

Globalstar, Inc.
Form 424B3
December 07, 2017

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**Filed Pursuant to Rule 424(b)(3)
Registration Statement No. 333-220800**

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion Dated December 7, 2017

*PROSPECTUS SUPPLEMENT
(To Prospectus dated October 4, 2017)*

38,000,000 Shares

GLOBALSTAR, INC.

VOTING COMMON STOCK, PAR VALUE \$0.0001

All of the 38,000,000 shares of voting common stock ("Common Stock") of Globalstar, Inc. are being sold by FL Investment Holdings LLC, an affiliate of Thermo Capital Partners LLC (the "selling stockholder"). We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholder. The selling stockholder is controlled by our Chairman and Chief Executive Officer, James Monroe III.

The Common Stock of Globalstar is listed on the New York Stock Exchange American ("NYSE American") under the symbol "GSAT." The last reported sale price of our Common Stock on December 6, 2017 was \$1.36 per share.

Investing in our Common Stock involves risks. See the sections entitled "Risk Factors" on page S-4 of this prospectus supplement and on page 7 of the accompanying prospectus.

The underwriter has agreed to purchase the shares of our Common Stock from the selling stockholder at a price of \$ _____ per share, which will result in proceeds to the selling stockholder, before expenses, of \$ _____. The underwriter may offer the shares of our Common Stock from time to time in one or more transactions on the NYSE American, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. See "Underwriting."

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the shares to purchasers on or about December _____, 2017.

MORGAN STANLEY

December _____, 2017

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None of we, the selling stockholder and the underwriter has authorized anyone to provide you with different information or to make any representations other than those contained or incorporated by reference into this prospectus supplement, the accompanying prospectus or in any free writing prospectus we have prepared. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus supplement and the accompanying prospectus in any jurisdiction in which it is unlawful to make such offer or solicitation.

You should not assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein is accurate as of any date other than the date on the front cover of those documents. Our business, financial condition, results of operations and prospects may have changed since that date.

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For investors outside the United States: None of we, the selling stockholder and the underwriter has done anything that would permit this offering or possession or distribution of this prospectus supplement and the accompanying prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus supplement and the accompanying prospectus outside of the United States.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus, dated October 4, 2017, are part of a registration statement on Form S-3, which we refer to as the Registration Statement, that we filed with the Securities and Exchange Commission, or the SEC, using the "shelf" registration process, and that was deemed automatically effective on October 4, 2017. Under this "shelf" registration process, we or one or more selling stockholders may from time to time sell any combination of securities described in the accompanying prospectus in one or more offerings.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the offering and also supplements, adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information, some of which may not apply to the securities offered hereby. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference therein, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

This prospectus supplement and the accompanying prospectus contain summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed or will be incorporated by reference as exhibits to the Registration Statement of which this prospectus supplement and the accompanying prospectus are a part, and you may obtain copies of those documents as described below under the section entitled "Where You Can Find Additional Information."

Unless stated otherwise, references in this prospectus supplement and the accompanying prospectus to "Globalstar," "we," "us," or "our" refer to Globalstar, Inc., a Delaware corporation. References to the underwriter mean the underwriter named on the cover of this prospectus supplement.

This prospectus supplement, the accompanying prospectus, and the information incorporated herein and therein by reference include trademarks, service marks and trade names owned by us or other companies. All trademarks, service marks and trade names included or incorporated by reference into this prospectus supplement or the accompanying prospectus are the property of their respective owners.

Be aware that any representations, warranties, covenants or similar provisions contained in agreements filed as an exhibit to documents incorporated by reference herein were made solely for the benefit of the parties to such agreements. In each case, these provisions were specifically negotiated between the parties and, in some cases, are intended chiefly to allocate risk. As such, you should in no case rely on any such provision in deciding whether to invest, as such provisions speak only as of the date given and do not necessarily reflect the current state of our business or financial condition.

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The industry and market data contained or incorporated by reference in this prospectus supplement and the accompanying prospectus are based either on our management's own estimates or on independent industry publications, reports by market research firms or other published independent sources. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness, as industry and market data are subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market shares. Accordingly, you should be aware that the industry and market data contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, and estimates and beliefs based on such data, may not be reliable. Unless otherwise indicated, all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus concerning our industry in general or any segment thereof, including information regarding our general expectations and market opportunity, is based on management's estimates using internal data, data from industry related publications, consumer research and marketing studies and other externally obtained data.

You should read carefully any information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or any free writing prospectus we may provide to you in connection with this offering before deciding to invest. Neither we nor the underwriter are making any representation to you regarding the legality of an investment in the securities by you under applicable law. Neither we nor the underwriter are making an offer to sell the securities in any jurisdiction where the offer or sale is not permitted. Persons outside the United States who come into possession of this prospectus supplement, the accompanying prospectus or any free writing prospectus we may provide must inform themselves about, and observe any restrictions relating to, the offering of the securities and the distribution of this prospectus supplement and the accompanying prospectus outside the United States.

Neither we nor the underwriter have authorized anyone to provide you with additional or different information. Neither we nor the underwriter are making an offer of the securities in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the dates of this prospectus supplement or the accompanying prospectus or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those dates.

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THE COMPANY

Overview

Mobile Satellite Services Business

Globalstar, Inc. ("we," "us" or the "Company") provides Mobile Satellite Services ("MSS") including voice and data communications services globally via satellite. By providing wireless communications services in areas not served or underserved by terrestrial wireless and wireline networks and in circumstances where terrestrial networks are not operational due to natural or man-made disasters, we seek to meet our customers' increasing desire for connectivity. We offer voice and data communication services over our network of in-orbit satellites and our active ground stations ("gateways"), which we refer to collectively as the Globalstar System.

We currently provide the following communications services via satellite. These services are available only with equipment designed to work on our network:

two-way voice communication and data transmissions ("Duplex") using mobile or fixed devices; and

one-way data transmissions ("Simplex") using a mobile or fixed device that transmits its location and other information to a central monitoring station, including certain SPOT and Simplex products.

Our constellation of Low Earth Orbit ("LEO") satellites includes second-generation satellites, which were launched and placed into service during the years 2010 through 2013 after a \$1.1 billion investment, and certain first-generation satellites. We designed our second-generation satellites to last twice as long in space, have 40% greater capacity and be built at a significantly lower cost compared to our first-generation satellites. We achieved this longer life by increasing the solar array and battery capacity, using a larger fuel tank, adding redundancy for key satellite equipment, and improving radiation specifications and additional lot level testing for all susceptible electronic components, in order to account for the accumulated dosage of radiation encountered during a 15-year mission at the operational altitude of the satellites. The second-generation satellites use passive S-band antennas on the body of the spacecraft providing additional shielding for the active amplifiers which are located inside the spacecraft, unlike the first-generation amplifiers that were located on the outside as part of the active antenna array. Each satellite has a high degree of on-board subsystem redundancy, an on-board fault detection system and isolation and recovery for safe and quick risk mitigation.

Due to the specific design of the Globalstar System (and based on customer input), we believe that our voice quality is the best among our peer group. We define a successful level of service for our customers by their ability to make uninterrupted calls of average duration for a system-wide average number of minutes per month. Our goal is to provide service levels and call success rates equal to or better than our MSS competitors so our products and services are attractive to potential customers. We define voice quality as the ability to easily hear, recognize and understand callers with imperceptible delay in the transmission. By this measure, we believe that our system outperforms geostationary ("GEO") satellites used by some of our competitors. Due to the difference in signal travel distance, GEO satellite signals must travel approximately 42,000 additional nautical miles, which introduces considerable delay and signal degradation to GEO calls. For our competitors using cross-linked satellite architectures, which require multiple inter-satellite connections to complete a call, signal degradation and delay can result in compromised call quality as compared to that experienced over the Globalstar System.

We designed our second-generation ground network, when combined with our second-generation products, to provide our customers with enhanced future services featuring increased data speeds of up to 256 kbps, with initial services up to 72 kbps, as well as increased capacity. The second-generation ground network is an Internet protocol multimedia subsystem ("IMS") based solution providing such industry standard services as voice, Internet, email and short message services ("SMS").

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We compete aggressively on price. We offer a range of price-competitive products to the industrial, governmental and consumer markets. We expect to retain our position as a cost-effective, high quality leader in the MSS industry. Our next-generation products under development include Duplex, SPOT and Simplex products, including:

Sat-Fi

Like the original Sat-Fi, the next-generation Sat-Fi will be designed to allow smartphones, laptops and tablets with Wi-Fi to connect to the Globalstar network for voice and data services outside terrestrial network coverage areas, and is expected to be the first product to operate using our second-generation ground infrastructure resulting in higher speeds, enhanced capacity and improved performance

Two-way SPOT

We are designing the next SPOT device with a new keyboard functionality to allow subscribers to send and receive SMS messages along with the traditional tracking and SOS functions to continue to appeal to consumers.

Simplex

Partnering with existing companies, we are developing IoT-focused Simplex products to connect into existing user bases and accelerate deployment of a Globalstar IoT product suite. We expect the new solar-powered devices will be designed to support larger and more frequent data transmission capabilities to enable a longer field life than existing devices. The new solar-powered devices are also expected to take advantage of our network's ability to support over 10 billion transmissions daily assuming an average message size of 90 characters. We are also developing machine-to-machine ("M2M") products that support two-way communications allowing for both tracking and control of assets in our coverage footprint.

Our satellite communications business, by providing critical mobile communications to our subscribers, serves principally the following markets: recreation and personal; government; public safety and disaster relief; oil and gas; maritime and fishing; natural resources, mining and forestry; construction; utilities; and transportation. Currently, we believe there are billions of people who live, work or play in areas not connected by cellular service and over two-thirds of the world's landmass is without reliable connectivity.

Our products and services are sold through a variety of independent agents, dealers and resellers, and IGOs. We also have distribution relationships with a number of "Big Box" and online retailers and other similar distribution channels.

Licensed Spectrum Overview

We have access to a world-wide allocation of radio frequency spectrum through the international radio frequency tables administered by the International Telecommunications Union ("ITU"). In the United States, the Federal Communications Commission ("FCC") has authorized us to operate our first-generation satellites in 25.225 MHz of radio spectrum comprising two blocks of non-contiguous radio frequencies in the 1.6/2.4 GHz band commonly referred to as the "Big LEO" Spectrum Band. We licensed and registered our second-generation satellites in France. In March 2011, we obtained all authorizations necessary from the FCC to operate our domestic gateways with our second-generation satellites.

Terrestrial Authority for Globalstar's Licensed 2.4GHz Spectrum

In December 2016, the FCC unanimously adopted a Report and Order permitting us to provide terrestrial broadband services over 11.5 MHz of our licensed Mobile Satellite Services spectrum at 2483.5 to 2495 MHz, covering a population ("POPs") of approximately 320 million people, representing

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3.7 billion MHz POPs. As provided in that Report & Order, we filed applications to modify our existing MSS licenses in April 2017 in order to obtain the terrestrial authorization permitted in the Report & Order. The FCC placed our applications on public notice in May with a comment cycle that ended in July 2017. In August 2017, the FCC granted Globalstar's MSS license modification application and granted Globalstar authority to provide terrestrial broadband services over its satellite spectrum. The FCC modified Globalstar's space station authorization to include a terrestrial low-power network using authorized Big LEO mobile-satellite service spectrum. We will need to comply with certain conditions in order to provide terrestrial broadband service under our MSS licenses, including obtaining FCC certifications for our equipment that will utilize this spectrum authority. We believe our MSS spectrum position provides potential for harmonized terrestrial authority across many international regulatory domains. We are seeking similar approvals in various foreign jurisdictions and have applied for licenses in countries serving 375 million consumers, or approximately 6.2 billion MHz POPs. Additionally, we are working with regulators in countries representing an aggregate population of another approximately 425 million. We expect this effort to continue for the foreseeable future. In November 2017, the Botswana Communications Regulator Authority has granted terrestrial authority to Globalstar's Botswana subsidiary to provide terrestrial mobile broadband services over 16.5 MHz of S-band spectrum at 2483.5 to 2500 MHz.

We expect our terrestrial authority will allow future partners to develop high-density dedicated, small cell deployments using the TD-LTE protocol that eliminates the need for paired spectrum. Conventional commercial spectrum allocations must meet minimum population coverage requirements, which effectively prohibits the exclusive use of most carrier spectrum for dedicated small cell. In addition, low frequency carrier spectrum is not physically well suited to high-density small cell topologies, while mmWave spectrum is sub-optimal given range and attenuation limitations. We believe our license in the 2.4 GHz band, holds physical, regulatory, and ecosystem qualities that distinguish us from other current and anticipated allocations, and is well positioned to balance favorable range, capacity and attenuation characteristics.

Propagation and Interference The 2.4 GHz propagation characteristics are favorable for small cell applications, and our FCC license category provides protection from interference.

Small Cell Exclusivity We believe our regulatory flexibility will help allow the development of resources exclusively to small cell applications with dedicated high quality spectrum, which are expected to use low cost device transceivers. Historically, sharing spectrum across both macro and small cell layers introduced interference limitations that compromise network performance.

Rapid LTE Ecosystem Our spectrum is compatible with existing chipset architectures.

Our Corporate Information

In 2004, we completed the acquisition of the business and assets of Globalstar, L.P. Thermo Capital Partners LLC, which owns and operates companies in diverse business sectors and is referred to in this prospectus supplement, together with its affiliates, as "Thermo," became our principal owner in this transaction. Thermo has invested over \$650 million in us since 2004. We were formed as a Delaware limited liability company in November 2003 and were converted into a Delaware corporation in March 2006.

Our principal executive offices are located at 300 Holiday Square Blvd., Covington, Louisiana 70433 and our telephone number is (985) 335-1500. Our website address is www.globalstar.com. The information contained in, or that can be accessed through, our website is not part of this prospectus supplement.

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RISK FACTORS

Investing in our Common Stock involves a high degree of risk. Before you make your investment decision, you should carefully consider and read carefully all of the following risks as well as the risks and uncertainties described in the section entitled "Risk Factors" beginning on page 7 of the accompanying prospectus, as well as other risks, uncertainties and information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, as well as the risks described below. In particular, we urge you to consider carefully the risks and uncertainties discussed in "Part II Item 1A Risk Factors" of our Quarterly Reports on Form 10-Q filed November 2, 2017, as such risk factors may be updated by our annual, quarterly and current reports that we may file with the SEC after the date of this prospectus supplement and that are incorporated by reference in this prospectus supplement and the accompanying prospectus. The occurrence of any of these risks may cause you to lose all or part of your investment in the offered securities. However, the selected risks described below and incorporate by reference herein are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or operating results. In such a case, the trading price of the common stock could decline and you may lose all or part of your investment in us.

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein also contain forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement.

Risk Factors relating to the Offering

None of the proceeds from the sale of our Common Stock in this offering will be available to fund our operations.

We will not receive any proceeds from the sale of our Common Stock in this offering. The selling stockholder will receive all proceeds from the sale of shares in this offering. Consequently, none of the proceeds from such sale will be available to fund our operations, capital expenditures or acquisition opportunities or any other purpose. See "Use of Proceeds" and "Selling Stockholders."

A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future, which could cause the market price of our Common Stock to drop significantly, even if our business is performing well.

Sales of a substantial number of our Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Common Stock. We had 1,259,238,687 shares of Common Stock outstanding as of December 4, 2017. This includes the shares that the selling stockholder is selling in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates. Of the remaining shares, shares held by our directors, executive officers and Thermo Capital Partners LLC and its affiliate entities that own stock in us are subject to a contractual lock-up with the underwriters for this offering for a period of 90 days or 75 days as applicable from the date of this prospectus supplement but the lock-up is subject to certain restrictions. See "Underwriting." These shares can be sold, subject to any applicable volume limitations under federal securities laws, after the earlier of the expiration of the lock-up period or release from the lock-up by Morgan Stanley & Co. LLC in its sole discretion. These sales of our Common Stock could cause the market price of our Common Stock to decline. In addition, the market price of our Common Stock could be further negatively affected by resales of our Common Stock by the underwriter or its affiliates, or other short sales of our Common Stock.

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If securities analysts do not publish research or reports about our business or if they downgrade our company or our sector, the price of our Common Stock could decline.

The trading market for our Common Stock depends in part on the research and reports that industry or financial analysts publish about us, our business and our industry. We do not influence or control the reporting of these analysts. If one or more of the analysts who do cover us downgrade or provide a negative outlook on Globalstar or our industry, change their views regarding the stock of any of our competitors or other companies in our industry, or publish inaccurate or unfavorable research about our business, the price of our Common Stock could decline. If one or more of these analysts ceases coverage of Globalstar or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause the price of our Common Stock to decline.

FCC rules and regulations limit ownership by certain non-U.S. persons or by persons with interests in other media properties.

The acquisition and ownership of our securities, directly or indirectly, by certain non-U.S. persons could cause us to be in violation of the foreign investment limitations of the Communications Act of 1934, as amended. Separately, under the FCC's media ownership rules, a direct or indirect owner of our securities could violate the FCC's structural media ownership limitations if that person owned or acquired an "attributable" interest in certain other television stations nationally or in certain types of media properties in the same market as one or more of our broadcast stations. These restrictions may decrease the liquidity and value of our Common Stock by reducing the pool of potential investors in our company and making the acquisition of control of us by third parties more difficult. In addition, these restrictions could adversely affect our ability to attract additional equity financing in the future or consummate an acquisition using shares of our Common Stock.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

Certain statements contained in or incorporated by reference into this prospectus supplement and accompanying prospectus, other than purely historical information, including, but not limited to, estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Forward-looking statements, such as the statements regarding our ability to develop and expand our business (including our ability to monetize our spectrum rights), our anticipated capital spending, our ability to manage costs, our ability to exploit and respond to technological innovation, the effects of laws and regulations (including tax laws and regulations) and legal and regulatory changes (including regulation related to the use of our spectrum), the opportunities for strategic business combinations and the effects of consolidation in our industry on us and our competitors, our anticipated future revenues, our anticipated financial resources, our expectations about the future operational performance of our satellites (including their projected operational lives), the expected strength of and growth prospects for our existing customers and the markets that we serve, commercial acceptance of new products, problems relating to the ground-based facilities operated by us or by independent gateway operators, worldwide economic, geopolitical and business conditions and risks associated with doing business on a global basis and other statements contained in this prospectus supplement and accompanying prospectus regarding matters that are not historical facts, involve predictions. Risks and uncertainties that could cause or contribute to such differences include, without limitation, those in the section titled "Risk Factors" of this prospectus supplement.

Discussions containing these forward-looking statements may be found, among other places, in "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference from our most recent Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, as well as any amendments thereto reflected in subsequent filings with the SEC or in any Current Report on Form 8-K. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. While we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus supplement, we caution you that these statements are based on a combination of facts and factors currently known by us and our projections of the future, about which we cannot be certain. As a result of these factors, we cannot assure you that the forward-looking statements in this in this prospectus supplement and the accompanying prospectus or documents incorporated by reference herein and therein will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this prospectus supplement. You should read this prospectus supplement, the accompanying prospectus, the registration statement of which this prospectus supplement and the accompanying prospectus is a part and the documents incorporated by reference herein and therein completely and with the understanding that our actual future results may be materially different from what we expect.

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The discussion incorporated by reference into this prospectus supplement of plans to seek approval for spectrum in a future band class are forward-looking, are subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company, and are based upon assumptions with respect to future decisions, which are subject to change. There is no assurance that the Company will obtain such approval, seek such approval or even initiate the process for such approval. Nothing in this prospectus supplement should be regarded as a representation that the Company will obtain such approval, seek such approval or even initiate the process for such approval and the Company undertakes no duty to pursue such approval.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, as well as any amendments thereto.

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USE OF PROCEEDS

The selling stockholder will receive all of the net proceeds from the sale of shares of our Common Stock offered by it pursuant to this prospectus supplement. We will not receive any proceeds from the sale of these shares of our Common Stock. The selling stockholder will pay the underwriting commissions and discounts and expenses in connection with the offering.

We have been informed by the selling stockholder that the sale of the shares of our Common Stock pursuant to this prospectus supplement is made for tax planning purposes.

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The following table sets forth information as of December 4, 2017 with respect to the ownership of our Common Stock by the selling stockholder. The amounts and percentages of shares beneficially owned are reported on the basis of rules and regulations of the SEC governing the determination of beneficial ownership of securities. Under SEC rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person's ownership percentage, but not for purposes of computing any other person's percentage. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest.

Percentage computations are based on 1,259,238,687 shares of our Common Stock outstanding as of December 4, 2017.

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering		Number of Shares Offered Hereby	Shares Beneficially Owned After Offering	
	Number	%		Number	%
FL Investment Holding LLC ⁽¹⁾	709,012,217	56.3%	38,000,000	671,012,217	53.3%

(1)

The share amounts reflect beneficial ownership of our Common Stock by James Monroe III and his affiliates, as described below. The address of Mr. Monroe, FL Investment Holdings LLC, Thermo Funding II LLC and Globalstar Satellite, L.P. is 1735 Nineteenth Street, Denver, CO 80202. This number includes 38,640,750 shares held by FL Investment Holdings LLC, 669,552,909 shares by Thermo Funding II LLC, and 618,558 shares held by Globalstar Satellite, L.P. Under SEC rules, Mr. Monroe also beneficially owns 200,000 shares issuable pursuant to vested options. Mr. Monroe controls, either directly or indirectly, each of Globalstar Satellite, L.P., FL Investment Holdings LLC and Thermo Funding II LLC and, therefore, is deemed the beneficial owner of the Common Stock held by these entities.

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MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a discussion of material U.S. federal income tax considerations relating to the purchase, ownership and disposition of our Common Stock by Non-U.S. Holders (as defined below) that purchase such Common Stock pursuant to this offering and hold such Common Stock as a capital asset. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations promulgated or proposed thereunder, and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or to different interpretation. This discussion does not address all of the U.S. federal income tax considerations that may be relevant to specific Non-U.S. Holders in light of their particular circumstances or to Non-U.S. Holders subject to special treatment under U.S. federal income tax law (such as banks, insurance companies, dealers in securities or other Non-U.S. Holders that generally mark their securities to market for U.S. federal income tax purposes, foreign governments, international organizations, tax-exempt entities, certain former citizens or residents of the United States, or Non-U.S. Holders that hold our Common Stock as part of a straddle, hedge, conversion or other integrated transaction). This discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal gift or alternative minimum tax considerations.

As used in this discussion, the term "Non-U.S. Holder" means a beneficial owner of our Common Stock that, for U.S. federal income tax purposes, is:

an individual who is neither a citizen nor a resident of the United States;

a corporation (or other entity treated as a corporation) that is not created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;

an estate that is not subject to U.S. federal income tax on income from non-U.S. sources which is not effectively connected with the conduct of a trade or business in the United States; or

a trust unless (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or (ii) it has in effect a valid election under applicable U.S. Treasury regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes invests in our Common Stock, the U.S. federal income tax considerations relating to such investment will depend in part upon the status and activities of such entity and the particular partner. Any such entity should consult its own tax advisor regarding the U.S. federal income tax considerations applicable to it and its partners relating to the purchase, ownership and disposition of our Common Stock.

PERSONS CONSIDERING AN INVESTMENT IN OUR COMMON STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

Distributions on Common Stock

If we make a distribution of cash or other property (other than certain *pro rata* distributions of our Common Stock or rights to acquire our Common Stock) with respect to a share of our Common Stock, the distribution generally will be treated as a dividend to the extent it is paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). If the amount of such distribution exceeds our current and accumulated earnings and profits, such excess generally will be treated first as a tax-free return of capital to the extent of the Non-U.S. Holder's adjusted tax basis in such share of our Common Stock (together with a corresponding reduction in such tax basis), and then as

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capital gain (which will be treated in the manner described below under "Sale, Exchange or Other Disposition of Common Stock"). Distributions treated as dividends on our Common Stock that are paid to or for the account of a Non-U.S. Holder generally will be subject to U.S. federal withholding tax at a rate of 30%, or at a lower rate if provided by an applicable tax treaty and the Non-U.S. Holder provides the documentation (generally, Internal Revenue Service ("IRS") Form W-8BEN or W-8BEN-E) required to claim benefits under such tax treaty to the applicable withholding agent. Even if our current or accumulated earnings and profits are less than the amount of the distribution, the applicable withholding agent may elect to treat the entire distribution as a dividend for U.S. federal withholding tax purposes. Each Non-U.S. Holder should consult its own tax advisor regarding U.S. federal withholding tax on distributions, including such Non-U.S. Holder's eligibility for a lower rate and the availability of a refund of any excess U.S. federal tax withheld.

If, however, a dividend is effectively connected with the conduct of a trade or business in the United States by a Non-U.S. Holder, such dividend generally will not be subject to the 30% U.S. federal withholding tax if such Non-U.S. Holder provides the appropriate documentation (generally, IRS Form W-8ECI) to the applicable withholding agent. Instead, such Non-U.S. Holder generally will be subject to U.S. federal income tax on such dividend in substantially the same manner as a U.S. person (except as provided by an applicable tax treaty). In addition, a Non-U.S. Holder that is treated as a corporation for U.S. federal income tax purposes may be subject to a branch profits tax at a rate of 30% (or a lower rate if provided by an applicable tax treaty) on its effectively connected income for the taxable year, subject to certain adjustments.

The foregoing discussion is subject to the discussion below under " FATCA Withholding" and " Information Reporting and Backup Withholding."

Sale, Exchange or Other Disposition of Common Stock

A Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain recognized on the sale, exchange or other disposition of our Common Stock unless:

- (i) such gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder, in which event such Non-U.S. Holder generally will be subject to U.S. federal income tax on such gain in substantially the same manner as a U.S. person (except as provided by an applicable tax treaty) and, if it is treated as a corporation for U.S. federal income tax purposes, may also be subject to a branch profits tax at a rate of 30% (or a lower rate if provided by an applicable tax treaty);
- (ii) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of such sale, exchange or other disposition and certain other conditions are met, in which event such gain (net of certain U.S. source losses) generally will be subject to U.S. federal income tax at a rate of 30% (except as provided by an applicable tax treaty); or
- (iii) we are or have been a "United States real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of (x) the five-year period ending on the date of such sale, exchange or other disposition and (y) such Non-U.S. Holder's holding period with respect to such Common Stock, and certain other conditions are met.

Generally, a corporation is a "United States real property holding corporation" if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We believe that we presently are not, and we do not presently anticipate that we will become, a United States real property holding corporation.

The foregoing discussion is subject to the discussion below under " FATCA Withholding" and " Information Reporting and Backup Withholding."

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FATCA Withholding

Under the Foreign Account Tax Compliance Act provisions of the Code and related U.S. Treasury guidance ("FATCA"), a withholding tax of 30% will be imposed in certain circumstances on payments of (i) dividends on our Common Stock and (ii) on or after January 1, 2019, gross proceeds from the sale or other disposition of our Common Stock. In the case of payments made to a "foreign financial institution" (such as a bank, a broker, an investment fund or, in certain cases, a holding company), as a beneficial owner or as an intermediary, this tax generally will be imposed, subject to certain exceptions, unless such institution (i) has agreed to (and does) comply with the requirements of an agreement with the United States (an "FFI Agreement") or (ii) is required by (and does comply with) applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA") to, among other things, collect and provide to the U.S. tax authorities or other relevant tax authorities certain information regarding U.S. account holders of such institution and, in either case, such institution provides the withholding agent with a certification as to its FATCA status. In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such entity provides the withholding agent with a certification as to its FATCA status and, in certain cases, identifies any "substantial" U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity). If our Common Stock is held through a foreign financial institution that has agreed to comply with the requirements of an FFI Agreement or is subject to similar requirements under applicable foreign law enacted in connection with an IGA, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold tax on payments made to (i) a person (including an individual) that fails to provide any required information or documentation or (ii) a foreign financial institution that has not agreed to comply with the requirements of an FFI Agreement and is not subject to similar requirements under applicable foreign law enacted in connection with an IGA. Each Non-U.S. Holder should consult its own tax advisor regarding the application of FATCA to the ownership and disposition of our Common Stock.

Information Reporting and Backup Withholding

Amounts treated as payments of dividends on our Common Stock paid to a Non-U.S. Holder and the amount of any U.S. federal tax withheld from such payments generally will be reported annually to the IRS and to such Non-U.S. Holder by the applicable withholding agent.

The information reporting and backup withholding rules that apply to payments of dividends to certain U.S. persons generally will not apply to payments of dividends on our Common Stock to a Non-U.S. Holder if such Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person (generally by providing an IRS Form W-8BEN or W-8BEN-E to the applicable withholding agent) or otherwise establishes an exemption.

Proceeds from the sale, exchange or other disposition of our Common Stock by a Non-U.S. Holder effected outside the United States through a non-U.S. office of a non-U.S. broker generally will not be subject to the information reporting and backup withholding rules that apply to payments to certain U.S. persons, provided that the proceeds are paid to the Non-U.S. Holder outside the United States. However, proceeds from the sale, exchange or other disposition of our Common Stock by a Non-U.S. Holder effected through a non-U.S. office of a non-U.S. broker with certain specified U.S. connections or of a U.S. broker generally will be subject to these information reporting rules (but generally not to these backup withholding rules), even if the proceeds are paid to such Non-U.S. Holder outside the United States, unless such Non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person (generally by providing an IRS Form W-8BEN or W-8BEN-E to the applicable withholding agent) or otherwise establishes an exemption. Proceeds from the sale, exchange or other disposition of our Common Stock by a Non-U.S. Holder effected through a U.S. office of a broker generally will be subject to these information reporting and backup withholding rules unless such Non-U.S. Holder certifies under penalties of perjury

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that it is not a U.S. person (generally by providing an IRS Form W-8BEN or W-8BEN-E to the applicable withholding agent) or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability if the required information is furnished by such Non-U.S. Holder on a timely basis to the IRS.

U.S. Federal Estate Tax

Shares of our Common Stock owned or treated as owned by an individual Non-U.S. Holder at the time of such Non-U.S. Holder's death will be included in such Non-U.S. Holder's gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax unless an applicable estate tax treaty provides otherwise.

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CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of our Common Stock by employee benefit plans that are subject to Title I of ERISA, plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in our Common Stock of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of our Common Stock by an ERISA Plan with respect to which we or the underwriter is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or "PTCEs," that may apply to the acquisition and holding of our Common Stock. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers, although there can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, our Common Stock should not be purchased or held by any person investing "plan assets" of any Plan, unless such purchase and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of our Common Stock, each purchaser and subsequent transferee of our Common Stock will be deemed to have represented and warranted that either (i) no portion of the assets

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used by such purchaser or transferee to acquire and hold our Common Stock constitutes assets of any Plan or (ii) the purchase and holding of our Common Stock by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws.

Additionally, if any purchaser or subsequent transferee of our Common Stock is using assets of any ERISA Plan to acquire or hold our Common Stock, such purchaser and subsequent transferee will be deemed to represent that (i) none of us, the underwriter, and any of our or its affiliates has acted as the ERISA Plan's fiduciary, or has been relied upon for any advice, with respect to the purchaser or transferee's decision to acquire, hold, sell, exchange, vote or provide any consent with respect to, our Common Stock and none of us, the underwriter, and any of our or its affiliates shall at any time be relied upon as the ERISA Plan's fiduciary with respect to any decision to acquire, continue to hold, sell, exchange, vote or provide any consent with respect to, our Common Stock and (ii) the decision to invest in our Common Stock has been made at the recommendation or direction of an "independent fiduciary" ("Independent Fiduciary") within the meaning of U.S. Code of Federal Regulations 29 C.F.R. Section 2510.3-21(c), as amended from time to time (the "Fiduciary Rule"), who (a) is independent of us and the underwriter; (b) is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies (within the meaning of the Fiduciary Rule); (c) is a fiduciary (under ERISA and/or Section 4975 of the Code) with respect to the purchaser or transferee's investment in our Common Stock and is responsible for exercising independent judgment in evaluating the investment in our Common Stock; (d) is either (A) a bank as defined in Section 202 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or similar institution that is regulated and supervised and subject to periodic examination by a state or federal agency of the United States; (B) an insurance carrier which is qualified under the laws of more than one state of the United States to perform the services of managing, acquiring or disposing of assets of such an ERISA Plan; (C) an investment adviser registered under the Advisers Act or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state (referred to in such paragraph (1)) in which it maintains its principal office and place of business; (D) a broker dealer registered under the Securities Exchange Act of 1934, as amended; and/or (E) an Independent Fiduciary (not described in clauses (A), (B), (C) or (D) above) that holds or has under management or control total assets of at least \$50 million, and will at all times that such purchaser or transferee holds our Common Stock hold or have under management or control total assets of at least \$50 million; and (e) is aware of and acknowledges that (I) none of us, the underwriter and any of our or its affiliates is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the purchaser's or transferee's investment in our Common Stock, and (II) we, the underwriter and our and its affiliates have a financial interest in the purchaser's or transferee's investment in our Common Stock on account of the fees and other remuneration we or they expect to receive in connection with transactions contemplated hereunder. Notwithstanding the foregoing, any ERISA Plan which is an individual retirement account that is not represented by an Independent Fiduciary shall not be deemed to have made the representation in clause (ii)(d) above.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing our Common Stock on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of our Common Stock.

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UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriter named below has agreed to purchase, and the selling stockholder has agreed to sell to it the number of shares indicated below:

Underwriter	Number of Shares
Morgan Stanley & Co. LLC	38,000,000

The underwriter is offering the shares of our Common Stock subject to their acceptance of the shares from the selling stockholder. The underwriting agreement provides that the obligations of the underwriter to pay for and accept delivery of the shares of our Common Stock offered by this prospectus supplement and the accompanying prospectus are subject to the approval of certain legal matters by its counsel and to certain other conditions. The underwriter is obligated to take and pay for all of the shares of our Common Stock offered by this prospectus supplement if any such shares are taken. The offering of the shares by the underwriter is subject to receipt and acceptance and subject to the underwriter's right to reject any order in whole or in part.

The underwriter may offer the shares of Common Stock from time to time for sale in one or more transactions on the NYSE American, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale or at negotiated prices. The underwriter may effect such transactions by selling shares of Common Stock to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriter and/or purchasers of shares of Common Stock for whom they may act as agents or to whom they may sell as principal. The difference between the price at which the underwriter purchases shares and the price at which the underwriter resells such shares may be deemed underwriting compensation.

The selling shareholder will pay offering expenses, which are approximately \$100,000, and all of the underwriting discounts and commissions. We have agreed to reimburse the underwriter for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority up to \$30,000.

The underwriter has informed us that it does not intend sales to discretionary accounts to exceed 5% of the total number of shares of our Common Stock offered by it.

Our Common Stock is listed on the NYSE American under the trading symbol "GSAT."

We, all our directors and executive officers and Thermo Capital Partners LLC and its affiliated entities that own stock in us (including the selling shareholder) have agreed that, without the prior written consent of the underwriter, we and they will not, during the period beginning on the date the lock-up agreements were executed and ending 90 days, or, in the case of the directors (other than James Monroe III and James F. Lynch) and executive officers (other than James Monroe III), 75 days, in each case, after the date of this prospectus supplement (the "restricted period"):

offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for shares of Common Stock;

enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock; or

publicly disclose the initiation of doing any of the foregoing;

whether any such transaction described in the first two clauses above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise.

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We have also agreed not to file any registration statement with the SEC relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for shares of Common Stock. In addition, our directors and executive officers have agreed that, without the prior written consent of the underwriter, they will not, during the restricted period, make any demand for or exercise any right with respect to, the registration of any shares of our Common Stock or any security convertible into or exercisable or exchangeable for our Common Stock.

The restrictions described in the immediately preceding paragraph do not apply to:

the sale of shares of Common Stock pursuant to the underwriting agreement;

transactions relating to shares of Common Stock or other securities acquired in open market transactions after the completion of this offering, provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of Common Stock or other securities acquired in such open market transactions; or

transfers of shares of Common Stock or any security convertible into Common Stock as a bona fide gift or distributions of shares of Common Stock or any security convertible into Common Stock to members, limited partners, stockholders or holders of similar equity interests of, or to any other affiliate or entity controlled or managed by, or under common control or management with, the donor; provided that in the case of any transfer or distribution pursuant to this clause, (i) each donee or distributee shall agree to be bound by these same restrictions until the expiration of the restricted period and (ii) no filing under Section 16(a) of the Exchange Act or other public announcement, reporting a reduction in beneficial ownership of shares of Common Stock, shall be required or shall be voluntarily made during the restricted period;

the issuance by the Company of shares of Common Stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus supplement of which the underwriter has been advised in writing; or

RELATIONSHIP WITH INDEPENDENT AUDITOR

KPMG LLP has been the independent auditor that audits the financial statements of the Company since 1987. In accordance with standing policy, KPMG LLP periodically changes the personnel who work on the audit. In addition to performing the audit of the Company's consolidated financial statements, KPMG LLP provided various other services during fiscal 2013. The aggregate fees incurred during fiscal 2013 and fiscal 2012 for each of the following categories of services are set forth below:

	Fiscal 2013 Fees	Fiscal 2012 Fees
Audit Fees	\$600,000	\$596,000
Audit-Related Fees	-	-

Tax Fees	121,000	90,000
All Other Fees	-	-
Total Fees	\$721,000	\$686,000

Audit Fees. Consists of fees billed for professional services rendered for the audit of the Company's consolidated financial statements and review of the interim consolidated financial statements included in quarterly reports. This includes fees for review of the tax provision and fees for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by statute or regulation (foreign or domestic) such as comfort letters, consents, reviews of SEC filings, statutory audits in non-U.S. locations and reports on issuers' internal controls required under the Sarbanes-Oxley Act.

Audit-Related Fees. Consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements and are not reported under "Audit Fees."

Tax Fees. Consists of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and international tax compliance, tax audit defense, customs and duties, mergers and acquisitions, and international tax planning.

All Other Fees. No other fees were incurred during fiscal years 2013 or 2012.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent auditor. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent auditor and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent auditor in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis.

PROPOSAL NO. 2

**RATIFICATION OF APPOINTMENT OF
INDEPENDENT AUDITOR**

The Audit Committee of the Board of Directors has appointed KPMG LLP, an independent registered public accounting firm, to audit the financial statements of the Company for the year ending January 2, 2015. KPMG LLP has audited the Company's financial statements since 1987. A representative of KPMG LLP is expected to be present at the Annual Meeting, will have the opportunity to make a statement if he or she so desires, and is expected to be available to respond to appropriate questions.

Required Vote

The ratification of the appointment of KPMG LLP will require the affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting.

In the event that the stockholders do not approve the selection of KPMG LLP, the Audit Committee of the Board of Directors will reconsider the appointment of the independent auditor.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE
RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY'S
INDEPENDENT AUDITOR FOR FISCAL 2014.**

PROPOSAL NO. 3

ADVISORY VOTE ON EXECUTIVE COMPENSATION FOR FISCAL 2013

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") enables the Company's stockholders to vote to approve, on an advisory or non-binding basis, the compensation of our named executive officers, as disclosed in this proxy statement in accordance with SEC rules. Although the vote is advisory and is not binding on us or on our Board of Directors, our Human Resources Committee will take into account the outcome of the vote when considering future executive compensation decisions and will evaluate whether any actions are necessary to address stockholder concerns.

We believe that our compensation philosophy has allowed us to attract, retain, and motivate qualified executive officers who have contributed to our success. For more information regarding the compensation of our named executive officers and our compensation philosophy, we encourage you to read the section of this proxy entitled "Executive Officer Compensation – Compensation Discussion and Analysis," the compensation tables and the narrative discussion following the compensation tables for a more detailed discussion of our compensation policies and practices.

We are asking for stockholder approval of the compensation of our named executive officers in accordance with SEC rules (including without limitation, Section 14A of the Securities Exchange Act of 1934, as amended). This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and practices described in this proxy statement. In accordance with the recommendation of the Company's stockholders at the 2011 Annual Meeting of the Company, the Board intends to seek this advisory vote on an annual basis.

Required Vote

The affirmative vote of a majority of the shares of our common stock present in person or represented by proxy and entitled to be voted on the proposal at the Annual Meeting is required for advisory approval of this proposal.

The Board of Directors unanimously recommends a vote FOR the approval of the compensation of our named executive officers as disclosed in this proxy statement on an advisory basis pursuant to the compensation disclosure rules of the SEC.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table indicates beneficial ownership of the Company's common stock as of April 2, 2014. It includes stockholders known by the Company to beneficially own more than 5% of the Company's common stock, the Company's directors, the executive officers of the Company named in the Summary Compensation Table, and the directors and executive officers of the Company as a group. A total of 13,141,368 shares of the Company's common stock were issued and outstanding as of April 2, 2014.

Name and Address of Beneficial Owners	Number of Shares Beneficially Owned (1)	Percent of Total (1)	
Neuberger Berman Group LLC (2) 605 Third Avenue New York, NY 10158	1,602,235	12.2	%
Kayne Anderson Rudnick Investment Management LLC (2) 1800 Avenue of the Stars, 2 nd Floor Los Angeles, CA 90067	1,206,121	9.2	%
BlackRock, Inc. (2) 40 East 52 nd Street New York, NY 10022	1,162,238	8.8	%
The Vanguard Group, Inc. (2) 100 Vanguard Blvd. Malvern, PA 19355	814,302	6.2	%
Richard L. Schlenker (3)	172,269	1.3	%
Paul R. Johnston, Ph.D. (4)	150,829	1.1	%
Samuel H. Armacost (5)	95,838		*
Robert D. Caligiuri, Ph.D.	78,616		*
Michael R. Gaulke (6)	51,428		*
Subbaiah V. Malladi, Ph.D.	27,112		*
Paul D. Boehm, Ph.D. (7)	21,682		*
John B. Shoven, Ph.D. (6)	11,126		*
Stephen C. Riggins (6)	4,356		*
Mary B. Cranston (6)	4,142		*
All Directors & Executive Officers (14 persons) (8)	653,434	4.9	%

*Represents less than one percent of the outstanding common stock of the Company.

(1) The number and percentage of shares beneficially owned is determined under rules of the Securities and Exchange Commission ("SEC"), and the information is not necessarily indicative of beneficial ownership for any other purpose. Under SEC rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also

any shares that the individual has the right to acquire within sixty days of April 2, 2014, through the exercise of any stock option or other right. The denominator of the calculation consists of shares the director's and executive officer's have the right to acquire through the exercise of any stock option or other right within sixty days of April 2, 2014, plus the Company's total shares outstanding as of April 2, 2014. Unless otherwise indicated in the footnotes, each person has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares shown as beneficially owned.

Based on information contained in a report on Schedule 13G/A filed with the SEC on February 12, 2014 for Neuberger Berman Group LLC, a report on Schedule 13G/A filed on January 13, 2014 (2) for Kayne Anderson Rudnick Investment Management LLC, a report on Schedule 13G/A filed on January 29, 2014 for BlackRock, Inc. and a report on Schedule 13G/A filed on February 12, 2014 for The Vanguard Group, Inc.

- (3) Includes 84,625 shares of common stock subject to options exercisable within sixty days of April 2, 2014.
- (4) Includes 79,750 shares of common stock subject to options exercisable within sixty days of April 2, 2014.
- (5) Includes 2,632 shares of common stock to be issued upon the conversion of restricted stock units within sixty days of April 2, 2014.

- (6) Includes 1,431 shares of common stock to be issued upon the conversion of restricted stock units within sixty days of April 2, 2014.
- (7) Includes 6,000 shares of common stock subject to options exercisable within sixty days of April 2, 2014.
- (8) Includes 170,375 shares of common stock subject to options exercisable within sixty days of April 2, 2014 and 8,356 shares of common stock to be issued upon the conversion of restricted stock units within sixty days of April 2, 2014.

Section 16(a) Beneficial Ownership Reporting Compliance

The Company believes that during fiscal 2013, all filings with the SEC, by its executive officers, directors and 10% stockholders complied with requirements for reporting ownership or changes in ownership of Company common stock pursuant to Section 16(a) of the Securities Exchange Act of 1934, except for the following: failure to file a Form 4, Statement of Changes in Beneficial Ownership, on a timely basis for Stephen C. Riggins, with regards to a sale of common stock that took place on July 29, 2013. The Form 4 for this sale was filed on August 12, 2013.

Compensation Committee Interlocks and Insider Participation

During fiscal 2013, Messrs. Armacost, Denend, Riggins and Shoven, and Ms. Cranston and Ms. Richardson served as members of the Human Resources Committee. No member of the Human Resources Committee is or was formerly an officer or an employee of the Company or any of its subsidiaries.

No interlocking relationship exists between the Company's Board of Directors or Human Resources Committee and the Board of Directors or Compensation Committee of any other company, nor has any such interlocking relationship existed in the past.

EXECUTIVE OFFICER COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis explains our compensation philosophy, objectives, policies and practices with respect to our President and Chief Executive Officer, our Executive Vice President and Chief Financial Officer and our other three most highly-compensated executive officers, as determined in accordance with applicable SEC rules and as set out in the “Summary Compensation Table”. We collectively refer to these five individuals as our “named executive officers.”

General Philosophy. Our fundamental compensation philosophy is to align management’s incentives with the long-term interests of our stockholders, create a sense of partnership and to provide a retention vehicle. We strive to compensate our named executive officers competitively with executives and consulting professionals throughout the industry and geographies in which we operate. Executive officer compensation is based on the performance of the Company, individual achievements and the competitive environment. Individual performance assessments are based on appraisals of financial performance, professional accomplishments and leadership that meet the level of excellence demanded. We use a total compensation approach for our named executive officers, in which each element of compensation is reviewed individually and considered collectively with the other elements of our compensation program to ensure that it is consistent with the objectives of both that particular element of compensation and our overall compensation program. During our Board and Committee Meetings on February 7, 2014, we considered the results of the “say on pay” proposal from our 2013 proxy, on which 98.4% of votes cast by our stockholders were in support of our executive compensation policies and decisions for fiscal 2012. Our approach for fiscal 2013 on compensation policies and decisions remained consistent with our 2012 approach and no substantial changes were made during fiscal 2013. Our compensation program consists of the following elements: base salary, bonus, equity compensation and other benefits.

Board Process. The responsibility for determining the compensation of our named executive officers has been delegated by the Board of Directors to the Human Resources Committee (which is hereinafter referred to as the “Committee”). However, for our President and Chief Executive Officer’s compensation, the independent members of the Board ratify the compensation decisions approved by the Committee. As described in more detail below, the Committee’s responsibilities include establishing the general compensation policies for all employees and overseeing the specific compensation for officers of the Company. The Committee regularly reviews these compensation programs and makes adjustments as appropriate to accomplish its objectives. The Committee met five times during fiscal 2013.

In the case of the President and Chief Executive Officer, the Committee reviews the President and Chief Executive Officer's written assessment of his performance, evaluates the performance of the President and Chief Executive Officer relative to his objectives and determines the appropriate compensation. For the other executive officers, the President and Chief Executive Officer evaluates their performance and presents his evaluation and compensation recommendations to the Committee for review and approval. The Committee also approves all equity compensation grants. The Charter of the Committee is available on our website at: <http://www.exponent.com/corporate-governance/>.

The Charter of the Committee provides for the Committee to retain, and terminate as necessary, a compensation consultant. During 2012, the Committee engaged Compensia, an executive compensation consulting firm, to provide recommendations regarding a framework for performance objectives, as discussed below, and a group of publicly-traded professional service companies with revenue, operating income and business focus comparable to Exponent that will be used to develop competitive compensation data for our President and Chief Executive Officer and our Executive Vice President and Chief Financial Officer. For fiscal 2013, the Committee reviewed competitive compensation data for the chief executive officer and chief financial officer of 10 publicly-traded professional service companies recommended by Compensia with revenue, operating income, and business focus comparable to Exponent. Those companies included The Advisory Board, The Corporate Executive Board, CRA International, Duff & Phelps, Heidrick and Struggles, Huron Consulting, ICF International, Korn/Ferry, Navigant Consulting, and Resource Connection. During 2013, the Committee also reviewed executive compensation survey data compiled by Radford, a compensation survey provider, for chief financial officers of publicly-traded companies in Northern California with annual revenues in the \$120 million to \$769 million range. The Committee does not target compensation against a specific percentile or range of percentiles within any peer group, because there are no comparable companies that offer the same technical capability and breadth of services as Exponent. We use the data for a general understanding of the marketplace. The competitive compensation data for base salary, total cash compensation and long-term incentives were reviewed by the Committee to ensure that the President and Chief Executive Officer's compensation is not an outlier relative to the peer group reviewed. The competitive compensation data for base salary, total cash compensation and long-term incentives and the executive compensation survey data for chief financial officers provided by Radford also were reviewed by the Committee to ensure that the Executive Vice President and Chief Financial Officer's compensation is not an outlier relative to the peer groups reviewed.

Compensation and Risk Management

The Committee does not believe that our executive compensation program encourages excessive or unnecessary risk-taking. By dividing our executives' compensation into three key elements, the Committee believes it has properly weighted the performance compensation eligible to be earned by our executives appropriately between short-term and long-term goals. Additionally, the annual bonus for the President and Chief Executive Officer is capped at two times his target bonus and 40% of each executive officer's annual bonus is settled with fully vested restricted stock units that are not delivered for four years. These provisions add protection against disproportionately large short-term incentives. The primary component of our equity compensation program is restricted stock units which cliff vest four years from the date of grant. The delayed vesting encourages our executives' sustained focus on the long-term performance of the Company. The Committee believes our executive compensation program promotes proper alignment of our executives' interests with those of the Company's stockholders.

Elements of Compensation Program

Base Salary. We believe that competitive base salaries are necessary to attract and retain management talent critical to achieving our business objectives. We strive to provide base salaries commensurate with comparable executives at professional service organizations of similar size and location and with consulting professionals of similar background and experience working for both professional service organizations and in private practice. Base salaries are reviewed annually and adjusted to realign salaries with market levels after taking into account our performance, as well as the individual's responsibilities, experience and performance. The level of total compensation relative to our other executive officers, senior scientific and engineering consultants that we hire and those that have left to compete with us are also considered when determining executive officer base salaries.

Effective March 29, 2014, the annual base salary for Dr. Johnston, President and Chief Executive Officer, increased 4% from \$600,000 to \$625,000. Dr. Johnston's increased annual base salary reflected a level that Committee concluded was appropriate based upon Dr. Johnston's performance and the competitive compensation data. Effective March 29, 2014, the annual base salary for Dr. Boehm, Group Vice President, increased 3% from \$370,000 to \$380,000. Dr. Boehm's increased annual base salary reflected a level that the Committee concluded was appropriate based upon his performance in fiscal 2013. For fiscal 2014, the Committee concluded that the annual salaries for Mr. Schlenker, Executive Vice President and Chief Financial Officer, Dr. Malladi, Chief Technical Officer, and Dr. Caligiuri, Group Vice President, of \$400,000, \$600,000 and \$500,000, respectively, were competitive and would not be increased.

Bonus. Annual bonuses are designed to create an incentive and reward named executive officers for their contributions to our performance by making a significant portion of their total compensation variable. Our bonus plan covers all employees, including named executive officers, and the bonus pool is equal to 33% of our pre-tax income before bonuses, stock-based compensation, realized gain/loss on foreign exchange and interest income. An additional amount of up to the amount of the President and Chief Executive Officer's target bonus will be added to the bonus pool if the President and Chief Executive Officer's targets for revenue and profit are exceeded, as discussed below. Our bonus pool has historically been 33% and the Committee determined that this amount was competitive for fiscal 2013. The total amount available in the bonus pool for fiscal 2013 was \$35,370,000. Generally 40% of each named executive officer's annual bonus is settled with fully vested restricted stock unit awards to provide a longer term incentive, under which each executive officer has the right to receive shares of our common stock four years from the date of grant. The remainder of each executive officer's annual bonus is paid in cash.

Where a named executive officer has responsibilities for both providing direct consulting services to clients and managing a business unit, his or her performance is generally weighted toward the direct consulting activities. For a named executive officer who has broader corporate responsibilities, such as our Executive Vice President and Chief Financial Officer, his performance is based on that officer's overall contribution to the Company.

For fiscal 2013, the President and Chief Executive Officer's performance was evaluated using a process developed with the help of Compensia, based on performance objectives in three categories: revenue, profitability, and leadership. The portion of the bonus determined based on objective business criteria established by the Committee is intended to qualify as performance-based compensation pursuant to Section 162(m) of the Code, while the portion of the bonus based on qualitative criteria is not. We have done this based upon our philosophy of determining total executive compensation using a combination of quantitative and qualitative assessments of performance.

Performance Awards. Our 2008 Equity Incentive Plan authorizes the grant of performance awards to our executive officers. Performance awards are payable only to the extent certain performance targets, based on objective business criteria specified by the Committee, are achieved in the relevant measurement period. Performance awards are payable in cash or restricted stock units, at the discretion of the Committee. At the beginning of each year, the Committee must determine the performance goals and the achievement necessary for the bonus payout. After the conclusion of the performance period, the Committee certifies (1) the extent to which each executive officer has achieved the applicable prior fiscal year's performance targets, and (2) the appropriate amount, if any, to be paid with respect to such performance-based annual incentive award. Even if the performance targets are achieved, the Committee may reduce the amount of an award through "negative discretion" and thereby reduce the payment made under a performance award, but the Committee cannot increase the amount of such award.

On February 15, 2013, the Committee determined the performance award opportunity to be granted to Dr. Johnston, President and Chief Executive Officer, for fiscal 2013. In doing so, the Committee established the performance targets, the performance required to achieve payout under the award and maximum amounts payable under this award. The Committee set the target bonus level and maximum payout at amounts they believe are competitive. Dr. Johnston's target award was set at \$200,000 with the maximum amount payable set at twice the target. Performance between the applicable targets would be paid on a straight-line basis. In establishing the target for Dr. Johnston's 2013 performance award, the Committee decided that 60% of the award, to the extent earned, would be payable in cash and 40% of the award would be payable in fully vested restricted stock units under which Dr. Johnston has the right to receive shares of our common stock four years from the date of grant.

Two performance targets were established. The revenue performance target was achieving prior fiscal revenues before reimbursements excluding the revenues before reimbursements for product sales.

This target is measured on a scale of 0 to 2 with 0 being equal to 10% revenue decline, 1 being equal to 0% revenue growth, and 2 being equal to 10% revenue growth. Performance between the targets is prorated on a straight-line basis. We exceeded this quantitative goal with actual revenues before reimbursements (excluding revenues before reimbursements for product sales) growth of 6.2%. This resulted in a quantitative performance factor for this objective of 1.62 on a scale of 0 to 2.

The profit performance target was to meet the adjusted EBITDAS* target margin. The adjusted EBITDAS margin is the calculated margin (EBITDAS/revenues before reimbursements) after subtracting the profit and revenue from product sales from EBITDAS and revenues before reimbursements, respectively. The EBITDAS target margin for fiscal 2013 was the fiscal 2012 adjusted EBITDAS margin increased or decreased by five basis points for each 1% of revenue before reimbursements growth above or below 5%. This is also measured on a scale of 0 to 2 with 0 being equal to 450 basis points below the EBITDAS target margin, 1 being equal to 250 basis points below the EBITDAS target margin, and 2 being equal to 50 basis points below the EBITDAS target margin. We exceeded this quantitative goal by exceeding the EBITDAS target margin by 9 basis points. This resulted in a quantitative performance factor for this objective of 2 on a scale of 0 to 2.

* EBITDAS is a non-GAAP financial measure defined as net income before income taxes, interest income, depreciation and amortization and stock-based compensation.

On February 7, 2014, the Committee certified and determined the amount payable to Dr. Johnston with respect to the cash and equity components of his performance award for fiscal 2013. Both of the performance targets were weighted equally. This resulted in a composite performance factor of 1.81 on a scale of 0 to 2. Accordingly, the formula amount payable for the performance award was \$362,000 (target of \$200,000 multiplied by the composite performance factor of 1.81).

Qualitative Bonuses. The target for Dr. Johnston's qualitative bonus was set at \$400,000 for fiscal 2013 with the maximum payout set at twice the target. The Committee set the target bonus level and maximum payout at amounts they believe are competitive. Performance was evaluated based on objectives in three categories: revenue, profitability and leadership. The performance objectives for revenue and profit are weighted 25% each and the performance objective for leadership is weighted 50%. The Committee may reduce the qualitative bonus from the target amount at their discretion.

With respect to the revenue objective, the determination was based on the judgment of the Committee, taking into consideration factors such as how well we accomplished strategic growth initiatives, added top talent and increased focus on business development of senior staff. For the profit objective, the determination was based on the judgment of the Committee, taking into consideration factors such as how we were able to control expenses, leverage infrastructure and manage headcount growth. The leadership objective was based on the judgment of the Committee taking into consideration factors such as management of enterprise risk, expansion of our talent base and our overall strategic direction.

In determining the appropriate qualitative bonus, the Committee considered Dr. Johnston's contributions to achieving each of the three objectives. In making a qualitative assessment of the revenue objective the Committee determined that this objective was exceeded due to the business development efforts associated with our strategic growth initiatives, the addition of top talent and the increased focus on business development of senior staff. In making a qualitative assessment of the profit objective the Committee determined that this objective was met due to how expenses were managed, infrastructure was leveraged and headcount was managed. With respect to the leadership objective, the Committee recognized that this objective was exceeded due to the management of enterprise risk, the expansion of our talent base and the strategic direction provided. Based on the Committee's qualitative evaluation, the composite performance factor was 1.35 on a scale of 0 to 2. Accordingly, the amount payable for the qualitative bonus was \$538,000 (target of \$400,000 multiplied by the composite performance factor of 1.35). The Committee decided that 60% of the qualitative bonus will be paid in cash and 40% of the qualitative bonus will be settled with fully vested restricted stock units under which Dr. Johnston has the right to receive shares of our common stock four years from the date of grant.

We do not have specific target bonuses for our other named executive officers. The bonuses for the other named executive officers were determined on a total compensation basis based on their relative

contribution to our overall performance. Where a named executive officer has responsibilities for both providing direct consulting services to clients and managing a business unit, his or her performance is generally weighted toward the direct consulting activities. The size of our bonus pool was also considered when determining the annual bonuses for our other named executive officers.

Equity Compensation. Our equity compensation program is designed to align the named executive officers and stockholders' interests, create a sense of partnership and long-term incentives, and provide a mechanism for retention and to provide a competitive total compensation package. We use a combination of restricted stock units and stock options to achieve these objectives.

Generally 40% of each named executive officer's annual bonus is settled with fully vested restricted stock unit awards. The percentage of each named executive officer's annual bonus settled with vested restricted stock unit awards may be less than 40% when called for by the terms of an employment agreement or when other equity grants made were deemed adequate to align named executive officers and stockholders' interests, by using long-term incentives to create a sense of partnership, provide a mechanism for retention and provide a competitive total compensation package. Under these restricted stock unit awards, each executive officer has the right to receive shares of our common stock four years from the date of grant. Each named executive officer who received a fully vested restricted stock unit award is also granted a matching number of unvested restricted stock unit awards. These unvested restricted stock unit awards cliff vest four years from the date of grant provided the holder has met certain employment conditions. In the case of retirement at 59 ½ years or older, all unvested restricted stock unit awards will continue to vest, provided that the named executive officer does all consulting work through the Company and does not become an employee for a past or present client (direct or indirect) or competitor of the Company.

Our practice is to determine each named executive officer's bonus and the dollar amount of vested and unvested restricted stock unit awards following the availability of financial results for the prior year. With the exception of significant promotions and new hires, we generally grant restricted stock unit awards once a year during the allocation of our bonus pool. For restricted stock unit awards our 2008 Equity Incentive Plan defines the fair market value of the restricted stock unit awards as the closing price of our stock on the day of grant.

During the annual review process in February 2013, the Committee granted a stock option to purchase 16,500 shares of our common stock to Dr. Johnston, President and Chief Executive Officer, and a stock option to purchase 11,000 shares of our common stock to Mr. Schlenker, Executive Vice President and Chief Financial Officer. These stock option grants reflect levels that the Committee concluded were generally appropriate based upon past practices within the Company, each individual's total stock ownership and the amount needed to remain competitive. For stock option awards the exercise price is equal to the closing price of our stock on the date of grant. Our option awards vest ratably over a four-year period beginning on the grant date, subject to continued employment. All stock option awards continue to vest in the case of retirement at 59 ½ years or older, provided that the named executive officer does all consulting work through the Company and does not become an employee for a past or present client (direct or indirect) or competitor of the Company.

Unvested restricted stock unit awards and stock options are occasionally granted for select new hires and promotions. There were no new hire awards granted to any named executive officers.

Executive Stock Ownership Guidelines. We believe that the financial interests of our executive officers should be aligned with those of our stockholders. Our stock ownership guidelines are determined as a multiple of the named executive officer's annual base salary. Individual guidelines are

three times for the President and Chief Executive Officer, two times for the Executive Vice President and Chief Financial Officer and one time for the other named executive officers. Stock that counts towards satisfaction of our stock ownership guidelines includes shares owned outright by the named executive officer or his or her immediate family members residing in the same household or in trust and restricted stock units, whether or not vested. The value of shares owned outright is Exponent's prior 365-day average closing common stock price. The value of restricted stock units is the grant date fair value. The calculation is done at the beginning of each year. Named executive officers are required to achieve their stock ownership guideline within five years of the date the guidelines were adopted. If a person's stock ownership guideline increases, that person has a five-year period to achieve the new guideline. As of April 2, 2014, all the named executive officers met the stock ownership guidelines or are expected to meet the applicable ownership guidelines within the specified time period.

Hedging and Pledging. Our policies do not permit any director or employee, including our named executive officers, to "hedge" their ownership by engaging in short sales involving Exponent securities. Our policies do not permit any director or officer, including our named executive officers, to pledge Exponent securities as collateral.

No Compensation Consultant Conflicts of Interest. We are not aware of any conflict of interest that has been raised by the work performed by Compensia.

Nonqualified Deferred Compensation. To attract and retain high performing executive officers and consultants we have a nonqualified deferred compensation plan under which we provide certain highly compensated employees, including the named executive officers, the opportunity to elect to defer the receipt of compensation. Participants in the plan may elect to defer up to 100% of their compensation including base salary and bonus. We also retain the discretion to make company contributions for any participant. For additional information, please refer to the Nonqualified Deferred Compensation table.

Other Benefits. Executive officers participate in our other benefit plans on the same terms as other employees. These plans include medical and dental insurance, life insurance, an employee stock purchase plan and company contributions to each employee's defined contribution retirement account. We also provide paid vacation and other paid holidays to all employees, including named executive officers.

Tax Deductibility of Pay

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally places a limit of \$1,000,000 on the amount of annual compensation that we may deduct in any one year with respect to certain executive officers unless the compensation is qualifying performance-based compensation where certain requirements are met. It is the policy of the Committee to have stock option compensation and performance awards qualify for full deductibility to the extent feasible and consistent with our overall compensation objectives. Our 1999 Stock Option Plan and 2008 Equity Incentive Plan are designed to enable compensation recognized in connection with the exercise of options and the settlement of performance awards to qualify as performance-based compensation eligible for deductibility under Section 162(m). Base salary, qualitative bonuses, and restricted stock unit awards (excluding performance awards settled with restricted stock units) do not qualify as exceptions to the deduction limit under Section 162(m) due to the Committee's philosophy of determining total executive compensation using a combination of quantitative and qualitative assessments of performance.

Compensation Accounting Matters

The Committee also considers the accounting and cash flow implications of various forms of executive compensation. In our financial statements, we record salaries and bonuses as expenses in the amount paid, or to be paid, to the named executive officers. Accounting rules also require us to record an expense in our financial statements for equity awards, even though equity awards are not paid as cash to employees. The Committee believes, however, that the many advantages of equity compensation more than compensate for the non-cash accounting expense associated with these types of awards. We currently amortize compensation expense associated with equity awards over an award's requisite service period and establish fair value of equity awards in accordance with applicable accounting standards. Based upon the structure of our employee stock purchase plan program we are not required to record compensation expenses for financial statement purposes in connection with employees' rights to purchase our stock granted under this program.

Potential Payments upon Termination or Change-in-Control

Our restricted stock unit award agreements state that in the event of a change in control of the Company, the successor shall assume or substitute equivalent awards on the same terms and conditions. If the award holder is involuntarily terminated for any reason other than the award holder's failure to substantially perform the duties of the award holder's position within a two-year period beginning on the date of the change in control, all awards are vested and settled on the date of termination. Assuming a change in control and involuntary termination of employment, the value of restricted stock unit awards that would have vested based on the closing price of our common stock on January 3, 2014 of \$77.38 for each named executive officer was as follows: Dr. Johnston \$2,016,059, Mr. Schlenker \$1,340,067, Dr. Malladi \$1,275,222, Dr. Caligiuri \$1,309,115, and Dr. Boehm \$1,282,032. We do not have any other contracts, agreements (including employment agreements), plans or arrangements, whether written or unwritten, providing for payments to a named executive officer at, following, or in connection with any termination of a named executive officer or a change in control or a change in a named executive officer's responsibilities.

SUMMARY COMPENSATION TABLE

The following table summarizes information regarding compensation earned by our named executive officers during fiscal 2013:

Name and Principal Position	Year	Salary (\$) (1)	Bonus (\$) (2)	Stock Awards (\$) (3) (5)	Option Awards (\$) (4) (5)	All Other Compensation (\$) (6)	Total (\$)
Paul R. Johnston, Ph.D. President and Chief Executive Officer	2013	609,047	540,000	680,000	309,828	42,633	2,181,508
	2012	580,029	510,000	600,000	292,637	17,500	2,000,166
	2011	543,764	450,000	520,000	288,969	17,150	1,819,883
Richard L. Schlenker Executive Vice President, Chief Financial Officer and Corporate Secretary	2013	405,203	330,000	440,000	206,552	28,364	1,410,119
	2012	385,039	330,000	400,000	195,091	17,500	1,327,630
	2011	365,030	300,000	320,000	206,406	17,150	1,208,586
Subbaiah V. Malladi, Ph.D. Chief Technical Officer	2013	611,537	345,000	500,000	-	42,808	1,499,345
	2012	587,496	375,000	460,000	-	17,500	1,439,996
	2011	549,979	345,000	460,000	-	17,150	1,372,129
Robert D. Caligiuri, Ph.D. Group Vice President	2013	509,623	300,000	440,000	-	35,674	1,285,297
	2012	500,032	330,000	400,000	-	17,500	1,247,532
	2011	500,032	300,000	300,000	-	17,150	1,117,182
Paul D. Boehm, Ph.D. Group Vice President	2013	374,627	315,000	440,000	-	26,224	1,155,851

(1) The base salaries for our Names Executive Officers took effect for 2013, 2012 and 2011 on March 30, 2013, March 31, 2012 and April 2, 2011, respectively. As such the amounts in this column reflect three months at their prior year base salaries and nine months at their current year base

salaries. Fiscal 2013 included 53 weeks of activity as compared to 52 weeks for fiscal 2012 and 2011.

(2) The amounts shown in this column represent the value of cash bonuses earned during the year indicated and paid in the first quarter of the subsequent year, excluding the portion settled with vested restricted stock unit awards.

(3) The amounts shown in this column represent the values of vested and unvested restricted stock unit awards granted during the year indicated, regardless of when earned. The value of restricted stock units granted during the first quarter of 2014 to settle a portion of each named executive officer's fiscal 2013 bonus are not included in this column.

(4) The amounts shown in this column represent the Black-Scholes value calculated for stock options granted during the year indicated, regardless of when earned.

(5) The values of equity-based awards for this column represent the grant date fair value of the awards in accordance with ASC 718. However, pursuant to SEC rules, these values are not reduced by an estimate for the probability of forfeiture. All equity-based awards have dividend equivalent rights, which entitle the holder of the award to the same dividend value per share as holders of common stock. See the notes to our consolidated financial statements in our Annual Report on Form 10-K for the year ended January 3, 2014 regarding assumptions underlying the valuation of equity awards.

(6) The amounts shown in this column represent the value of Company contributions to each named executive officer's defined contribution retirement account earned during the year indicated. The Company provides a defined contribution retirement plan for all of its employees whereby the Company contributes to each eligible employee's account 7% of the employee's eligible base salary plus overtime. These contributions are made to the 401(k) plan up to the statutory maximum.

Effective January 1, 2013, any portion of the 7% contribution in excess of the statutory maximum is made to the Company's nonqualified deferred compensation plan.

GRANTS OF PLAN-BASED AWARDS IN FISCAL 2013

The following table sets forth information regarding grants of plan-based awards to our named executive officers during fiscal 2013:

Name	Grant Date	Human Resource Committee Approval Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Underlying Options (#) (3)	Exercise or Base Price of Option Awards (\$/Sh)	Closing Market Price of Underlying Security on Date of Grant (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
Dr. Johnston	03/15/2013	02/15/2013	6,328	(1)		53.74	340,000
	03/15/2013	02/15/2013	6,328	(2)		53.74	340,000
	02/15/2013	02/15/2013			16,500	50.03	309,828
Mr. Schlenker	03/15/2013	02/15/2013	4,095	(1)		53.74	220,000
	03/15/2013	02/15/2013	4,095	(2)		53.74	220,000
	02/15/2013	02/15/2013			11,000	50.03	206,552
Dr. Malladi	03/15/2013	03/04/2013	4,653	(1)		53.74	250,000
	03/15/2013	03/04/2013	4,653	(2)		53.74	250,000
Dr. Caligiuri	03/15/2013	03/04/2013	4,095	(1)		53.74	220,000
	03/15/2013	03/04/2013	4,095	(2)		53.74	220,000
Dr. Boehm	03/15/2013	03/04/2013	4,095	(1)		53.74	220,000
	03/15/2013	03/04/2013	4,095	(2)		53.74	220,000

(1) Amounts represent the number of fully vested restricted stock units granted under our 2008 Equity Incentive Plan.

(2) Amounts represent the number of unvested restricted stock units granted under our 2008 Equity Incentive Plan. These awards cliff vest four years from the date of grant. All unvested restricted stock units will continue to vest in the case of retirement at 59 ½ years or older, provided that the named executive officer does all consulting work through the Company and does not become an employee for a past or present client (direct or indirect) or competitor of the Company.

(3) Amounts represent options granted under our 2008 Equity Incentive Plan. These options become exercisable over a period of four years at a rate of 25% per year, subject to continued employment,

and expire 10 years from the date of grant. All stock options will continue to vest in the case of retirement at 59 ½ years or older, provided that the named executive officer does all consulting work through the Company and does not become an employee for a past or present client (direct or indirect) or competitor of the Company.

Restricted Stock Unit Awards. Each of the named executive officers were awarded the number of vested and unvested restricted stock unit awards as shown in the table above. The number of fully vested restricted stock unit awards granted was determined by dividing the portion of each named executive officer's 2012 bonus designated for settlement in fully vested restricted stock units by the closing price of our common stock on the day of the grant. An equal number of matching unvested restricted stock unit awards were also granted to each named executive officer. For financial statement reporting purposes the value of these awards is amortized over the shorter of the four-year vesting period or the period between the grant date and the date the award recipient turns 59 ½.

Stock Options. Certain of the named executive officers were awarded stock options as shown in the table above. The exercise price of these stock options was equal to the closing price of our common stock on the date of grant.

OUTSTANDING EQUITY AWARDS AT FISCAL 2013 YEAR-END

The following table sets forth information regarding each named executive officer's outstanding equity awards as of January 3, 2014:

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (1)
Dr. Johnston	16,500	(2)	50.03	02/15/2023	6,328(7)	489,661
	3,750	(3)	48.27	02/09/2022	6,249(8)	483,548
	8,750	(4)	37.72	02/11/2021	6,768(9)	523,708
	18,750	(5)	25.96	02/11/2020	6,709(10)	519,142
	15,000		23.07	02/12/2019		
	15,000		31.01	02/05/2018		
Mr. Schlenker	11,000	(2)	50.03	02/15/2023	4,095(7)	316,871
	2,500	(3)	48.27	02/09/2022	4,166(8)	322,365
	6,250	(4)	37.72	02/11/2021	4,165(9)	322,288
	13,125	(5)	25.96	02/11/2020	4,892(10)	378,543
	15,000		23.07	02/12/2019		
	15,000		31.01	02/05/2018		
Dr. Malladi	-	-	-	-	4,653(7)	360,049
					4,791(8)	370,728
					5,987(9)	463,274
					1,049(10)	81,172
Dr. Caligiuri	-	-	-	-	4,095(7)	316,871
					4,166(8)	322,365
					3,905(9)	302,169
					4,752(10)	367,710

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Dr. Boehm	8,000	4,000	(6)	12.42	06/02/2014	4,095(7)	316,871
						4,375(8)	338,538
						3,905(9)	302,169
						4,193(10)	324,454

- (1) Value is determined based on the closing price of our common stock on January 3, 2014 of \$77.38 per share.
- (2) Four-year vesting at a rate of 25% per year, subject to continued employment. Options fully vest on February 15, 2017.
- (3) Four-year vesting at a rate of 25% per year, subject to continued employment. Options fully vest on February 9, 2016.
- (4) Four-year vesting at a rate of 25% per year, subject to continued employment. Options fully vest on February 11, 2015.
- (5) Four-year vesting at a rate of 25% per year, subject to continued employment. Options fully vest on February 11, 2014.
- (6) Ten-year vesting at a rate of 10% per year, subject to continued employment. Options fully vest of March 2, 2014.
- (7) Stock awards cliff vest on March 15, 2017.
- (8) Stock awards cliff vest on March 9, 2016.
- (9) Stock awards cliff vest on March 11, 2015.
- (10) Stock awards cliff vest on March 12, 2014.

OPTION EXERCISES AND STOCK VESTED IN FISCAL 2013

The following table sets forth information for each named executive officer regarding options exercised and restricted stock units vested during fiscal 2013:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Dr. Johnston	-	-	6,328 (1)	340,000
			8,011 (2)	419,616
Mr. Schlenker	22,628	1,190,301	4,095 (1)	220,000
			5,841 (2)	305,952
Dr. Malladi	-	-	4,653 (1)	250,000
			1,669 (2)	87,422
Dr. Caligiuri	40,000	1,631,000	4,095 (1)	220,000
			6,676 (2)	349,689
Dr. Boehm	40,000	263,985	4,095 (1)	220,000
			3,755 (2)	196,687

(1) The amounts shown represent fully vested restricted stock units granted on March 15, 2013 to settle a portion of each named executive officer's 2012 bonus.

(2) The amounts shown represent unvested restricted stock unit awards granted on March 13, 2009 that vested and were settled on March 13, 2013.

NONQUALIFIED DEFERRED COMPENSATION IN FISCAL 2013

The following table sets forth information regarding activity in our nonqualified deferred compensation plan for each named executive officer during fiscal 2013:

Name	Executive Contributions in 2013 (\$)	Registrant Contributions in 2013 (\$)	Aggregate Earnings in 2013 (\$)	Aggregate Withdrawals/ Distributions in 2013 (\$)	Aggregate Balance at 1/3/14 (\$) (1)
Dr. Johnston	-	-	-	-	-
Mr. Schlenker	-	-	1,215	-	4,726
Dr. Malladi	19,944	-	1,067,176	-	4,339,427
Dr. Caligiuri	82,500	(2)	-	10,457	-
Dr. Boehm	248,720	-	139,737	(64,030)	(3) 813,147

The aggregate balance at January 3, 2014 was fully vested for all named executive officers. Each named executive officer who participates in the nonqualified deferred compensation plan chooses (1) from a number of investment vehicles available under the plan. Earnings are credited based on earnings of the investment options selected by the participant.

(2) Amount represents the portion of Dr. Caligiuri's 2012 bonus, disclosed in the Summary Compensation Table, that the employee elected to contribute to the deferred compensation plan.

(3) Amount represents a scheduled distribution of amounts previously deferred.

EQUITY COMPENSATION PLAN INFORMATION IN FISCAL 2013

The following table sets forth certain information regarding securities authorized for issuance under the Company's equity compensation plans during the fiscal year ended January 3, 2014. The equity compensation plans of the Company include the 2008 Equity Incentive Plan and the 2008 Employee Stock Purchase Plan. Also included in the table are options outstanding for the 1999 Stock Option Plan.

The 2008 Equity Incentive Plan, the 2008 Employee Stock Purchase Plan and the 1999 Stock Option Plan were all approved by the Company's stockholders.

The following table summarizes the Company's equity compensation plans as of January 3, 2014:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)	
Equity compensation plans approved by security holders	1,153,129	(1) \$ 32.06	988,505	(2)
Equity compensation plans not approved by security holders	-	-	-	
Total	1,153,129	\$ 32.06	988,505	

(1) Includes 936,129 shares of common stock issuable to settle restricted stock unit awards. No weighted average exercise price has been assumed for these shares in the table above.

(2) Includes 62,579 shares which are reserved for issuance under the 2008 Employee Stock Purchase Plan.

REPORT OF THE HUMAN RESOURCES COMMITTEE OF THE BOARD OF DIRECTORS

The following report of the Human Resources Committee of the Board of Directors does not constitute soliciting material and should not be considered filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this Report by reference therein.

The Human Resources Committee of the Board of Directors establishes the general compensation policies for all employees and oversees the specific compensation plans for officers of the Company, including the Chief Executive Officer. The Committee is composed of five independent non-employee directors. No executive officers of the Company are included on the Human Resources Committee.

The Committee has reviewed and discussed with management the Compensation Discussion and Analysis, and based on the review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy statement.

Members of the Human Resources Committee

Mary B. Cranston, Chairperson
Samuel H. Armacost
Karen A. Richardson
Stephen C. Riggins
John B. Shoven, Ph.D.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Indemnification Agreements

We are a party to indemnification agreements with our directors and executive officers for the indemnification of and advancement of expenses to these persons to the fullest extent permitted by law.

Exponent Engineering

In January 2006, we entered into a services agreement with Exponent Engineering, P.C., a California professional corporation that is qualified to do business in the States of New York, Michigan, and North Carolina, in order to facilitate the provision of professional engineering services in these states. Pursuant to the agreement, we provide all professional and administrative services required by Exponent Engineering. In exchange for these services, Exponent Engineering will deliver to us all amounts or other consideration received by Exponent Engineering resulting from the provision of these professional services. The shareholders of Exponent Engineering are executive officers of Exponent. However, none of these executive officers receive any compensation for their participation in Exponent Engineering and have no financial interest in the securities of Exponent Engineering. During fiscal 2013 we received \$7,311,000 of consideration from Exponent Engineering under this services agreement.

Audit Committee Approval Procedures

The Audit Committee of the Board of Directors is responsible for reviewing and approving all related party transactions in accordance with its charter and based on the facts and circumstances of each particular situation. Related party transactions subject to review and approval of the Audit Committee include, without limitation, those that are required to be disclosed under applicable SEC and NASDAQ rules.

OTHER MATTERS

The Company knows of no other matters that will be brought before the Annual Meeting. However, if any such matters are properly presented before the Annual Meeting, it is the intention of the persons named in the Notice to vote the shares they represent as the Board of Directors may recommend. It is important that your shares be represented at the Annual Meeting, regardless of the number of shares that you hold. You are therefore urged to vote by phone, vote via the internet or submit your proxy by mail if you elected to receive printed proxy materials at your earliest convenience.

Notice Regarding the Internet Availability of Proxy Materials for the 2014 Annual Meeting.

This proxy statement and our 2013 Annual Report on Form 10-K for the fiscal year ended January 3, 2014, as filed with the SEC, will be available at: www.edocumentview.com/EXPO on or about April 16, 2014.

Stockholder Proposals and Nominations for the 2015 Annual Meeting. Stockholders are entitled to present proposals for action at a forthcoming meeting if they comply with the requirements of the proxy rules promulgated by the Securities and Exchange Commission and our Bylaws.

Stockholder-Initiated Proposals and Nominations for 2015 Annual Meeting

Proposals Submitted under SEC Rules. Stockholder-initiated proposals (other than director nominations) may be eligible for inclusion in our Proxy Statement for next year's 2015 Annual Meeting (in accordance with SEC Rule 14a-8) and for consideration at the 2015 Annual Meeting. Our Secretary must receive a stockholder proposal no later than December 17, 2014 for the proposal to be eligible for inclusion. Any stockholder interested in submitting a proposal or nomination is advised to contact legal counsel familiar with the detailed securities law requirements for submitting proposals or nominations for inclusion in a company's proxy statement. Proposals should be sent to us at: Exponent, Inc., 149 Commonwealth Drive, Menlo Park, CA 94025, Attention: Corporate Secretary.

Proposals and Nominations under Company Bylaws. Stockholders may also submit proposals for consideration, and nominations of director candidates for election, at the 2015 Annual Meeting by following certain requirements set forth in our Bylaws. The current applicable provisions of our Bylaws are described below. Proposals will not be eligible for inclusion in the 2015 Proxy Statement unless they are submitted in compliance with then applicable SEC rules as referenced above; however, they will be presented for discussion at our 2015 Annual Meeting if the requirements established by our Bylaws for stockholder proposals and nominations have been satisfied.

For nominations and proposals which are not intended to be included in our 2015 Proxy Statement, the stockholder must provide the information required by our Bylaws and give timely notice to our Corporate Secretary in accordance with our Bylaws, which, in general, require that the notice be received by our Corporate Secretary:

- not earlier than the opening of business on January 16, 2015; and
- not later than the close of business on February 16, 2015.

For a full description of the requirements for submitting a proposal or nomination, see our Bylaws. Submissions or questions should be sent to us at: Exponent, Inc., 149 Commonwealth Drive, Menlo Park, CA 94025, Attention: Corporate Secretary.

Proxy Solicitation Costs. The cost of soliciting proxies will be borne by the Company. The Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. Proxies may be solicited by certain Company directors, officers and regular employees, without additional compensation, by personal conversation, telephone, telegram, letter, electronically, or by facsimile.

FOR THE BOARD OF DIRECTORS

Richard L. Schlenker, *Corporate Secretary*

Menlo Park, California

April 16, 2014

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