarity, base salaries, bonuses or equity awards paid solely upon satisfying one or more subjective standards, strategic or operational measures, or continued employment are not considered Incentive Compensation, unless such awards were granted, paid or vested based in part on a Financial Reporting Measure.

“Restatement” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (i.e., a “Big R” restatement), or that would result in a material misstatement if the error was corrected in the current period or left uncorrected in the current period (i.e., a “little r” restatement).

4. RECOVERY

If the Company is required to prepare a Restatement, the Company shall seek to recover and claw back reasonably promptly all Erroneously Awarded Compensation that is received by an Affected Officer:

- (i) on and after the Effective Date;
- (ii) after beginning service as an Affected Officer;
- (iii) who served as an Affected Officer at any time during the performance period for that Incentive Compensation;
- (iv) while the Company has a class of securities listed on the Exchange; and
- (v) during the three completed fiscal years immediately preceding the date on which the Company was required to prepare the Restatement (including any transition period within or immediately following those years that results from a change in the Company’s fiscal year, provided that a transition period of nine to 12 months will be deemed to be a completed fiscal year).

For purposes of this Policy:

- Erroneously Awarded Compensation is deemed to be received in the Company’s fiscal year during which the Financial Reporting Measure specified in the Incentive Compensation is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period; and
- the date the Company is required to prepare a Restatement is the earlier of (x) the date the Board, the Committee or any officer of the Company authorized to take such action concludes, or reasonably should have concluded, that the Company is required to prepare the Restatement, or (y) the date a court, regulator, or other legally authorized body directs the Company to prepare the Restatement.

For purposes of clarity, in no event shall the Company be required to award any Affected Officers an additional payment or other compensation if the Restatement would have resulted in the grant, payment or vesting of Incentive Compensation that is greater than the Incentive Compensation actually received by

the Affected Officer. The recovery of Erroneously Awarded Compensation is not dependent on if or when the Restatement is filed.

To the extent required by applicable law or the rules of the Exchange any profits realized from the sale of securities of the Company are subject to recoupment under this Policy.

5. SOURCES OF RECOUPMENT

In seeking recoupment of Erroneously Awarded Compensation under this Policy, to the extent permitted by applicable law, the Committee may, in its discretion, seek recoupment from the Affected Officer(s) from any of the following sources: (i) prior Incentive Compensation payments; (ii) future payments of Incentive Compensation; (iii) cancellation of outstanding Incentive Compensation; and (iv) direct repayment. To the extent permitted by applicable law, the Company may offset such amount against any compensation or other amounts owed by the Company to the Affected Officer.

To the extent that an Affected Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall, or shall cause one or more of its subsidiaries to, take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the Affected Officer; provided that the Affected Officer shall be required to reimburse the Company and its subsidiaries for any and all expenses reasonably incurred (including legal fees) by the Company or any of its subsidiaries in recovering such Erroneously Awarded Compensation.

6. LIMITED EXCEPTIONS TO RECOVERY

Notwithstanding the foregoing, the Committee, in its discretion, may choose to forgo recovery of Erroneously Awarded Compensation under the following circumstances, provided that the Committee (or a majority of the independent members of the Board) has made a determination that recovery would be impracticable because:

- (i) The direct expense paid to a third party to assist in enforcing this Policy would exceed the recoverable amounts; provided that the Company has made a reasonable attempt to recover such Erroneously Awarded Compensation, has documented such attempt and has (to the extent required) provided that documentation to the Exchange;
- (ii) Recovery would violate home country law where the law was adopted prior to November 28, 2022, and the Company provides an opinion of home country counsel to that effect to the Exchange that is acceptable to the Exchange; or
- (iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of the Internal Revenue Code of 1986, as amended.

7. INDEMNIFICATION AND INSURANCE

Neither the Company nor any of its subsidiaries is permitted to indemnify or reimburse any Affected Officer against the recovery of Erroneously Awarded Compensation. In addition, the Company and its subsidiaries are prohibited from paying the premiums on an insurance policy that would cover an Affected Officer's potential clawback obligations, or entering into any agreement that exempts any Incentive Compensation from this Policy or that waives the Company or any of its subsidiary's rights to recover Erroneously Awarded Compensation in accordance with this Policy, and this Policy shall supersede any such agreement.

8. SEVERABILITY

If any provision of this Policy or the application of any such provision to any Affected Officer shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or

unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

9. NO IMPAIRMENT OF OTHER REMEDIES

This Policy does not preclude the Company from taking any other action to enforce an Affected Officer's obligations to the Company or limit any other remedies that the Company may have available to it and any other actions that the Company may take, including termination of employment, institution of civil proceedings, or reporting of any misconduct to appropriate government authorities. The Company will comply with the disclosure, documentation and records requirements related to this Policy under Section 10D of the Exchange Act, applicable listing rules of the Exchange and applicable SEC filings. This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company and any of its subsidiaries under applicable law, regulation or rule or pursuant to the terms of any similar policy in any employment agreement, offer letter, compensation plan, equity award agreement, or similar agreement, and any other legal remedies available to the Company or any of its subsidiaries. The Committee may require that any employment agreement, offer letter, compensation plan, equity award agreement, or any other agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Affected Officer to agree to abide by the terms of this Policy.

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Cristiano R. Amon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of QUALCOMM Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 31, 2024

/s/ Cristiano R. Amon

Cristiano R. Amon

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Akash Palkhiwala, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of QUALCOMM Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 31, 2024

/s/ Akash Palkhiwala

Akash Palkhiwala

Chief Financial Officer and Chief Operating Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

(18 U.S.C. SECTION 1350)

In connection with the accompanying Quarterly Report of QUALCOMM Incorporated (the “Company”) on Form 10-Q for the fiscal quarter ended December 24, 2023 (the “Report”), I, Cristiano R. Amon, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 31, 2024

/s/ Cristiano R. Amon

Cristiano R. Amon

President and Chief Executive Officer

EXHIBIT 32.2
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the accompanying Quarterly Report of QUALCOMM Incorporated (the “Company”) on Form 10-Q for the fiscal quarter ended December 24, 2023 (the “Report”), I, Akash Palkhiwala, Chief Financial Officer and Chief Operating Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 31, 2024

/s/ Akash Palkhiwala

Akash Palkhiwala

Chief Financial Officer and Chief Operating Officer