

QUALCOMM INC/DE  
Form DEF 14A  
January 19, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**(AMENDMENT NO. \_\_)**

Filed by the Registrant  [X]

Filed by a Party other than the Registrant  [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement

[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

[X] Definitive Proxy Statement

[ ] Definitive Additional Materials

[ ] Soliciting Material Pursuant to Section 240.14a-12

**QUALCOMM INCORPORATED**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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January 20, 2011

Dear Fellow Stockholder:

You are cordially invited to attend Qualcomm's Annual Meeting on Tuesday, March 8, 2011. The meeting will begin promptly at 9:30 a.m. Pacific Time at the **Irwin M. Jacobs Qualcomm Hall, 5775 Morehouse Drive, San Diego, California 92121**. I invite you to arrive early at 8:30 a.m. to preview our product displays. We will begin the Annual Meeting with a discussion and vote on the matters set forth in the Notice of Annual Meeting of Stockholders, followed by presentations and a report on Qualcomm's fiscal 2010 performance.

This year, we are again furnishing the proxy materials to stockholders primarily over the Internet. Therefore, most stockholders will not receive paper copies of our proxy materials. We will instead send these stockholders a notice with instructions for accessing the proxy materials and voting via the Internet. The notice also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose. This method expedites the receipt of your proxy materials, lowers the costs of our Annual Meeting and helps to conserve natural resources.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. As an alternative to voting in person at the Annual Meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card. Voting by any of these methods will ensure your representation at the Annual Meeting.

**Your vote is very important to us. I urge you to vote as we recommend.**

I look forward to seeing you in San Diego at the **Irwin M. Jacobs Qualcomm Hall** on March 8, 2011.

Sincerely,

Paul E. Jacobs  
*Chairman and Chief Executive Officer*

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**5775 Morehouse Drive  
San Diego, California 92121-1714**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held On March 8, 2011**

**To the Stockholders of QUALCOMM Incorporated:**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (Annual Meeting) of QUALCOMM Incorporated (the Company), a Delaware corporation, will be held at the **Irwin M. Jacobs Qualcomm Hall, 5775 Morehouse Drive, San Diego, California 92121**, on Tuesday, March 8, 2011 at 9:30 a.m. Pacific Time for the following purposes:

1. To elect thirteen directors to hold office until the next annual stockholders meeting and until their respective successors have been elected or appointed.
2. To approve the 2006 Long-Term Incentive Plan, as amended, which includes an increase in the share reserve by 65,000,000 shares.
3. To approve an amendment to the 2001 Employee Stock Purchase Plan to increase the share reserve by 22,000,000 shares.
4. To ratify the selection of PricewaterhouseCoopers LLP as our independent public accountants for our fiscal year ending September 25, 2011.
5. To hold an advisory vote on executive compensation.
6. To hold an advisory vote on the frequency of future advisory votes on executive compensation.
7. To act on a stockholder proposal, if properly presented at the Annual Meeting.
8. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on January 10, 2011 as the record date for the determination of stockholders entitled to notice of and to vote at this Annual Meeting and at any adjournment or postponement thereof.

By Order of the Board of Directors,

Donald J. Rosenberg  
*Executive Vice President,  
General Counsel and Corporate Secretary*

San Diego, California  
January 20, 2011

**How To Vote**

If your shares are held by a broker, bank or other stockholder of record, in nominee name or otherwise, exercising fiduciary powers (typically referred to as being held in street name), you may receive a separate voting instruction form with this Proxy Statement, or you may need to contact your broker, bank or other stockholder of record to determine whether you will be able to vote electronically via the Internet or by telephone.

If you are a stockholder with shares registered in your name, you may vote by one of the following three methods:

**Vote via the Internet.** Go to the web address <http://www.proxyvote.com/qualcomm2011> and follow the instructions for Internet voting shown on the proxy card mailed to you.

**Vote by Telephone.** Dial 1-800-690-6903 and follow the instructions for telephone voting shown on the proxy card mailed to you.

**Vote by Proxy Card mailed to you.** Complete, sign, date and mail the proxy card in the envelope provided. If you vote via the Internet or by telephone, please do not mail your proxy card.

**PLEASE NOTE THAT IF YOUR SHARES ARE HELD BY A BROKER, BANK OR OTHER STOCKHOLDER OF RECORD AND YOU WISH TO VOTE AT THE ANNUAL MEETING, YOU MUST FIRST OBTAIN A LEGAL PROXY ISSUED IN YOUR NAME FROM THE RECORD HOLDER. OTHERWISE, YOU WILL NOT BE PERMITTED TO VOTE IN PERSON AT THE MEETING.**

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In this document, the words Qualcomm, the Company, we, our, ours and us refer only to QUALCOMM Incorporated and not any other person or entity.

**INTERNET AVAILABILITY OF PROXY MATERIALS**

We are furnishing proxy materials to our stockholders primarily via the Internet under rules adopted by the U.S. Securities and Exchange Commission (SEC), instead of mailing printed copies of those materials to each stockholder. On January 20, 2011, we mailed to our stockholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy materials, including our Proxy Statement. The Notice of Internet Availability of Proxy Materials also provides instructions on how to access your proxy card to vote via the Internet or by telephone.

This process is designed to expedite stockholders' receipt of proxy materials, lower the cost of the Annual Meeting and help conserve natural resources. If you would prefer to continue to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

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**QUALCOMM INCORPORATED  
5775 Morehouse Drive  
San Diego, California 92121-1714**

**PROXY STATEMENT  
FOR ANNUAL MEETING OF STOCKHOLDERS  
March 8, 2011**

**GENERAL MATTERS**

The enclosed proxy is solicited on behalf of the Board of Directors (the Board) of QUALCOMM Incorporated, a Delaware corporation, for use at the Annual Meeting of Stockholders (Annual Meeting) to be held on Tuesday, March 8, 2011, at 9:30 a.m. Pacific Time, or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at the Irwin M. Jacobs Qualcomm Hall, 5775 Morehouse Drive, San Diego, California 92121.

**Voting Rights and Outstanding Shares**

Only holders of record of common stock at the close of business on January 10, 2011 (Record Date) will be entitled to notice of and to vote at the Annual Meeting. At the close of business on the Record Date, we had 1,640,864,950 shares of common stock outstanding and entitled to vote.

Each holder of record of common stock on the Record Date will be entitled to one vote for each share held on all matters to be voted upon. If no choice is indicated on the proxy, the shares will be voted in accordance with the recommendations of the Board of Directors.

All votes will be counted by an independent inspector of election appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

**Broker Non-Votes**

A broker non-vote occurs when a broker, bank or other stockholder of record, in nominee name or otherwise, exercising fiduciary powers (typically referred to as being held in street name) submits a proxy for the Annual Meeting, but does not vote on a particular proposal because that holder does not have discretionary voting power with respect to that proposal and has not received voting instructions from the beneficial owner. Abstentions and broker non-votes have no effect on the determination of whether a nominee or the proposal has received the vote of a majority of the shares of common stock present or represented by proxy and voting at the Annual Meeting. Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote those shares on routine matters, but not on non-routine matters. Routine matters include ratification of independent public accountants. Non-routine matters include the election of directors, actions on stock plans and actions on executive compensation.

**Revocability of Proxies**

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing a written notice of revocation or a duly executed proxy bearing a later date with our Corporate Secretary at our principal executive offices, 5775 Morehouse Drive, N-510F, San Diego, California 92121-1714, or it may be revoked by attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

**Solicitation**

We will bear the entire cost of solicitation of proxies, including preparation, assembly, printing and mailing of the Notice of Internet Availability of Proxy Materials, this Proxy Statement, the proxy card and any additional information furnished to stockholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of common stock beneficially owned by others to forward to such beneficial owners. We may reimburse persons representing beneficial owners of common stock for their

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costs of forwarding solicitation materials to such beneficial owners. In addition, we have retained Morrow & Company to act as a proxy solicitor in conjunction with the meeting. We have agreed to pay that firm \$12,500, plus reasonable out-of-pocket expenses, for proxy solicitation services. Solicitation of proxies by mail may be supplemented by telephone or personal solicitation by our directors, officers or other regular employees. No additional compensation will be paid to directors, officers or other regular employees for such services.

## **Stockholder Proposals**

The deadline for submitting a stockholder proposal for inclusion in our proxy materials for our 2012 Annual Meeting of Stockholders is September 22, 2011. Stockholder nominations for director and other proposals that are not to be included in such materials must be received no earlier than November 8, 2011 and no later than the close of business on December 8, 2011. Any such stockholder proposals or nominations for director must be submitted to our Corporate Secretary in writing at 5775 Morehouse Drive, N-510F, San Diego, California 92121-1714. Stockholders are also advised to review our Amended and Restated Bylaws, which contain additional advance notice requirements, including requirements with respect to advance notice of stockholder proposals and director nominations. See page 5 for further information.

## **Financial Information**

Attached in Appendix 1 is certain financial information from our Annual Report on Form 10-K for fiscal 2010 that we filed with the Securities and Exchange Commission (SEC) on November 3, 2010. We have not undertaken any updates or revisions to such information since the date it was filed with the SEC. Accordingly, we encourage you to review Appendix 1 together with any subsequent information we have filed with the SEC and other publicly available information.

## **Corporate Directory**

Attached in Appendix 2 is a listing of our executive officers and members of the Board of Directors.

## **CORPORATE GOVERNANCE**

### **Code of Ethics**

We have adopted a code of ethics that applies to all our employees, including employees of our subsidiaries, as well as each member of the Board. The code of ethics is available on our website at [www.qualcomm.com](http://www.qualcomm.com) under the Corporate Governance section under Investor Relations. To date, there have not been any waivers by us of the code of ethics. Any amendments to, or waivers under, the code of ethics that are required to be disclosed by the rules of the SEC will be disclosed on our website at [www.qualcomm.com](http://www.qualcomm.com) under the Corporate Governance section under Investor Relations.

### **Board Leadership Structure**

The Board of Directors believes that it should maintain flexibility in its ability to select and revise Qualcomm's Board leadership structure from time to time. Our charter documents and policies do not prevent our Chief Executive Officer from also serving as Chairman of the Board. Our Board evaluates its leadership structure and elects the Chairman and the Chief Executive Officer based on the criteria it deems appropriate and in the best interests of the Company and its stockholders, given the circumstances at the time of such election. While we have in the past had different persons serving as Chairman of the Board and Chief Executive Officer, the Board believes that it is currently in the best interests of the Company and its stockholders for Dr. Paul Jacobs to serve in both roles. In light of Dr. Paul Jacobs's knowledge of the Company and its industry, having him serve as Chairman and Chief Executive Officer provides

strong unified leadership for the Company, enhances communication between management and the Board, helps the Board focus on matters that management believes are most important and allows him to lead more effectively in executing the Company's business plan and strategic initiatives. Our Board of Directors believes that the role of Presiding Director, which pursuant to our Governance Principles and Practices must be an independent director, provides an appropriate balance in Qualcomm's leadership. The Presiding Director helps ensure a strong, independent and active Board.

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Under our Governance Principles and Practices, the Presiding Director is chosen by rotation among the chairs of the three standing committees of the Board of Directors comprised solely of independent directors – the Audit, Compensation and Governance committees. An individual serves as the Presiding Director for a two-year period. Mr. Dittamore acted as the Board’s Presiding Director during fiscal 2010. The chair of the Compensation Committee is scheduled to assume this role in March 2011. The Presiding Director has the following roles and responsibilities:

Presiding at all Board meetings at which the Chairman is not present, including executive sessions of the independent directors;

Collaborating with the Chairman/Chief Executive Officer in developing agendas for Board meetings;

Acting as the principal liaison between the non-management directors and the Chairman/Chief Executive Officer;

Communicating with independent directors to ensure that matters of interest are included on agendas for Board meetings;

Communicating with independent directors and management to affirm that appropriate briefing materials are being provided to directors sufficiently in advance of Board meetings to allow for proper preparation and participation in meetings; and

Having the ability, with the concurrence of at least one additional director, to call special meetings of the Board.

**Board Meetings, Committees and Attendance**

During fiscal 2010, the Board held seven meetings. Board agendas include regularly scheduled sessions for the independent directors to meet without management present, and the Board’s Presiding Director leads those sessions. The Board delegates various responsibilities and authority to different Board committees. Committees regularly report on their activities and actions to the full Board. Committee assignments are re-evaluated annually and approved by the Board at its annual meeting that follows the annual meeting of stockholders in February or March of each year. Each committee acts according to a written charter approved by the Board. Copies of each charter can be found on our website at *www.qualcomm.com* as follows:

<b>Name of Committee</b>	<b>Website Link</b>
Audit Committee	<a href="http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=463">http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=463</a>
Compensation Committee	<a href="http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=462">http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=462</a>
Governance Committee	<a href="http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=461">http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=461</a>
Finance Committee	<a href="http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=464">http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=464</a>

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The table below provides fiscal 2010 committee membership information for each of the Board Committees.

<b>Name</b>	<b>Audit</b>	<b>Compensation</b>	<b>Governance</b>	<b>Finance</b>
Barbara T. Alexander	X		X	
Stephen M. Bennett*		X		
Donald G. Cruickshank			X	X
Raymond V. Dittamore*	X			
Thomas W. Horton	X			
Irwin Mark Jacobs				X
Paul E. Jacobs				
Robert E. Kahn				X
Sherry Lansing*			X	
Duane A. Nelles*				X
Francisco Ros				
Brent Scowcroft		X		
Marc I. Stern		X	X	

\* Current Committee Chair

**The Audit Committee.** The Audit Committee meets at least quarterly with our management and independent public accountants to review the results of the annual audit and quarterly reviews, discuss the financial statements and earnings releases and review the results of internal audit examinations. The Audit Committee selects and engages the independent public accountants, assesses the adequacy of our staff, management performance and procedures in connection with internal controls over financial reporting and receives and considers comments as to internal controls, among other things. The Audit Committee met 18 times during fiscal 2010. The Board has determined that Messrs. Dittamore and Horton and Ms. Alexander are audit committee financial experts as defined by SEC rules. All of the members of the Audit Committee are independent directors within the meaning of Rule 5605 of the NASDAQ Stock Market LLC (NASDAQ Rule 5605) and SEC Rule 10A-3(b)(1)(ii).

**The Compensation Committee.** The Compensation Committee makes recommendations concerning salaries and incentive compensation, administers and approves stock offerings under our employee stock purchase plans and long term incentive plan and otherwise determines compensation levels for the Chief Executive Officer, the Named Executive Officers (as listed in the Summary Compensation Table), the directors and other key employees and performs such other functions regarding compensation as the Board may delegate. The Compensation Committee met five times during fiscal 2010. All of the members of the Compensation Committee are independent directors within the meaning of NASDAQ Rule 5605 and outside directors within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

**The Governance Committee.** The Governance Committee reviews, approves and oversees various corporate governance related policies and procedures applicable to us. The Committee also reviews and evaluates the effectiveness of our executive development and succession planning processes and provides active leadership and oversight with respect to these processes. In addition, the Governance Committee evaluates and recommends nominees for membership on the Board and its committees. The Governance Committee met six times during fiscal 2010. All of the members of the Governance Committee are independent directors within the meaning of NASDAQ Rule 5605.

***The Finance Committee.*** The Finance Committee reviews our financial position, cash management, dividend and stock repurchase programs, securities issuances, acquisitions and other major strategic investment decisions and provides oversight of our budgeting process. The Finance Committee met 12 times during fiscal 2010.

During fiscal 2010, each Board member attended at least 75% of the aggregate of the meetings of the Board and of the meetings of the committees on which he or she served and that were held during the period for which he or she was a Board or committee member, respectively.



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### **Board's Role in Risk Oversight**

Qualcomm does not view risk in isolation, but considers risk as part of its regular consideration of business strategy and business decisions. Assessing and managing risk is the responsibility of Qualcomm's management, which establishes and maintains risk management processes, including action plans and controls, to balance risk mitigation and opportunities to create stockholder value. It is management's responsibility to anticipate, identify and communicate risks to the Board and/or its committees. The Board oversees and reviews certain aspects of the Company's risk management efforts, either directly or through its committees. Qualcomm approaches risk management by integrating its strategic planning, operational decision making and risk oversight and communicating these risks and opportunities to the Board. The Board commits extensive time and effort every year to discussing and agreeing upon the Company's strategic plan, and it reconsiders key elements of the strategic plan as significant events and opportunities arise during the year. As part of the review of the strategic plan, as well as in evaluating events and opportunities that occur during the year, the Board and management focus on the primary value drivers and risks for the Company.

While the Board has primary responsibility for risk oversight, the Board's standing committees support the Board by regularly addressing various risks in their respective areas of oversight. Specifically, the Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls and compliance with public reporting requirements. The Compensation Committee assists the Board in fulfilling its risk management oversight responsibilities associated with risks arising from compensation policies and programs. The Governance Committee assists the Board in fulfilling its risk management oversight responsibilities associated with risks related to corporate governance, succession planning and emergency procedures (including disaster recovery and security). The Finance Committee assists the Board in fulfilling its risk management oversight responsibilities associated with risks related to major strategic investment decisions and other financial transactions, treasury functions and policies and budget processes. Each of the committee chairs reports to the full Board at regular meetings concerning the activities of the committee, the significant issues it has discussed and the actions taken by the committee.

We believe that our leadership structure supports the risk oversight function of the Board. With our Chief Executive Officer serving as Chairman of the Board, he is able to promote open communication between management and directors relating to risk. Additionally, each Board committee is chaired by an independent director and all directors are actively involved in the risk oversight function.

### **Director Nominations**

Our Amended and Restated Bylaws contain provisions that address the process by which a stockholder may nominate an individual to stand for election to the Board at our Annual Meeting of Stockholders. The Board has also adopted a formal policy concerning stockholder recommendations of Board candidates to the Governance Committee. This policy is set forth in our Corporate Governance Principles and Practices, which is available on our website at [www.qualcomm.com](http://www.qualcomm.com) under the Corporate Governance section of Investor Relations. Under this policy, the Governance Committee will review a reasonable number of candidates recommended by a single stockholder who has held over 1% of our stock for over one year and who satisfies the notice, information and consent requirements set forth in our Amended and Restated Bylaws. To recommend a nominee for election to the Board, a stockholder must submit his or her recommendation to the Corporate Secretary at our corporate offices at 5775 Morehouse Drive, N-510F, San Diego, California 92121-1714. A stockholder's recommendation must be received by us prior to the date set forth above under Stockholder Proposals. A stockholder's recommendation must be accompanied by the information with respect to stockholder nominees as specified in the Amended and Restated Bylaws, including among

other things, the name, age, address and occupation of the recommended person, the proposing stockholder's name and address, the ownership interests of the proposing stockholder and any beneficial owner on whose behalf the nomination is being made (including the number of shares beneficially owned, any hedging, derivative, short or other economic interests and any rights to vote any shares), and any material monetary or other relationships between the recommended person and the proposing stockholder and/or the beneficial owners, if any, on whose behalf the nomination is being made. The proposing stockholder must also provide evidence of owning the requisite number of shares of our stock for over one year. Candidates so

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recommended will be reviewed using the same process and standards for reviewing Governance Committee recommended candidates.

In evaluating director nominees, the Governance Committee considers the following factors:

The appropriate size of the Board;

Our needs with respect to the particular talents and experience of our directors;

The knowledge, skills and experience of nominees, including experience in technology, business, finance, administration or public service, in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of the Board;

Familiarity with national and international business matters;

Experience in political affairs;

Experience with accounting rules and practices;

Appreciation of the relationship of our business to the changing needs of society;

The nominee's other commitments, including the other boards on which the nominee serves; and

The desire to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members.

The Governance Committee's goal is to assemble a board of directors that brings to us a variety of perspectives and skills derived from high quality business and professional experience. In doing so, the Governance Committee also considers candidates with appropriate non-business backgrounds.

Other than the foregoing, there are no stated minimum criteria for director nominees, although the Governance Committee may also consider such other factors as it may deem are in the best interests of the Company and its stockholders. The Governance Committee does, however, believe it appropriate for at least one, and preferably several, members of the Board to meet the criteria for an audit committee financial expert as defined by SEC rules, and that a majority of the members of the Board meet the definition of independent director under NASDAQ rules. The Governance Committee also believes it is in the stockholders' best interest for certain key members of our current and former management to participate as members of the Board. The Governance Committee identifies nominees by first evaluating the current members of the Board willing to continue in service. Current members of the Board with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the Board with that of obtaining a new perspective. If any member of the Board does not wish to continue in service or if the Governance Committee or the Board decides not to re-nominate a member for re-election, the Governance Committee identifies the desired skills and experience of a new nominee based on the criteria above. Current members of the Governance Committee and Board are polled for suggestions as to individuals meeting the criteria of the Governance Committee. Research may also be performed to identify qualified individuals. We have, in the past, engaged third parties to assist in identifying and evaluating potential nominees.

## **Majority Voting, Stock Ownership Guidelines and Other Matters**

We adopted a Majority Voting policy as a part of our Corporate Governance Principles and Practices. Under this policy, if a director receives in an uncontested election a greater number of withhold votes than votes cast for his or her election, the Governance Committee will undertake a prompt evaluation of the appropriateness of the director's continued service on the Board. In performing this evaluation, the Governance Committee will review all factors it deems relevant, including the stated reasons why votes were withheld, the director's length of service, his or her past contributions to us and the availability of other qualified candidates. The Governance Committee will then make its recommendation to the Board. The Board will review the Governance Committee's recommendation and consider such further factors and information as it deems relevant. Under this policy, the Governance Committee will make its recommendation, and the Board will act on the Governance Committee's recommendation

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no later than 90 days following the date of the stockholders' meeting. If the Board determines remedial action is appropriate, the director shall promptly take whatever action is requested by the Board. If the director does not promptly take the recommended remedial action or if the Board determines that immediate resignation is in the best interests of the Company and its stockholders, the director shall promptly tender his or her resignation upon request from the Board. We will publicly disclose the Board's decision within four business days in a Current Report on Form 8-K with the SEC, providing an explanation of the process by which the decision was reached and, if applicable, the reason for not requesting the director's resignation. The director in question will not participate in the Governance Committee's or the Board's analysis.

We adopted stock ownership guidelines for our directors and executive officers to help ensure that they each maintain an equity stake in the Company and, by doing so, appropriately link their interests with those of the other stockholders. The guideline for executive officers is based on a multiple of the executive's base salary, ranging from two to six times, with the size of the multiple based on the individual's position with the Company. Only shares actually owned (as shares or as vested deferred stock units) count towards the requirement. Executives are required to achieve these stock ownership levels within five years of becoming an executive, or (in the case of persons who were executive officers at the time these guidelines were adopted) by September 2011. For directors, the guideline is three times the annual retainer for Board service. Directors are required to achieve this ownership level within five years of joining the Board, or (in the case of directors serving on the Board at the time the guidelines were adopted) by September 2011. In addition to the preceding ownership guidelines, all directors are expected to own shares of our common stock within one year of joining the Board. See the "Other Key Policies and Practices" section under "Compensation Discussion and Analysis" for additional information.

## **Communications with Directors**

We have adopted a formal process for stockholder communications with the Board. This process is also set forth in our Corporate Governance Principles and Practices. Stockholders who wish to communicate to the Board should do so in writing to the following address:

[Name of Director(s) or Board of Directors]  
Qualcomm Incorporated  
Attn: General Counsel  
5775 Morehouse Drive, N-510F  
San Diego, California 92121-1714

Our General Counsel logs all such communications and forwards those not deemed frivolous, threatening or otherwise inappropriate to the Chair of the Governance Committee for distribution.

## **Annual Meeting Attendance**

Our Corporate Governance Principles and Practices set forth a policy on director attendance at annual meetings. Directors are encouraged to attend absent unavoidable conflicts. All of the then-sitting directors attended our last annual meeting.

## **Director Independence**

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



**Table of Contents****PROPOSAL 1****ELECTION OF DIRECTORS**

Our Restated Certificate of Incorporation and Amended and Restated Bylaws provide that directors are to be elected at the annual meeting of stockholders to hold office until the next annual meeting and until their respective successors are elected and qualified. Vacancies on the Board resulting from death, resignation, disqualification, removal or other causes may be filled by either the affirmative vote of the holders of a majority of the then-outstanding shares of common stock or by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum of the Board is present. Newly created directorships resulting from any increase in the number of directors may, unless the Board determines otherwise, be filled only by the affirmative vote of the directors then in office, even if less than a quorum of the Board is present. Any director elected as a result of a vacancy shall hold office for a term expiring at the next annual meeting of stockholders and until such director's successor shall have been elected and qualified.

Our Restated Certificate of Incorporation provides that the number of directors shall be fixed exclusively by one or more resolutions adopted from time to time by the Board. The Board has set the current number of directors at thirteen. Therefore, thirteen directors will stand for election at the Annual Meeting.

If a quorum is present, the directors will be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Abstentions and broker non-votes have no effect on the vote. The thirteen candidates receiving the highest number of affirmative votes of the shares of common stock entitled to be voted for such directors will be elected directors of the Company. Shares of common stock represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the thirteen nominees named below. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares of common stock will be voted for the election of such substitute nominee as the Board may propose. See page 6 for further information concerning our majority voting policy. Each person nominated for election has agreed to serve, if elected, and the Board has no reason to believe that any nominee will be unable to serve.

The following table sets forth the nominees for election at this Annual Meeting and information with respect to their position with Qualcomm, age and tenure as director.

<b>Name</b>	<b>Position With Qualcomm</b>	<b>Age</b>	<b>Director Since</b>
Barbara T. Alexander	Director	62	2006
Stephen M. Bennett	Director	57	2008
Donald G. Cruickshank	Director	68	2005
Raymond V. Dittamore	Director	67	2002
Thomas W. Horton	Director	49	2008
Irwin Mark Jacobs	Director	77	1985
Paul E. Jacobs	Chairman and Chief Executive Officer	48	2005
Robert E. Kahn	Director	72	1997
Sherry Lansing	Director	66	2006
Duane A. Nelles	Director	67	1988

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Francisco Ros	Director	60	2010
Brent Scowcroft	Director	85	1994
Marc I. Stern	Director	66	1994



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Set forth below is biographical information for each person nominated.

**Nominees for Election at this Meeting**

**BARBARA T. ALEXANDER**

Barbara T. Alexander has served as a director of the Company since July 2006. Ms. Alexander has been an independent consultant since February 2004. From October 1999 to January 2004, she was a senior advisor for UBS, and from January 1992 to September 1999, she was a managing director of Dillon Read & Co., Inc. Prior to joining Dillon Read, Ms. Alexander was a managing director in the corporate finance department of Salomon Brothers. Ms. Alexander is past Chairman of the Board of the Joint Center for Housing Studies at Harvard University and is currently a member of that board's executive committee and an executive fellow of the Joint Center for Housing Studies at Harvard University. Ms. Alexander previously served as a director of Centex Corporation from July 1999 to August 2009, Burlington Resources, Inc. from January 2004 to March 2006, Federal Home Loan Mortgage Corporation (Freddie Mac) from November 2004 to March 2010 and Harrah's Entertainment, Inc. from February 2002 to April 2007. Ms. Alexander has been a director of Allied World Assurance Company Holdings, Ltd. since August 2009 and KB Home since October 2010. She holds B.S. and M.S. degrees in theoretical mathematics from the University of Arkansas, Fayetteville.

We believe Ms. Alexander's qualifications to serve on our Board of Directors include her significant financial and accounting experience. In addition, she has extensive experience serving on several other public company boards, including in most instances, service as the chair or a member of the audit committee of those other boards. She has been designated as an audit committee financial expert. The Governance Committee and the Board of Directors each considered Ms. Alexander's service as a director of Freddie Mac from 2004 through early 2010 and the fact that Freddie Mac was placed into conservatorship of the Federal Housing Finance Agency (FHFA) in September 2008. Both the Governance Committee and Board note that Ms. Alexander was asked by FHFA to continue serving as a director of Freddie Mac, and to chair the Business and Risk Committee of Freddie Mac, as it began to address the circumstances surrounding its decline. Her experience at Freddie Mac has added to her knowledge regarding risk management issues.

**STEPHEN M. BENNETT**

Stephen M. Bennett has served as a director of the Company since August 2008. He was Chief Executive Officer of Intuit, Inc. from January 2000 to January 2008. Prior to joining Intuit, Mr. Bennett was with General Electric Corporation (GE) for 23 years. From December 1999 to January 2000, he was an executive vice president and a member of the board of directors of GE Capital, the financial services subsidiary of GE. From July 1999 to November 1999, he was President and Chief Executive Officer of GE Capital e-Business, and he was President and Chief Executive Officer of GE Capital Vendor Financial Services from April 1996 to June 1999. Prior to that, he held senior leadership positions in GE Electrical Distribution and Control, GE Appliances, GE Medical Systems and GE Supply. Mr. Bennett was named a director at Symantec Corporation in February 2010. He previously served as a director of Intuit from January 2000 to December 2009 and Sun Microsystems, Inc. from May 2004 to February 2010. He holds a B.A. degree in finance and real estate from the University of Wisconsin.

We believe Mr. Bennett's qualifications to serve on our Board of Directors include his operational and managerial experience in a broad range of technology and other companies, including his experience as a senior member of management at General Electric and his service as Chief Executive Officer of Intuit. In addition, his service on other public company boards permits him to bring additional insights to our Board with respect to compensation practices, approaches to corporate governance and other strategic and business matters.

**DONALD G. CRUICKSHANK**

Sir Donald G. Cruickshank has served as a director of the Company since June 2005. He has been Chairman of Audioboo Ltd. since April 2010. He was Chairman of Clinovia Group Ltd. from January 2004 to February 2007 and Formscape Group Ltd. from April 2003 to December 2006 and was a member of the Financial Reporting Council, the body in the U.K. responsible for oversight of the Accountancy and Actuarial professions and for corporate governance standards from June 2001 to June 2007. Sir Donald has extensive experience in a number of areas, including European regulation and telecommunications. His career has included assignments at McKinsey & Co. Inc., Times Newspapers, Virgin Group plc., Wandsworth Health Authority and the National Health Service in

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Scotland. Sir Donald served as Chairman of the London Stock Exchange plc. from 2000 to 2003 and as Director General of the U.K. 's Office of Telecommunications (OfTel) from 1993 to 1998. From 1997 to 2000, he served as Chairman of Action 2000, the U.K. 's Millennium Bug campaign. In 1998, Chancellor Gordon Brown appointed him as Chairman of the Government 's Review of the U.K. banking sector, and from 1999 to 2004, he served as Chairman of SMG plc., one of Scotland 's leading broadcasters. Sir Donald holds an M.A. degree in law and an honorary L.L.D. degree from the University of Aberdeen, an M.B.A. degree from Manchester Business School, the University of Manchester, and is a member of the Institute of Chartered Accountants of Scotland.

We believe Sir Donald 's qualifications to serve on our Board of Directors include his extensive management experience in a diverse range of companies, his many years of experience in working with governmental organizations, his extensive experience in European regulation and telecommunications policies and administration and his broad experience in international business matters. In addition, as a native of the United Kingdom with significant pan-European experience, Sir Donald brings a non-U.S. centric perspective which is beneficial to our Board of Directors.

### **RAYMOND V. DITTAMORE**

Raymond V. Dittamore has served as a director of the Company since December 2002. In June 2001, Mr. Dittamore retired as a partner of Ernst & Young LLP (E&Y), a large international public accounting firm, after 35 years of service. Mr. Dittamore has been a director of Life Technologies Corporation (formerly Invitrogen Corporation) since July 2001. Mr. Dittamore previously served as a director of Gen-Probe Incorporated from August 2002 to September 2009 and Digirad Corporation from March 2004 to March 2008. Mr. Dittamore holds a B.S. degree from San Diego State University.

We believe Mr. Dittamore 's qualifications to serve on our Board of Directors include his many years of financial and accounting experience, including his long service with E&Y as an audit partner and as a member of that firm 's management. In addition, Mr. Dittamore has served and currently serves on other public company boards, where he has gained extensive audit committee experience as well as additional insight into the practices of other Boards and their committees. He has also been designated as an audit committee financial expert.

### **THOMAS W. HORTON**

Thomas W. Horton has served as a director of the Company since December 2008. Mr. Horton has been President of AMR Corporation (AMR) and American Airlines, Inc. (American) since July 2010. He served as Executive Vice President and Chief Financial Officer of AMR and American from March 2006 to July 2010. He served as Vice Chairman and Chief Financial Officer of AT&T Corporation (AT&T) from January 2002 to February 2006. Prior to joining AT&T, Mr. Horton was Senior Vice President and Chief Financial Officer of AMR from January 2000 to 2002 and served in numerous management positions with AMR since 1985. He holds a B.B.A. degree in accounting from Baylor University and an M.B.A. degree from Southern Methodist University.

We believe Mr. Horton 's qualifications to serve on our Board of Directors include his management, financial and accounting experience, including his current position as President of AMR and his prior service as Vice Chairman and Chief Financial Officer of AT&T and as Executive Vice President, Finance and Planning and as Chief Financial Officer of AMR. In particular, Mr. Horton 's roles in operational and financial management at AMR bring useful insights to our Board, as well as providing a useful resource to our senior management. In addition, Mr. Horton has been designated as an audit committee financial expert.

### **IRWIN MARK JACOBS**

Irwin Mark Jacobs, one of the founders of the Company, has served as a director, and as Chairman until March 2009, since we began operations in July 1985. He also served as Chief Executive Officer of the Company from July 1985 to June 2005. Dr. Jacobs received a B.S. degree in electrical engineering from Cornell University and M.S. and Sc.D. degrees from the Massachusetts Institute of Technology. Dr. Irwin Jacobs is Chair of the Board of Trustees of the Salk Institute for Biological Studies and Chairman of the National Academy of Engineering. He has received numerous industry, education and business awards, including a Woodrow Wilson Award for Corporate

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Citizenship in 2004, a fellow of the American Academy of Arts and Sciences in 2001 and the National Medal of Technology in 1994. Dr. Irwin Jacobs is the father of Dr. Paul Jacobs, our Chairman and Chief Executive Officer.

We believe Dr. Irwin Jacobs' s qualifications to serve on our Board of Directors include his extensive knowledge of the wireless communications industry and his involvement in strategic decisions affecting Qualcomm for over 25 years. As a founder of Qualcomm and a recognized key participant in the development of the wireless communication industry, he brings significant insights and knowledge concerning our development and opportunities.

### **PAUL E. JACOBS**

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

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

### **ROBERT E. KAHN**

Robert E. Kahn has served as a director of the Company since February 1997. Dr. Kahn is Chairman, Chief Executive Officer and President of the Corporation for National Research Initiatives (CNRI), which he founded in 1986. From 1972 to 1985, Dr. Kahn was employed at the U.S. Defense Advanced Research Projects Agency, where his last position was Director of the Information Processing Techniques Office. From 1966 to 1972, Dr. Kahn was a senior scientist with Bolt Beranek and Newman, where he was responsible for the system design of the Arpanet, the first packet switched network. Dr. Kahn received numerous awards for his work on the Internet, including the 2008 Japan Prize, the 2005 Presidential Medal of Freedom and the 1997 National Medal of Technology. Dr. Kahn holds a B.E.E. degree from the City College of New York and M.A. and Ph.D. degrees in electrical engineering from Princeton University. Dr. Kahn holds numerous honorary degrees and is a member of the National Academy of Engineering and is an Inductee of the National Inventors Hall of Fame.

We believe Dr. Kahn' s qualifications to serve on our Board of Directors include the technological, scientific management and business experience that he has gained over 50 years in various aspects of the information technology and communications sectors, including as an Office Director of DARPA and as a CEO of a major R&D organization, and particularly his well recognized role in the development of the Internet. With the cutting edge nature of our technologies, our Board benefits from the insightful perspective provided by Dr. Kahn.

### **SHERRY LANSING**

Sherry Lansing has served as a director of the Company since September 2006. Ms. Lansing is the Founder and Chair of the Sherry Lansing Foundation, a philanthropic organization focusing on cancer research, health and education. From 1992 to 2005, she was the Chair of the Motion Picture Group of Paramount Pictures where she oversaw the

release of more than 200 films, including Academy Award® winners Forrest Gump, Braveheart and Titanic. From 1984 to 1990, she operated her own production company, Lansing Productions, and co-founded Jaffe/Lansing Productions. In 1980, she became the film industry's first female to oversee all aspects of a studio's motion picture production when she was appointed President of Production at 20th Century Fox. She holds additional trustee, chair and advisory positions with the Friends of Cancer Research, the American Association of Cancer Research, the Carter Center and Stop Cancer, a non-profit philanthropic group she founded in partnership with

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Dr. Armand Hammer. Ms. Lansing is also a regent of the University of California and serves as Chair of the University Health Services Committee. She has earned the 2004 Horatio Alger Humanitarian Award, the 2003 Woodrow Wilson Award for Corporate Citizenship, a 2003 honorary doctorate in fine arts from the American Film Institute, the 1989 Alfred P. Sloan, Jr. Memorial Award, and the 1982 Distinguished Community Service Award from Brandeis University. Ms. Lansing has been a director of Dole Food Company, Inc. since October 2009 and RealD Inc. since May 2010. She holds a B.S. degree in speech, with a minor in English and mathematics, from Northwestern University.

We believe that Ms. Lansing's qualifications to serve on our Board of Directors include her management and operational experience in the entertainment and content production business. Given the convergence of content and delivery capability, as well as consumer driven technology and device capability, Ms. Lansing's professional experience is of great value to the Board and Qualcomm. In addition, her past and current service on other public company boards brings valuable insight to our Board.

**DUANE A. NELLES**

Duane A. Nelles has served as a director of the Company since August 1988. Mr. Nelles has been in the personal investment business since 1987. Prior to that time, Mr. Nelles was a partner in the large international public accounting firm of Coopers & Lybrand LLP (C&L), which he joined in 1968. Mr. Nelles previously served as a director of WFS Financial Inc. from July 1995 to March 2006 and Westcorp Inc. from February 2003 to March 2006. He holds a B.A. degree in economics and mathematics from Albion College and an M.B.A. degree from the University of Michigan.

We believe Mr. Nelles's qualifications to serve on our Board include his financial and accounting experience, including his long service with C&L as an audit partner and his many years as a private investor and businessman. In addition, Mr. Nelles's service as a director of Qualcomm for over 20 years provides important context and historical perspective to Board deliberations.

**FRANCISCO ROS**

Francisco Ros has served as a director of the Company since December 2010. Dr. Ros is currently the President of First International Partners, S.L., a business consulting firm he founded in 2002. Dr. Ros was Secretary of State (vice minister) of the Government of Spain from May 2004 to July 2010. He served as a senior director of business development of the Company from July 2003 to April 2004. Dr. Ros holds an engineering degree and Ph.D. from the Universidad Politécnica de Madrid, a Ph.D. in electrical engineering and computer science from The Massachusetts Institute of Technology and an advanced management degree from the Instituto de Estudios Superiores de la Empresa in Madrid.

We believe Dr. Ros's qualifications to serve on our Board of Directors include his significant experience related to the regulatory environment in Europe for wireless technology, as well as his technical and business background and education. In addition, Dr. Ros brings a non-U.S. perspective to issues facing us, enhancing the understanding of our Board of Directors.

**BRENT SCOWCROFT**

Brent Scowcroft has served as a director of the Company since December 1994. General Scowcroft is the President of The Scowcroft Group, Inc., an international business consulting firm he founded in June 1994. General Scowcroft is also the President of The Forum for International Policy, a non-profit organization he founded in 1993 that promotes American leadership and foreign policy. General Scowcroft served as Assistant to the President for National Security

Affairs for President George H.W. Bush from January 1989 until January 1993; he also held that position for President Ford during his term. A retired U.S. Air Force Lieutenant General, General Scowcroft served in numerous national security posts in the Pentagon and the White House prior to his appointments as Assistant to the President for National Security Affairs. General Scowcroft holds a B.S. degree in engineering from West Point and M.A. and Ph.D. degrees in political science from Columbia University and holds numerous honorary degrees.



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We believe General Scowcroft's qualifications to serve on our Board of Directors include his significant experience in the management of large scale organizations during his days of active military service and his extensive knowledge of international business and governmental affairs, which he gained at the highest levels of governmental service and through working with numerous international businesses. In particular, General Scowcroft is a recognized expert on China, one of our most important markets.

**MARC I. STERN**

Marc I. Stern has served as a director of the Company since February 1994. Mr. Stern has been Vice Chairman of The TCW Group, Inc. (TCW), an asset management firm based in Los Angeles, since October 2005 and Chief Executive Officer of TCW since July 2009. Mr. Stern is also Chairman of Société Générale Group's (Société Générale) Global Investment Management and Services in North America (GIMS) and has been since October 2005 and a Member of the Management Committee of Société Générale, the parent company of GIMS and TCW, since May 2007. Société Générale acquired majority control of TCW in 2001. From May 1992 to October 2005, Mr. Stern served as President of TCW. From 1988 to 1990, Mr. Stern served as President and a director of SunAmerica, Inc., a financial services company. Prior to joining SunAmerica, Mr. Stern was Managing Director and Chief Administrative Officer of The Henley Group, Inc., a diversified manufacturing company, and prior thereto was Senior Vice President of Allied-Signal Inc., a diversified manufacturing company. Mr. Stern has been a director of TCW Funds, Inc., a registered investment company, since September 1992. Mr. Stern holds a B.A. degree from Dickinson College, an M.A. degree from the Columbia University Graduate School of Public Law and Government and a J.D. degree from the Columbia University School of Law.

We believe that Mr. Stern's qualifications to serve on our Board of Directors include his many years of business, operational and financial management experience. In addition, his current and prior service on other public company boards permits him to contribute valuable strategic management insight to our Board, both with respect to specific governance related issues, as well as general leadership. Finally, as a member of our Board for 16 years, Mr. Stern brings a valuable historical perspective on the development of the Company's business and its leadership.

**Required Vote and Board Recommendation**

If a quorum is present and voting, the thirteen nominees for director receiving the highest number of votes will be elected as directors. If you hold your shares in your own name and abstain from voting on this matter, your abstention will have no effect on the vote. If you hold your shares through a broker and you do not instruct the broker on how to vote for the thirteen nominees, your broker will not have the authority to vote your shares. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum but will not have any effect on the outcome of the vote.

**THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF EACH NAMED NOMINEE.**

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**PROPOSAL 2**

**APPROVAL OF THE 2006 LONG-TERM INCENTIVE PLAN,  
AS AMENDED, WHICH INCLUDES AN INCREASE  
IN THE SHARE RESERVE BY 65,000,000 SHARES**

On March 7, 2006, the stockholders approved our 2006 Long-Term Incentive Plan (the 2006 LTIP). The 2006 LTIP is a restatement of our 2001 Stock Option Plan and the successor to the 1991 Stock Option Plan, the 2001 Non-Employee Directors Stock Option Plan and their predecessor plans. The 2006 LTIP also serves as the source of shares for the Executive Retirement Matching Contribution Plan (the ERMC Plan).

The Board of Directors has amended the 2006 LTIP, subject to stockholder approval. The amendments to the 2006 LTIP would effect the following material changes.

1. Increase the maximum number of shares that the Company may issue under the 2006 LTIP from 418,284,432 shares to 483,284,432 shares, which will enable it to continue to grant awards to deserving individuals and remain competitive with its industry peers.
2. Change the ratio that is used to count awards under the 2006 LTIP, other than stock options and stock appreciation rights that have been granted without dividend equivalent rights, from a 3:1 ratio to a 2:1 ratio. This ratio will provide for efficient management of the share reserve because we intend to grant a majority of stock awards in the form of restricted stock units.
3. Provide added flexibility for the Compensation Committee by allowing it to include terms and conditions in award agreements for accelerating the vesting of full value awards in connection with retirement at or after normal retirement age (as defined in the 2006 LTIP) in addition to the previously approved authority to accelerate the vesting of full value awards in connection with death, disability or a change-in-control (as defined in the 2006 LTIP).

During fiscal 2010, we made a substantial shift in the form of equity awards and have granted primarily restricted stock units and performance-based units. This change has enabled us to better manage our equity burn rate and dilution.

We believe that equity incentives are critical to attracting and retaining the most talented employees in our industry. The approval of the proposed amendment will allow us to continue to provide such incentives under the 2006 LTIP.

**Key Features of the 2006 LTIP:**

Awards are merit-based as part of our comprehensive compensation program.

An independent committee of the Board of Directors administers the plan.

A total of 43,019,638 and 25,020,139 shares remained available for issuance at September 26, 2010 and December 15, 2010, respectively.

Awards, other than stock option awards and stock appreciation rights that have been granted without dividend equivalent rights, are charged against the 2006 LTIP share reserve on the basis of three shares for each share

actually granted. The ratio will change to two shares for each share actually granted if stockholders approve Proposal 2.

Awards may not be granted later than 10 years from the effective date of the 2006 LTIP.

Awards may be in the form of stock options, stock appreciation rights, restricted stock, unrestricted stock, restricted stock units, performance shares, performance units, deferred compensation awards and other stock-based awards.

No dividends will be paid out on unearned performance awards.

Stock options and stock appreciation rights may not be repriced without prior approval by our stockholders.

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Stock options and stock appreciation rights may not be granted below fair market value.

Stock options and stock appreciation rights generally shall not be fully vested over a period of less than three years from the date of grant and generally cannot be exercised more than 10 years from the date of grant.

Restricted stock and restricted stock units generally shall not vest any more rapidly than annual pro rata vesting over a three-year period.

Any full value awards that vest upon the attainment of performance goals shall provide for a performance period of at least 12 months.

Shares tendered in payment of a stock option, shares withheld for taxes and shares repurchased by the Company are not available again for grant under the 2006 LTIP.

The 2006 LTIP reserve is reduced by the full amount of shares granted as stock appreciation rights, regardless of the number of shares upon which payment is made.

All stock options granted after January 1, 2011 shall expire in seven years. Substantially all stock options granted prior to that date expire after 10 years.

**Significant Historical Award Information**

The aggregate number of shares under awards the Company granted in fiscal 2010 decreased by 25.3% as compared to fiscal 2009 (from 41.1 million in fiscal 2009 to 30.7 million in fiscal 2010) even though the Company's full-time employee base increased by 5.3% during the same period (from approximately 15,000 in fiscal 2009 to 15,800 in fiscal 2010).

All full-time employees are eligible to receive equity awards. At present, approximately 16,000 employees and 12 non-employee directors are eligible to receive awards under the 2006 LTIP.

The following table shows how the key equity metrics have changed over the past three fiscal years:

<b>Key Equity Metrics</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Percentage of equity awards granted to NEOs (1)	5.3%	5.1%	5.1%
Equity burn rate (2)	1.9%	2.5%	3.2%
Dilution (3)(5)	14.1%	14.6%	15.6%
Overhang (4)(5)	12.1%	11.6%	10.9%

(1) Percentage of equity awards granted to NEOs (named executive officers) is calculated by dividing the number of shares subject to equity awards that were granted to NEOs by the total shares subject to equity awards that were granted during the fiscal year.

(2) Equity burn rate is calculated by dividing the number of shares subject to equity awards granted during the fiscal year by the weighted-average of common shares outstanding during the period.

- (3) Dilution is calculated by dividing the sum of (x) the number of shares subject to equity awards outstanding at the end of the fiscal year and (y) the number of shares available for future grants, by the number of common shares outstanding at the end of the fiscal year.
- (4) Overhang is calculated by dividing the number of shares subject to equity awards outstanding at the end of the fiscal year by the number of common shares outstanding at the end of the fiscal year.
- (5) If the Company had not repurchased any shares during fiscal 2010, dilution and overhang would have been 13.5% and 11.6%, respectively, for fiscal 2010.

### **Background for the Current Request**

Our request to increase the share reserve by 65 million shares considers the following:

If we do not increase the share reserve at our 2011 Annual Meeting, we would need to make significant changes to our equity award practices in order to conserve the share reserve balance until the time of our

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2012 annual meeting. The changes to our practices would limit our flexibility to award competitive grants and thus our ability to attract, motivate and retain highly qualified talent.

If our stockholders approve our request for 65 million shares at the 2011 Annual Meeting, we believe this amount will be sufficient for two to three years.

We have decreased our annual equity burn rate and dilution by introducing full-value shares, such as restricted stock units that vest over a three-year period, as a component of our broad-based equity program.

## **Summary of the 2006 LTIP**

The following paragraphs summarize material terms of the 2006 LTIP. This summary is qualified in its entirety by the specific terms of the 2006 LTIP, a copy of which is available to any stockholder upon request.

### ***General***

The 2006 LTIP provides for the grant of incentive and nonstatutory stock options, as well as stock appreciation rights, restricted stock, restricted stock units, performance units and shares and other stock-based awards. It is also the source of shares for matching stock awards under the ERMC Plan. Incentive stock options granted under the 2006 LTIP are intended to qualify as incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the Code). Nonstatutory stock options granted under the 2006 LTIP are not intended to qualify as incentive stock options under the Code.

### ***Purpose***

The 2006 LTIP advances the interests of the Company and its stockholders by helping to attract and retain persons of skill and ability to serve the Company and by motivating these individuals to continue their contributions to the growth and profitability of the Company.

### ***Administration***

The Board and its designees administer the 2006 LTIP. The Board interprets the 2006 LTIP, subject to the requirements of the 2006 LTIP. As permitted under the 2006 LTIP, the Board has delegated administration of the 2006 LTIP to the Compensation Committee of the Board. The Compensation Committee determines the recipients of awards, the number of shares subject to each award, the times when an award will become exercisable, the exercise price, the type of consideration to be paid upon exercise and other terms of the award. For awards to persons other than directors or executive officers, the Compensation Committee in turn has delegated administration of the 2006 LTIP to the Management Equity Awards Committee, currently comprised of our Chief Executive Officer, President and Executive Vice President, Human Resources, who act pursuant to the guidelines approved by the Compensation Committee. As used herein with respect to the 2006 LTIP, the Board refers to the Compensation Committee and the Management Equity Awards Committee, in addition to the full Board.

### ***Stock Subject to the 2006 LTIP***

A total of 418,284,432 shares are currently reserved for issuance under the 2006 LTIP. We propose increasing the number of shares by 65,000,000 shares, for a total of 483,284,432 shares reserved for issuance under the 2006 LTIP. The table below presents the number of shares, including dividend equivalents, that were subject to various outstanding equity awards at September 26, 2010 and December 15, 2010:

<b>Type of Award</b>	<b>Number of Shares</b>	
	<b>September 26, 2010</b>	<b>December 15, 2010</b>
Stock options	214,957,608	195,479,985
Restricted stock units	5,615,000	11,422,023
Performance stock units (1)	658,845	1,224,395
Deferred stock units	72,744	73,752

(1) No performance stock units have been earned as of September 26, 2010 or December 15, 2010.

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Additionally, 43,019,638 and 25,020,139 shares remain available for future grants under the 2006 LTIP at September 26, 2010 and December 15, 2010, respectively. Shares underlying awards that expire, are cancelled or otherwise terminate again become available for grant under the 2006 LTIP, as do shares subject to awards under the ERM Plan that fail to vest under the terms of that plan.

The weighted average exercise price of options outstanding was \$38.51 and \$38.79 at September 26, 2010 and December 15, 2010, respectively. The weighted average remaining contractual life of options outstanding was 6.09 years at September 26, 2010 and December 15, 2010.

Awards, other than stock options and stock appreciation rights that have been granted without dividend equivalent rights, are charged against the 2006 LTIP share reserve on the basis of three shares for each one share granted. The ratio will change to two shares for each share actually granted and any shares returned to the reserve will be returned on the 2:1 basis if stockholders approve Proposal 2.

### ***Eligibility***

Awards other than incentive stock options are generally granted only to our employees and directors. Incentive stock options may be granted only to employees, and only U.S.-based executives may participate in the ERM Plan.

Any person who, at the time of the grant, owns (or is deemed to own) stock possessing more than 10% of the total combined voting power of the Company, or any of its parent or subsidiary corporations, must be granted an incentive stock option at an exercise price that is at least 110% of the fair market value of the Company's stock on the date of grant, and the term of the option must not exceed five years. The aggregate fair market value, determined at the time of grant, of the shares of common stock with respect to which incentive stock options granted under the 2006 LTIP that are exercisable for the first time by an optionee during any calendar year (under all our plans and our parent and subsidiary corporations) may not exceed \$100,000. In order to permit awards to qualify as performance-based compensation under Section 162(m) of the Code, no employee may be granted awards during any fiscal year in excess of the following limits:

*Stock options and stock appreciation rights:* No more than 3,000,000 shares.

*Restricted stock and restricted stock unit awards vesting based upon the attainment of performance goals:* No more than 1,000,000 shares.

*Performance stock awards:* No more than 1,000,000 shares for each full fiscal year contained in the performance period of the award.

*Performance unit awards:* No more than \$8,000,000 for each full fiscal year contained in the performance period of the award.

The 2006 LTIP provides, in general, a mandatory minimum three-year vesting period, based on the participant's continued service, for restricted stock awards, restricted stock unit awards, performance awards or stock-based awards based on the full value of shares of stock. These vesting rules do not apply to shares granted under the ERM Plan or to a maximum of 2% of the shares reserved under the 2006 LTIP, which may be issued as awards to non-employee directors. A portion of our performance awards are subject to achievement of performance goals over a performance period no shorter than 12 months. Acceleration of awards under the current 2006 LTIP occurs only in connection with death, disability, a change-in-control (as defined in the 2006 LTIP) or certain involuntary terminations without cause. In addition, the Board has adopted provisions, subject to stockholder approval, that provide the Compensation Committee with added flexibility by allowing it to include terms and conditions in award agreements for accelerating



the vesting of full value awards in connection with retirement at or after normal retirement age (as defined in the 2006 LTIP).

*Stock Options and Stock Appreciation Rights*

The following is a general description of the terms of options and stock appreciation rights that may be awarded under the 2006 LTIP. Individual grants may have different terms, subject to the overall requirements of the 2006 LTIP.

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*Exercise Price; Payment.* The exercise price of incentive stock options under the 2006 LTIP may not be less than the fair market value of the Company's common stock subject to the option on the date of grant, and in some cases may not be less than 110% of the fair market value on the grant date (see Eligibility). As of January 10, 2011, the fair market value (i.e., closing price) of a share of the Company's common stock was \$51.69. The exercise price of a nonstatutory stock option and a stock appreciation right may not be less than the fair market value of the Company's stock subject to the award on the date of grant. The exercise price of options granted under the 2006 LTIP must be paid: (1) in cash, check or a cash equivalent; (2) by tender of shares of common stock of the Company to us subject to attestation to the ownership of the shares and to having a fair market value not less than the exercise price; (3) if permitted by the Board, by means of a cashless exercise that complies with applicable securities and other laws; (4) in any other form of payment acceptable to the Board; or (5) by a combination of the above forms of payment.

*No Repricing.* The 2006 LTIP does not permit the Company to lower the exercise price of options or stock appreciation rights without stockholder pre-approval.

*Exercise.* Options and stock appreciation rights granted under the 2006 LTIP vest in cumulative increments as determined by the Board, provided that the holder's employment by, or service as a director or consultant to, the Company or certain related entities or designated affiliates, continues from the date of grant until the applicable vesting date. Awards granted under the 2006 LTIP may be subject to different vesting terms, subject to an overall minimum three-year vesting requirement applicable to options and stock appreciation rights issued to participants other than non-employee directors. The Board has the power to accelerate the time during which an award may be exercised, subject to this three-year overall limit.

*Term.* The maximum term of options and stock appreciation rights under the 2006 LTIP is 10 years, except for certain incentive stock options with a maximum term of 5 years (see Eligibility). The 2006 LTIP provides for the earlier termination of an award due to the holder's termination of service.

*Restrictions on Transfer.* Participants may not transfer incentive stock options granted under the 2006 LTIP, except by will or by the laws of descent and distribution. Participants may not transfer nonstatutory stock options or stock appreciation rights other than: (1) by will or by the laws of descent and distribution; (2) by written designation of a beneficiary taking effect upon the death of the optionee; or (3) by delivering written notice to the Company, in a form acceptable to the Company, that the optionee will be gifting the option to certain family members or other specific entities controlled by or for the benefit of such family members, and such other transferees as the Board may approve.

A total of 24,132,730 stock options were granted in fiscal 2010. A total of 214,957,608 and 195,479,985 stock options were outstanding at September 26, 2010 and December 15, 2010, respectively. The weighted average exercise price of options outstanding at September 26, 2010 and December 15, 2010 was \$38.51 and \$38.79, respectively. The weighted average remaining contractual term of options outstanding at September 26, 2010 and December 15, 2010 was 6.09 years.

### ***Restricted Stock Units***

The Board may grant restricted stock units under the 2006 LTIP, which represent a right to receive shares of the Company's common stock at a future date determined in accordance with the participant's award agreement. There is no purchase or exercise price associated with the restricted stock units or the shares issued in settlement of the award. The Board may grant restricted stock unit awards subject to the attainment of one or more performance goals, similar to those described below in connection with performance awards, or may make the awards subject to vesting conditions similar to those for restricted stock awards, as described below. Participants may not transfer shares acquired pursuant to restricted stock units until the units vest. Unless the Board provides otherwise, participants forfeit any unvested restricted stock units upon termination of service. Participants have no voting rights or rights to receive

cash dividends with respect to restricted stock unit awards until shares of common stock are issued in settlement of such awards. However, the Board may grant restricted stock units that entitle the holders to receive dividend equivalents, which are rights to receive additional restricted stock units based on the value of any cash dividends the Company pays. A total of 5,610,617 restricted stock units were granted during fiscal 2010. A

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total of 5,615,008 and 11,422,023 restricted stock units, including dividend equivalents, were outstanding at September 26, 2010 and December 15, 2010, respectively.

***Restricted Stock Awards***

The Board may grant restricted stock awards under the 2006 LTIP in the form of either a restricted stock purchase right, an immediate right to purchase common stock, or a restricted stock bonus, for which the participant furnishes consideration in the form of services to the Company. The Board determines the purchase price payable under restricted stock purchase rights, which may be less than the then current fair market value of the Company's common stock. Restricted stock awards may be subject to vesting conditions based on such service or performance criteria as the Board specifies, including the attainment of one or more performance goals similar to those described below in connection with performance awards. Participants may not transfer shares acquired pursuant to a restricted stock award until the shares vest. Unless otherwise provided by the Board, participants forfeit any unvested shares of restricted stock upon termination of service. Participants holding restricted stock generally may vote the shares and receive any dividends paid; however, such distributions are subject to the same restrictions as the original award.

***Performance Awards***

The Board may grant performance awards subject to the fulfillment of conditions and the attainment of performance goals over such periods as the Board determines in writing and sets forth in a written agreement between the Company and the participant. To the extent compliance with Section 162(m) of the Code is desired, a committee comprised solely of outside directors under Section 162(m) must act with respect to performance awards, and Board as used in this section shall include this committee. These awards may be designated as performance shares or performance units. Performance shares and performance units are unfunded bookkeeping entries generally having initial values equal to the fair market value of a share of stock determined on the grant date and a value set by the Board, respectively. Performance awards specify a predetermined amount of performance shares or performance units that may be earned by the participant to the extent that one or more predetermined performance goals are attained within the predetermined performance period. To the extent earned, performance awards may be settled in cash, shares of common stock (including shares of restricted stock) or a combination thereof.

Prior to the start of the applicable performance period, or as permitted pursuant to Section 162(m) of the Code, the Board establishes one or more performance goals applicable to the award. Performance goals are based on the attainment of specified target levels with respect to one or more selected measures of business or financial performance. Performance goals may be based on one or more of the following measures: revenues, gross margin, operating margin, operating income, earnings before tax, earnings before interest, taxes, depreciation and amortization, net income, expenses, the market price of the Company's common stock, earnings per share, return on stockholder equity, return on capital, return on net assets, economic value added, market share, customer service, customer satisfaction, safety, total stockholder return, free cash flow or other measures as determined by the Board. The degree of attainment of performance measures may be calculated in accordance with generally accepted accounting principles in the United States (GAAP), industry usage or other formulations determined by the Board in its discretion. For example, performance goals may be established and calculated without regard to the accrual or payment of performance awards and may be based on formulations of these performance measures that do not conform with GAAP (Non-GAAP), as determined by the Board in its discretion.

Following completion of the applicable performance period, the Board certifies in writing the extent to which a participant has attained the applicable performance goals and the resulting value of the participant's award. The Board retains the discretion to eliminate or reduce, but not increase, the amount that would otherwise be payable to a participant who is a covered employee within the meaning of Section 162(m) of the Code. However, no such reduction may increase the amount correspondingly paid to any other participant. The Board may make positive or

negative adjustments to performance award payments to participants other than covered employees to reflect individual job performance or other factors. In its discretion, the Board may provide for the payment of dividend equivalents with respect to cash dividends paid on the Company's common stock to a participant awarded performance shares. The Board may provide for performance award payments in lump sums or installments. If any

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payment is to be made on a deferred basis, the Board may provide for the payment of dividend equivalents or interest during the deferral period.

Unless otherwise provided by the Board, if a participant terminates service due to death or disability prior to completion of the applicable performance period, the final award value is determined at the end of the performance period on the basis of the performance goals attained during the entire performance period, but is prorated for the number of months of the participant's service during the performance period. If a participant's service terminates prior to completion of the applicable performance period for any other reason, the participant forfeits the performance award, unless the Board determines otherwise. Participants may not sell or transfer a performance award, other than by will or the laws of descent and distribution, prior to the end of the applicable performance period.

A total of 702,935 performance stock units were granted in fiscal 2010 (representing a maximum share payout of 823,556 common shares), of which 658,845 units were outstanding at September 26, 2010. The terms of the performance stock units granted in fiscal 2010 provide that the minimum number of shares that may be earned is 75% of the award amount, or 527,201 shares of the 702,935 units granted in fiscal 2010 and 494,134 shares of the 658,845 units outstanding at September 26, 2010. No performance stock units were earned in fiscal 2010 because no performance period ended during fiscal 2010. The performance stock units granted in fiscal 2010 did not include dividend equivalents.

A total of 565,550 performance stock units were granted in fiscal 2011 as of at December 15, 2010 (representing a maximum share payout of 1,131,100 common shares). The terms of the performance stock units granted in fiscal 2011 provide that between zero and 200% of the award amount may be earned. None of these performance stock units have been earned as of December 15, 2010. The performance stock units granted in fiscal 2011 include dividend equivalent rights that will accrue, in the form of additional shares of Qualcomm stock, on units that are earned, but are not paid out on unearned performance units and would vest at the same time as the underlying earned performance stock units.

A total of 658,845 and 1,224,395 performance stock units were outstanding at September 26, 2010 and December 15, 2010, respectively.

***Deferred Compensation Awards***

The 2006 LTIP authorizes the Board to establish a deferred compensation award program in addition to the ERMC Plan. If and when implemented, participants designated by the Board who are officers, directors or members of a select group of highly compensated employees may elect to receive an award of deferred stock units, in lieu of compensation otherwise payable in cash or in lieu of cash or shares of common stock issuable upon the exercise or settlement of stock options, stock appreciation rights, performance shares or performance unit awards. Each such stock unit represents a right to receive one share of common stock at a future date determined in accordance with the participant's award agreement. Deferred stock units are fully vested upon grant and settled by distribution to the participant of a number of whole shares of common stock equal to the number of stock units subject to the award upon the earlier of the date on which the participant separates from service or a specific date elected by the participant at the time of his or her election to receive the deferred stock unit award. A holder of deferred stock units has no voting rights or other rights as a stockholder until shares of common stock are issued to the participant in settlement of the deferred stock units. However, participants holding deferred stock units may receive dividend equivalents credited in the form of additional stock units as determined by the Board. Prior to settlement, deferred stock units may not be assigned or transferred other than by will or the laws of descent and distribution.

A total of 8,312 fully vested deferred stock units were granted to non-employee directors in fiscal 2010 in lieu of their annual cash retainer. In connection with the non-employee director compensation program, 52,730 deferred stock units were granted to the members of the Board in fiscal 2010, which generally vest the earlier of one year or the next

annual stockholders meeting. A total of 72,744 and 73,752 deferred stock units, including dividend equivalents, were outstanding at September 26, 2010 and December 15, 2010, respectively.

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***Other Stock-Based Awards***

The 2006 LTIP permits the Board to grant other awards based on the Company's stock or on dividends paid on its stock. No other awards were granted in fiscal 2010 or outstanding at September 26, 2010.

***Effect of Certain Corporate Events***

In the event of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification or similar change in the capital structure of the Company, the 2006 LTIP provides for appropriate adjustments in the number and class of shares subject to the 2006 LTIP and to any outstanding awards, in the Section 162(m) of the Code per employee grant limit (see Federal Income Tax Information Potential Limitation on Company Deductions), and in the exercise price per share of any outstanding awards. Any fractional share resulting from an adjustment is rounded down to the nearest whole number, and at no time will the exercise price of any option or stock appreciation right be decreased to an amount less than par value of the stock subject to the award.

*Change-in-Control.* If a change-in-control occurs, the surviving, continuing, successor or purchasing corporation or parent corporation thereof may either assume the Company's rights and obligations under the outstanding awards or substitute substantially equivalent awards. However, if an outstanding award is not assumed or replaced, the 2006 LTIP provides that the vesting and exercisability of the award shall accelerate, effective 10 days prior to the change-in-control. Awards that are not assumed, replaced or exercised prior to the change-in-control will terminate.

***Duration, Amendment and Termination***

The Board may amend or terminate the 2006 LTIP at any time. If not earlier terminated, the 2006 LTIP expires on the tenth anniversary of the date it was originally approved by the stockholders. No amendment authorized by the Board will be effective unless approved by the stockholders of the Company if the amendment would (1) increase the number of shares reserved under the 2006 LTIP; (2) change the class of persons eligible to receive incentive stock options; or (3) modify the 2006 LTIP in any other way that requires stockholder approval under applicable law.



**Table of Contents*****Awards Granted to Certain Persons***

The number of awards that an employee, nonemployee director or consultant may receive under the 2006 LTIP is at the discretion of the Board and therefore cannot be determined in advance. The following table sets forth (1) the aggregate number of shares subject to options granted under the 2006 LTIP during fiscal 2010; (2) the average per share exercise price of such options; (3) the aggregate number of shares subject to restricted stock units granted under the 2006 LTIP during fiscal 2010; and (4) the aggregate dollar value of such shares based on \$44.55 per share, the fair market value on September 24, 2010, the last trading day of our 2010 fiscal year.

<b>Name and Position</b>	<b>Number of Options Granted</b>	<b>Average per Share Exercise Price</b>	<b>Number of Restricted Stock Units Granted</b>	<b>Dollar Value of Restricted Stock Units Granted</b>	<b>Number of Performance Stock Units Granted</b>	<b>Dollar Value of Performance Stock Units Granted</b>
Paul E. Jacobs Chairman and Chief Executive Officer	395,250	\$ 44.75			153,980	\$ 6,859,809
William E. Keitel Executive Vice President and Chief Financial Officer	150,350	\$ 44.75			58,570	\$ 2,609,294
Steven R. Altman President	231,500	\$ 44.75			90,190	\$ 4,017,965
Steven M. Mollenkopf Executive Vice President and Group President	319,150	\$ 42.24			52,270	\$ 2,328,629
Donald J. Rosenberg Executive Vice President, General Counsel and Corporate Secretary	129,350	\$ 44.75			50,380	\$ 2,244,429
All current executive officers as a group (12 people)	1,769,350	\$ 44.30			617,180	\$ 27,495,369
All current directors, who are not executive officers, as a group (11 people) (1)			61,042	\$ 2,719,421		
All employees, including all current officers who are not executive officers, as a group (14,712 people)	22,363,380	\$ 40.74	5,691,099	\$ 253,538,460		

- (1) Amount includes 8,312 fully vested deferred stock units granted to non-employee directors in lieu of their annual cash retainer and 52,730 deferred stock units granted under the non-employee director compensation program.

***Federal Income Tax Information***

The following discussion is intended to be a general summary only of the federal income tax aspects of awards granted under the 2006 LTIP and not of state or local taxes that may apply to awards under the 2006 LTIP. Tax consequences may vary depending on particular circumstances, and administrative and judicial interpretations of the application of the federal income tax laws are subject to change. Participants in the 2006 LTIP who are residents of or are employed in a country other than the United States may be subject to taxation in accordance with the tax laws of that particular country in addition to or in lieu of United States federal income taxes.

*Incentive Stock Options.* An optionee recognizes no taxable income for regular income tax purposes as the result of the grant or exercise of an incentive stock option. Optionees who do not dispose of their shares for at least two years following the date the incentive stock option was granted or within one year following the exercise of the option normally will recognize a long-term capital gain or loss equal to the difference, if any, between the sale price and the purchase price of the shares. If an optionee satisfies both such holding periods upon a sale of the shares, the Company will not be entitled to any deduction for federal income tax purposes. If an optionee disposes of shares either within two years after the date of grant or within one year from the date of exercise (referred to as a

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disqualifying disposition ), the difference between the fair market value of the shares on the exercise date and the option exercise price (not to exceed the gain realized on the sale if the disposition is a transaction with respect to which a loss, if sustained, would be recognized) will be taxed as ordinary income at the time of disposition. Any gain in excess of that amount will be treated as a capital gain. If a loss is recognized, it will be a capital loss. A capital gain or loss will be long-term if the optionee's holding period is more than 12 months. Any ordinary income recognized by the optionee upon the disqualifying disposition of the shares generally should be deductible by the Company for federal income tax purposes, except to the extent such deduction is limited by applicable provisions of the Code or the regulations thereunder. The difference between the option exercise price and the fair market value of the shares on the exercise date of an incentive stock option is an adjustment in computing the optionee's alternative minimum taxable income and may be subject to an alternative minimum tax, which is paid if such tax exceeds the regular tax for the year. Special rules may apply with respect to certain subsequent sales of the shares in a disqualifying disposition, certain basis adjustments for purposes of computing the alternative minimum taxable income on a subsequent sale of the shares and certain tax credits which may arise with respect to optionees subject to the alternative minimum tax.

*Nonstatutory Stock Options and Stock Appreciation Rights.* Nonstatutory stock options and stock appreciation rights have no special tax status. A holder of these awards generally does not recognize taxable income as the result of the grant of such award. Upon exercise of a nonstatutory stock option or stock appreciation right, the holder normally recognizes ordinary income in an amount equal to the difference between the exercise price and the fair market value of the shares on the exercise date. If the holder is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Upon the sale of stock acquired by the exercise of a nonstatutory stock option or stock appreciation right, any gain or loss, based on the difference between the sale price and the fair market value on the exercise date, will be taxed as capital gain or loss. A capital gain or loss will be long-term if the holding period of the shares is more than 12 months. The Company generally is entitled to a deduction equal to the amount of ordinary income recognized by the optionee as a result of the exercise of a nonstatutory stock option or stock appreciation right, except to the extent such deduction is limited by applicable provisions of the Code or the regulations thereunder. No tax deduction is available to the Company with respect to the grant of a nonstatutory stock option or stock appreciation right or the sale of the stock acquired pursuant to such grant.

*Restricted Stock.* A participant acquiring restricted stock generally will recognize ordinary income equal to the fair market value of the shares on the determination date. The determination date is the date on which the participant acquires the shares unless the shares are subject to a substantial risk of forfeiture and are not transferable, in which case the determination date is the earlier of (i) the date on which the shares become transferable or (ii) the date on which the shares are no longer subject to a substantial risk of forfeiture. If the determination date is after the date on which the participant acquires the shares, the participant may elect, pursuant to Section 83(b) of the Code, to have the date of acquisition be the determination date by filing an election with the Internal Revenue Service no later than 30 days after the date on which the shares are acquired. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Upon the sale of shares acquired pursuant to a restricted stock award, any gain or loss, based on the difference between the sale price and the fair market value on the determination date, will be taxed as capital gain or loss. The Company generally should be entitled to a deduction equal to the amount of ordinary income recognized by the participant on the determination date, except to the extent such deduction is limited by applicable provisions of the Code.

*Performance and Restricted Stock Unit Awards.* A participant generally will recognize no income upon the receipt of a performance share, performance unit or restricted stock unit award. Upon the settlement of such an award, participants normally will recognize ordinary income in the year of receipt in an amount equal to the cash received and the fair market value of any substantially vested shares received. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. If the participant receives shares of restricted stock, the participant generally will be taxed in the same manner as described under Restricted Stock. Upon the sale of any shares received, any gain or loss, based on the difference between the sale price and the fair market

value on the determination date (as defined under Restricted Stock ), will be taxed as capital gain or loss. The Company generally is entitled to a deduction equal to the amount of ordinary income recognized by the participant on the determination date, except to the extent such deduction is limited by applicable provisions of the Code.

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***Deferred Compensation Awards.*** A participant generally will recognize no income upon the receipt of a deferred compensation award. Upon the settlement of the award, the participant normally will recognize ordinary income in the year of settlement in an amount equal to the fair market value of the shares received. Upon the sale of any shares received, any gain or loss, based on the difference between the sale price and the fair market value of the shares on the date they were transferred to the participant, will be taxed as capital gain or loss. The Company generally is entitled to a deduction equal to the amount of ordinary income recognized by the participant, except to the extent such deduction is limited by applicable provisions of the Code. Deferred compensation awards, when granted, would generally be subject to the requirements of Section 409A of the Code, which would impose certain restrictions on the timing and form of payment of deferred compensation.

***Potential Limitation on Company Deductions.*** In accordance with applicable regulations issued under Section 162(m), compensation attributable to stock options and stock appreciation rights will qualify as performance-based compensation, provided that: (1) the 2006 LTIP contains a per-employee limitation on the number of shares for which options or stock appreciation rights may be granted during a specified period; (2) the per-employee limitation is approved by the stockholders; (3) the option is granted by a compensation committee comprised solely of outside directors (as defined in Section 162(m) of the Code); and (4) the exercise price of the option or right is not less than the fair market value of the stock on the date of grant. For the above reasons, our 2006 LTIP provides for an annual per employee limitation as required under Section 162(m), and our Compensation Committee is comprised solely of outside directors. Accordingly, options or stock appreciation rights granted by the Compensation Committee qualify as performance-based compensation, and the other awards subject to performance goals may also qualify.

**Equity Compensation Plan Information**

The following table sets forth information regarding outstanding options and shares reserved for future issuance under the equity compensation plans as of September 26, 2010 (number of shares in millions):

<b>Plan Category</b>	<b>Number of Shares to be Issued Upon Exercise of Outstanding Options</b>	<b>Weighted Average Exercise Price of Outstanding Options</b>	<b>Number of Shares Remaining Available for Future Issuance</b>
Equity compensation plans approved by stockholders (1)	213	\$ 38.58	43(2)
Equity compensation plans not approved by stockholders (3)	22		22
Total (4)	235	\$ 38.58	65

(1) Consists of six plans: the Company's 1991 Stock Option Plan, 2001 Stock Option Plan, 2006 Long-Term Incentive Plan, 1998 Non-Employee Directors' Stock Option Plan, 2001 Non-Employee Directors' Stock Option Plan and the Amended and Restated 2001 Employee Stock Purchase Plan.

- (2) Includes 189,128 shares reserved for issuance under the Amended and Restated 2001 Employee Stock Purchase Plan.
- (3) Consists of shares that are subject to approval by stockholders at the March 8, 2011 Annual Meeting of Stockholders.
- (4) Excludes options assumed in connection with mergers and acquisitions. Approximately 1,991,023 shares of the Company's common stock were issuable upon exercise of these assumed options. These options have a weighted average exercise price of \$30.14 per share. No additional options may be granted under these assumed arrangements.

**Required Vote and Board Recommendation**

The affirmative vote of a majority of the votes cast at the Annual Meeting, at which a quorum is present, either in person or by proxy, is required to approve the 2006 LTIP, as amended as discussed above. If you hold your shares in your own name and abstain from voting on this matter, your abstention will have no effect on the vote. If you hold

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your shares through a broker and you do not instruct the broker on how to vote on this proposal, your broker will not have the authority to vote your shares. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum, but will not have any effect on the outcome of the proposal.

Should stockholder approval not be obtained, then the proposed amendments will not be implemented, and the 2006 LTIP will continue in effect pursuant to its current terms. However, the shares reserved for issuance will be depleted, and the 2006 LTIP will not achieve its intended objectives of helping to attract and retain employees.

The Board believes that the proposed amendments to the 2006 LTIP are in the best interests of the Company and its stockholders for the reasons stated above. **THEREFORE, THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE 2006 LTIP, AS AMENDED, WHICH INCLUDES THE INCREASE IN THE SHARE RESERVE BY 65,000,000 SHARES.**

**PROPOSAL 3**

**APPROVAL OF AMENDMENT TO  
THE 2001 EMPLOYEE STOCK PURCHASE PLAN  
TO INCREASE THE SHARE RESERVE BY 22,000,000**

In December 2000, we adopted the 2001 Employee Stock Purchase Plan (the ESPP), which originally became effective on February 27, 2001. Since then, the ESPP has been amended and restated twice, most recently as of April 26, 2010. On that date, the Compensation Committee of the Board amended and restated the ESPP to increase the number of shares of our common stock available for issuance under the ESPP by 22,000,000 shares, subject to stockholder approval, and to make other revisions to the ESPP to comply with changes in applicable law and to reflect best practices (the ESPP Amendment). If the ESPP Amendment is not approved, only 189,128 shares will remain available for issuance under the ESPP, reduced by the number of shares of common stock that are purchased subject to the offering period that ends on March 31, 2011.

The following is a brief summary of the ESPP and the material changes made under the ESPP Amendment. This summary is qualified in its entirety by reference to the full text of the ESPP, a copy of which is available to any stockholder upon request and is filed with the SEC as an exhibit to our Quarterly Report on Form 10-Q for the quarter ended June 27, 2010.

**Summary of the ESPP**

***Purpose***

The purpose of the ESPP is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward employees and by motivating such employees to contribute to our growth and profitability. The ESPP consists of two components; one is intended to qualify under Section 423(b) of the Code (the Section 423(b) Plan) and the other is not so intended (the Non-423(b) Plan).

***Administration***

The ESPP is administered by the Board, which has the final power to construe and interpret the ESPP and the rights granted under it. The Board has the power, subject to the provisions of the ESPP, to determine when and how rights to purchase our common stock will be granted, the provisions of each offering of such rights (which need not be identical), and whether any parent or subsidiary of the Company shall be eligible to participate in the ESPP. The Board is authorized to delegate administration of the ESPP to a committee designated by the Board or officers of the

Company as specified by the Board or committee. The Board has delegated administration of the ESPP to the Compensation Committee of the Board. As used herein with respect to the ESPP, the Board refers to the Compensation Committee or the designated officers of the Company as well as to the Board itself.

***Stock Subject to the ESPP***

If the ESPP Amendment is approved, the maximum aggregate number of shares of our common stock that may be issued under the ESPP, subject to adjustment as described below in Effect of Certain Corporate Events, is



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46,709,466 shares, so long as no more than an aggregate of 46,309,466 shares may be issued under the Section 423(b) Plan. If purchase rights granted under the ESPP expire, lapse or otherwise terminate without being exercised, the common stock not purchased under such purchase rights again become available for issuance under the ESPP, except that any shares of common stock allocable to a purchase right that has expired, terminated or been cancelled under the Non-423(b) Plan will only be available again for issuance under the Non-423(b) Plan.

### ***Offerings***

The ESPP is implemented through sequential offerings, each of which is referred to as an offering, the terms of which are referred to as offering periods. Generally, each offering period will be for six months duration or such other duration as the Board shall determine, provided, however, that no offering period may exceed 27 months in duration. In connection with stockholder approval of the ESPP Amendment, the Board established two consecutive, non-six-month offering periods; the first offering period began August 1, 2010 and ends March 31, 2011, and the second offering period begins April 1, 2011 and ends July 31, 2011, after which, sequential offering periods of six months duration shall resume (except as otherwise determined by the Board).

### ***Eligibility***

Purchase rights under the ESPP are generally granted only to our employees. However, no employee who owns or holds options to purchase, or as a result of participation in the ESPP would own or hold options to purchase, 5% or more of the total combined voting power or value of all classes of stock of the Company or of any parent or subsidiary corporation of the Company is entitled to participate in the ESPP. With respect to the Section 423(b) Plan, no employee may purchase more than \$25,000 worth of stock (determined based on the fair market value of the shares at the time such rights are granted) under all our employee stock purchase plans in any calendar year. With respect to the Non-423(b) Plan, employees are eligible to participate only if they are selected to participate by the Board in its sole discretion. In no event, however, may an officer or director of the Company subject to the requirements of Section 16 of the Securities Exchange Act participate in the Non-423(b) Plan. As of August 1, 2010, the beginning of the most recent offering period, approximately 16,000 of our employees were eligible to participate in the ESPP.

### ***Participation***

Generally, participation in the ESPP is limited to eligible employees who authorize payroll deductions prior to the start of an offering period. Payroll deductions may not be less than 1% nor exceed 15% (or such other rate as the Board determines) of an employee's compensation for any pay period during the offering period. Once an employee becomes a participant in the ESPP, that employee will automatically participate in each successive offering period until such time as that employee withdraws from the ESPP, becomes ineligible to participate in the ESPP or (except as described below in Termination of Employment ) terminates employment.

### ***Purchase Price***

The purchase price per share cannot be less than the lower of (i) 85% of the fair market value of a share of common stock on the date of commencement of the offering or (ii) 85% of the fair market value of a share of common stock on the date of purchase. As of January 10, 2011, the fair market value of a share of our common stock, determined by the last reported sale price per share on that date as quoted on the Nasdaq Global Select Market, was \$51.69. No fees, commissions or other charges are paid by employees in connection with the purchase of shares of common stock under the ESPP.

### ***Payroll Deductions and Additional Contributions***

The purchase price of the shares is accumulated by payroll deductions over the offering period. Generally, a participant may not increase payroll deductions after the beginning of any offering period, but may decrease his or her participation percentage at any time in accordance with rules established under the ESPP. A participant who reduces his or her participation percentage to zero shall nevertheless remain a participant in the current offering period unless such participant withdraws from the ESPP. All payroll deductions made for a participant are credited

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to his or her account under the ESPP and deposited with our general funds. No interest will accrue on the payroll deductions from a participant under the ESPP, except as otherwise required by applicable law. If such interest is required, the accrued interest will not be used to purchase additional shares of common stock on a purchase date, and such accrued interest will be refunded to the participant following such purchase date (or, if applicable, the participant's withdrawal from the ESPP or termination of employment or eligibility). The Board may specify in the terms of an offering that a participant under the Non-423(b) Plan may make additional payments into his or her account, so long as such participant has not had the maximum amount withheld during the offering.

### ***Withdrawal***

A participant may withdraw from a given offering by terminating his or her payroll deductions and by delivering a notice to us of withdrawal from the ESPP. Such withdrawal may be elected up to ten days to the end of the applicable offering. Upon any withdrawal from an offering by the employee, we will distribute to the employee his or her accumulated payroll deductions without interest, and such employee's interest in the offering will be automatically terminated. The employee is not entitled to again participate in such offering. An employee's withdrawal from an offering will not have any effect upon such employee's eligibility to participate in subsequent offerings under the ESPP.

### ***Purchase of Stock***

By executing an agreement to participate in the ESPP, an eligible employee is entitled to purchase shares under the ESPP. This purchase right shall consist of an option to purchase the number of shares of common stock determined by dividing \$12,500 by the fair market value of a share of common stock on the first day of the offering period and prorating this amount for an offering period of any duration other than six months. If the aggregate number of shares to be purchased upon exercise of purchase rights granted in the offering would exceed the maximum aggregate number of shares available for issuance under the ESPP, the Board would make a pro rata allocation of shares available in a uniform and equitable manner. Unless the employee's participation is discontinued, his or her right to purchase shares is exercised automatically at the end of each offering period.

### ***Termination of Employment***

Generally, upon cessation of an employee's employment for any reason, or upon the failure of a participant to remain an eligible employee, purchase rights granted pursuant to any offering under the ESPP terminate immediately, and we will distribute to such employee all of his or her accumulated payroll deductions, without interest. However, except in the case of a termination resulting from the participant's death, a Spinoff Transaction (as defined in the ESPP) or a leave of absence, participation in the ESPP may continue for an additional three months if the terminated employee executes a general release of claims against us.

### ***Restrictions on Transfer***

Rights granted under the ESPP are not transferable and may be exercised only by the person to whom such rights are granted.

### ***Effect of Certain Corporate Events***

In the event of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification or similar change in our capital structure, appropriate adjustments will be made in the number and class of shares subject to the ESPP and to any purchase rights.

If a Change in Control (as defined in the ESPP) occurs, the surviving, continuing, successor or purchasing corporation or parent corporation thereof may either assume our rights and obligations under the outstanding purchase rights or substitute substantially equivalent purchase rights for such corporation's stock. However, if an outstanding purchase right is not assumed or replaced, the ESPP provides that the purchase date of the then-current offering period shall be accelerated to a date before the date of the Change in Control specified by the Board, but the number of shares of common stock subject to outstanding purchase rights shall not be adjusted, so long as no acceleration applies to the Non-423(b) Plan unless the Change in Control meets the definition under Section 409A

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of the Code. All purchase rights that are not assumed, replaced nor exercised prior to the Change in Control shall terminate and cease to be outstanding effective as of the date of the Change in Control.

***Duration, Amendment and Termination***

The Board may suspend or terminate the ESPP at any time. The Board may also amend the ESPP at any time or from time to time. However, no amendment will be effective unless approved by our stockholders within 12 months before or after its adoption by the Board if the amendment would (i) increase the number of shares reserved for issuance under the ESPP or (ii) change the definition of the corporations which may be designated by the Board as participating companies in the ESPP. Purchase Rights granted before amendment or termination of the ESPP will not be altered or impaired by any amendment or termination of such plan without consent of the person to whom such rights were granted, except as permitted under the ESPP.

***Federal Income Tax Information***

The following discussion is intended to be a general summary only of the federal income tax aspects of purchase rights granted under the ESPP and not of state or local taxes that may be applicable. Tax consequences may vary depending on the particular circumstances, and administrative and judicial interpretations of the application of the federal income tax laws are subject to change. Participants in the ESPP who are residents of or are employed in a country other than the United States may be subject to taxation in accordance with the tax laws of that particular country in addition to or in lieu of U.S. federal income taxes.

A participant recognizes no taxable income either as a result of commencing participation in the ESPP or purchasing common stock under the terms of the ESPP. If a participant disposes of shares purchased under the ESPP within either two years from the first day of the applicable offering period or within one year from the purchase date, known as disqualifying dispositions, the participant will realize ordinary income in the year of such disposition equal to the amount by which the fair market value of the shares on the purchase date exceeds the purchase price. The amount of the ordinary income will be added to the participant's basis in the shares, and any additional gain or resulting loss recognized on the disposition of the shares will be a capital gain or loss, which will be long-term if the participant's holding period is more than 12 months. If the participant disposes of shares purchased under the ESPP at least two years after the first day of the applicable offering period and at least one year after the purchase date, the participant will realize ordinary income in the year of disposition equal to the lesser of (i) the excess of the fair market value of the shares on the date of disposition over the purchase price or (ii) 15% of the fair market value of the shares on the first day of the applicable offering period. The amount of any ordinary income will be added to the participant's basis in the shares, and any additional gain recognized upon the disposition after such basis adjustment will be a long-term capital gain. If the fair market value of the shares on the date of disposition is less than the purchase price, there will be no ordinary income and any loss recognized will be a long-term capital loss. If the participant still owns the shares at the time of death, the lesser of (i) the excess of the fair market value of the shares on the date of death over the purchase price or (ii) 15% of the fair market value of the shares on the first day of the offering period in which the shares were purchased will constitute ordinary income in the year of death. Any ordinary income recognized by a participant upon the disqualifying disposition of the shares generally should be deductible by the Company for federal income tax purposes, except to the extent such deduction is limited by applicable provisions of the Code or the regulations thereunder.

**Table of Contents****Plan Benefits Table**

Because participation in the ESPP is voluntary and elective, the benefits or amounts that any participant or group of participants may receive if the ESPP Amendment is approved are not currently determinable. The table below contains the benefits or amounts that the individuals and groups listed below have received under the ESPP since its inception:

<b>Participants</b>	<b>Number of Shares Purchased Under the ESPP</b>
Paul E. Jacobs Chairman and Chief Executive Officer	5,899
William E. Keitel Executive Vice President and Chief Financial Officer	7,354
Steven R. Altman President	7,354
Steven M. Mollenkopf Executive Vice President and Group President	6,895
Donald J. Rosenberg Executive Vice President, General Counsel and Corporate Secretary	1,455
All current executive officers as a group (12 people)	58,215
All current directors who are not executive officers as a group (12 people)	
All employees, including all current officers who are not executive officers, as a group (15,675 people)	24,622,294

**Required Vote and Board Recommendation**

The affirmative vote of a majority of the votes cast at the Annual Meeting, at which a quorum is present, either in person or by proxy, is required to approve the ESPP Amendment discussed above. If you hold your shares in your own name and abstain from voting on this matter, your abstention will have no effect on the vote. If you hold your shares through a broker and you do not instruct the broker on how to vote on this proposal, your broker will not have the authority to vote your shares. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum, but will not have any effect on the outcome of the proposal.

Should stockholder approval not be obtained, then the proposed amendment will not be implemented, and the ESPP will continue in effect pursuant to its current terms. However, the number of shares reserved for issuance will be depleted, and the ESPP will not achieve its objective of helping to attract, retain and reward employees.

The Board believes that the proposed amendment to the ESPP is in the best interests of the Company and its stockholders for the reasons stated above. **THEREFORE, THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE PROPOSED AMENDMENT TO THE 2001 ESPP FOR THE INCREASE IN THE SHARE RESERVE BY 22,000,000 SHARES.**

**PROPOSAL 4**

**RATIFICATION OF SELECTION OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Audit Committee of the Board has selected PricewaterhouseCoopers LLP as our independent public accountants for the fiscal year ending September 25, 2011, and the Board has directed that management submit the selection of independent public accountants for ratification by the stockholders at the Annual Meeting. PricewaterhouseCoopers LLP has audited our consolidated financial statements since we commenced operations in 1985. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

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Stockholder ratification of the selection of PricewaterhouseCoopers LLP as our independent public accountants is not required by our Amended and Restated Bylaws or otherwise. However, the Board is submitting the selection of PricewaterhouseCoopers LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee at its discretion may direct the appointment of a different independent accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

**Fees for Professional Services**

The following table presents fees for professional services rendered by PricewaterhouseCoopers LLP for the audit of our annual financial statements for the fiscal years ended September 26, 2010 and September 27, 2009 and fees for other services rendered by PricewaterhouseCoopers LLP during those periods.

	<b>2010</b>	<b>2009</b>
Audit fees (1)	\$ 5,439,000	\$ 5,369,000
Audit-related fees (2)	2,720,000	2,708,000
Tax fees (3)	58,000	
All other fees (4)	11,000	8,000
Total	\$ 8,228,000	\$ 8,085,000

- (1) Audit fees consist of fees for professional services rendered for the audit of our annual consolidated financial statements and review of the interim condensed consolidated financial statements included in quarterly reports and services that are normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings. Audit fees also include fees for professional services rendered for the audits of the effectiveness of our internal control over financial reporting.
- (2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under audit fees. This category includes fees principally related to field verification of royalties from licensees.
- (3) Tax fees consist of fees for professional services rendered for international tax compliance.
- (4) All other fees were comprised of fees related to technical publications purchased from the independent public accountant.

**Required Vote and Board Recommendation**

The affirmative vote of a majority of the votes cast at the meeting at which a quorum is present, either in person or by proxy, is required to approve this proposal. Abstentions will be counted as present for purposes of determining the presence of a quorum but will not have any effect on the outcome of the proposal.

**THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT PUBLIC**



**ACCOUNTANTS FOR THE FISCAL YEAR ENDING SEPTEMBER 25, 2011.**

**PROPOSAL 5**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Our compensation philosophy is designed to align each executive's compensation with the Company's short-term and long-term performance and to provide the compensation and incentives needed to attract, motivate and retain key executives who are crucial to the Company's long-term success. Stockholders are encouraged to read the

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Compensation Discussion and Analysis (CD&A) and other sections of this proxy statement, which include discussions of the following:

Members of the Compensation Committee are independent directors (page 4). The Compensation Committee has established a thorough process for the review and approval of compensation program designs, practices and amounts awarded to our executive officers. The Compensation Committee engaged and received advice from an independent, third-party compensation consultant (page 46). It selected a peer group of companies, taking into account the compensation consultant's recommendations, to compare to our executive officers' compensation (page 44).

We have many compensation practices that ensure consistent leadership, decision-making and actions without taking inappropriate or unnecessary risks. The practices are highlighted on pages 41 and 42, discussed in detail in the CD&A and include:

We have stock ownership guidelines for directors and executive officers (pages 7 and 60).

We do not pay the tax liability (i.e., no gross-ups) associated with reimbursements (page 57).

We have a cash incentive compensation repayment (claw back) policy (page 59).

We employ our executive officers at will without severance agreements or employment contracts (page 58).

We have a long-standing insider trading policy (page 41).

Our performance-based incentive programs include a balance of different measures for short-term and long-term programs and limits on the maximum amounts that may be earned (pages 48-50, and 56).

Approximately 75% of the executive officers' total direct compensation is in the form of long-term incentive equity awards and 90% varies based on performance in the form of cash and equity (pages 48-50).

Our executive officers' compensation amounts are aligned with our financial performance. In fiscal 2010, we exceeded our financial objectives and awarded our executive officers annual cash incentive amounts that were above the target amounts. While we exceeded the objectives for fiscal 2010 to an extent similar to fiscal 2009, the incentive plan funding rate was slightly reduced for fiscal 2010 compared to fiscal 2009. Accordingly, with one exception, our named executive officers' fiscal 2010 annual cash incentive payments were not more than the amounts they received for fiscal 2009 (pages 39-40).

Dr. Jacobs' fiscal 2010 total direct compensation was substantially the same as his fiscal 2009 amount. His annual cash incentive for fiscal 2010 was \$3.4 million, which was 6% less than his incentive award of \$3.6 million for fiscal 2009. This reflects the similar financial performance for fiscal 2010 as compared to fiscal 2009 and the slightly reduced cash incentive program funding rate for fiscal 2010. His fiscal 2010 annual equity award, which consisted of stock options and performance stock units, was substantially the same as his fiscal 2009 equity award, which consisted entirely of stock options. His salary for calendar 2010 did not change from calendar 2009 (pages 40-41, 50-51).

The Compensation Committee and the Board of Directors believe that these policies, procedures and amounts are effective in implementing our compensation philosophy and in achieving its goals. This advisory stockholder vote, commonly known as Say-on-Pay, gives you as a stockholder the opportunity to approve or not approve our executive compensation program and policies through the following resolution:

**Resolved, that the stockholders of Qualcomm Incorporated approve, on an advisory basis, the compensation of its executive officers, as disclosed under the heading Executive Compensation and Related Information .**

**Required Vote and Board Recommendation**

Because your vote is advisory, it will not be binding upon the Company, the Board of Directors or the Compensation Committee. Our Board of Directors and our Compensation Committee value the opinions of our

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stockholders. To the extent that there is any significant vote against the compensation of our executive officers, we will consider our stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

The Board believes that the compensation of our executive officers, as described in the CD&A and the tabular disclosures under the heading "Executive Compensation and Related Information" is appropriate for the reasons stated above. **THEREFORE, THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE COMPENSATION FOR OUR EXECUTIVE OFFICERS.**

**PROPOSAL 6**

**ADVISORY VOTE ON FREQUENCY OF VOTE ON EXECUTIVE COMPENSATION**

Stockholders of Qualcomm have the opportunity to advise the Compensation Committee and the Board of Directors regarding how frequently to conduct the advisory vote on executive compensation, commonly known as "Say-on-Pay." Stockholders may indicate their preference for an annual, biennial (every two years) or triennial (every three years) "Say-on-Pay" advisory vote.

The Board believes that it is preferable to conduct the "Say-on-Pay" advisory vote every three years, for the reasons outlined below. Further, because the "Say-on-Pay" advisory vote is an emerging and newly regulated practice, the Board has committed to solicit stockholders' preferences regarding the frequency of the "Say-on-Pay" advisory vote again in three years. (We are required by law to solicit stockholders' preferences regarding the frequency of the "Say-on-Pay" advisory vote every six years.)

The Board recommends that stockholders vote for a triennial advisory vote on executive compensation for reasons that include:

We have a consistent record of full and transparent disclosures regarding our executive compensation philosophy, programs, practices and the amounts paid to our executive officers.

We have implemented numerous compensation best practices, including an emphasis on performance-based long-term equity awards, compensation risk management assessment, stock ownership guidelines and incentive compensation repayment ( "claw back" ) policies.

We have been recognized for a strong investor relations program since 2004.

As a practical matter, any changes to our executive compensation program that were responsive to stockholder concerns would not be fully disclosed and reflected in the Compensation Discussion and Analysis and Executive Compensation sections of the Proxy Statement until the second year following an unfavorable "Say-on-Pay" vote.

This advisory stockholder vote, commonly known as "Say-on-Frequency," gives you as a stockholder the opportunity to state your preference on how frequently we conduct the advisory vote on our executive compensation through the following resolution:

**Resolved, that the stockholders of Qualcomm Incorporated approve, on an advisory basis, that the advisory vote on executive compensation, commonly known as "Say-on-Pay," be conducted every three years, beginning with this Annual Meeting.**

**Required Vote and Board Recommendation**

Because your vote is advisory, it will not be binding upon the Board of Directors. However, the Compensation Committee will take into account the outcome of the vote when considering the frequency of future advisory votes on executive compensation.

The Board believes that a triennial advisory vote on executive compensation is appropriate for the reasons stated above. **THEREFORE, THE BOARD UNANIMOUSLY RECOMMENDS THAT THE ADVISORY VOTE ON EXECUTIVE COMPENSATION BE CONDUCTED EVERY THREE YEARS.**

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**PROPOSAL 7**

**STOCKHOLDER PROPOSAL REGARDING MAJORITY  
VOTING IN DIRECTOR ELECTIONS**

The United Brotherhood of Carpenters and Joiners of America has represented that its pension fund is the beneficial owner of 24,971 shares of our common stock and has indicated that it intends to present the proposal set forth in quotes below (the Majority Vote Proposal ) at the Annual Meeting.

**The Board of Directors opposes the Majority Vote Proposal for the reasons stated after the proposal.**

**Director Election Majority Vote Standard Proposal**

**Resolved**, that the shareholders of Qualcomm Incorporated (the Company ) hereby request that the Board of Directors initiate the appropriate process to amend the Company s corporate governance documents (certificate of incorporation or bylaws) to provide that director nominees shall be elected by the affirmative vote of the majority of votes cast at an annual meeting of shareholders, with a plurality vote standard retained for contested director elections, that is, when the number of director nominees exceeds the number of board seats.

***Supporting Statement***

In order to provide shareholders a meaningful role in director elections, the Company s director election vote standard should be changed to a majority vote standard. A majority vote standard would require that a nominee receive a majority of the votes cast in order to be elected. The standard is particularly well-suited for the vast majority of director elections in which only board nominated candidates are on the ballot. We believe that a majority vote standard in board elections would establish a challenging vote standard for board nominees and improve the performance of individual directors and entire boards. The Company presently uses a plurality vote standard in all director elections. Under the plurality standard, a board nominee can be elected with as little as a single affirmative vote, even if a substantial majority of the votes cast are withheld from the nominee.

As of the date of the submission of this majority vote proposal, over 350 of the 500 companies in the Standard & Poor 500 Index have adopted a majority vote standard for director elections. This group of companies includes many of the Company s peer companies. Additionally, these majority vote companies have adopted director resignation policies in their bylaws or corporate governance policies to address postelection issues related to the status of director nominees that fail to win election. At the time of this proposal submission, Qualcomm and its Board had not taken either action.

The critical first step in establishing a meaningful majority vote policy is the adoption of a majority vote standard. With a majority vote standard in place, the Board can then take action to develop a post election procedure to address the status of directors that fail to win election. A majority vote standard combined with a post election director resignation policy would establish a meaningful right for shareholders to elect directors and reserve for the Board an important post-election role in determining the continued status of an unelected director. We urge the Board to take this important step of establishing a majority vote standard in the Company s governance documents.

**Statement In Opposition To Proposal 7**

After careful consideration, the Board and its Governance Committee, consisting entirely of independent directors, believe that the above-described shareholder proposal to change the voting standard for our directors is unnecessary and not in the best interests of the Company and its stockholders. Accordingly, the Board recommends a vote AGAINST adoption of this shareholder proposal for the following reasons.

***Opposing Statement***

We oppose the adoption of the shareholder proposal because our current policy achieves the same result as the proposed structure, but with fewer uncertainties and ambiguities. Since 2005, we have had a Majority Voting policy for directors as part of our Corporate Governance Principles and Practices. Our policy produces in spirit and substance the same result as the structure in the shareholder proposal, but it avoids the uncertain status of having

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directors who were not elected continuing to serve as holdover directors. We believe a board needs to have certainty in its composition, but with a mechanism for reviewing the desirability of continued service in the event a director does not receive a majority of the shares voted in an uncontested election. Our current policy provides that mechanism.

*Our Majority Voting Process Already Provides Equivalent Results.* As described in the Majority Voting, Stock Ownership Guidelines and Other Matters section above, our Board adopted a policy in 2005 providing for a review of a director's service in the event the director receives less than a majority of the votes cast in an uncontested election. Under our policy, if a director receives in an uncontested election a greater number of withhold votes than votes cast for his or her election, the Governance Committee will take the following actions:

Undertake a prompt evaluation of the appropriateness of the director's continued service on the Board.

Review all factors it deems relevant, including the stated reasons why votes were withheld, the director's length of service, his or her past contributions to the Company and the availability of other qualified candidates.

Make recommendations to the Board regarding any appropriate actions, which could include requesting the director's resignation. The director or directors in question will not participate in the Governance Committee's or the Board's analysis.

After the Governance Committee completes its evaluation, the Board will:

Review the Governance Committee's recommendation and consider such further factors and information as it deems relevant.

Act on the Governance Committee's recommendation no later than 90 days following the date of the stockholders' meeting. If the Board determines remedial action is appropriate, the director must promptly take whatever action is requested by the Board.

◦ If the director does not take the required remedial action or if the Board determines that immediate resignation is in the best interests of the Company and our stockholders, the director must tender his or her resignation.

Disclose the Board's decision within four business days in a Current Report on Form 8-K, which would include an explanation of the process by which the decision was reached.

Our Board is committed to adhering to the Corporate Governance Principles and Practices and to listening carefully to the collective voice of the Company's stockholders. Our policy effectively implements a majority voting standard without the inherent limitations that a strict majority voting standard places on the Board's flexibility. For example, pursuant to our policy, the Board has the ability to assess whether the sudden resignations of one or more directors would materially impair the effective functioning of the Board. The policy is also intended to allow the Board to assess whether a director was targeted for reasons unrelated to his or her Board performance at the Company.

The Board believes that the proponent has ignored the existing protections provided by our Corporate Governance Principles and Practices and that it is incorrect to suggest that the Company and our Board have not taken actions in this area. Contrary to the implications of the proponent's proposal, our policy ensures that a director nominee who receives less than a majority of the vote from his or her election will not serve on the Board without undergoing a high degree of scrutiny by both the Governance Committee and independent members of the Board.



*Our Majority Voting Process Provides Desired Certainty.* Our Board continues to believe that our Corporate Governance Principles and Practices, which are available on the Company's website at <http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=5526>, effectively address the concerns raised by the proponent by providing our stockholders with a meaningful role in director elections and establishing an appropriate vote standard for Board nominees, without limiting the certainty that is necessary for the Board to be able to act efficiently and in the best interests of the Company and our stockholders. The Board believes this certainty is in the best interest of all stockholders and is preferable to placing strict majority voting standards in the Company's certificate of incorporation or by-laws, which could result in potentially disruptive outcomes. Under the

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structure proposed by the proponent, a director who received less than a majority of the votes cast would not be elected. However, under Delaware law, even if not elected, the director would serve until his or her successor was elected and qualified. As a result, the changes suggested by the proponent could result in one or more unelected directors continuing to serve as holdover directors, perhaps for several years. We believe that uncertainty would not be beneficial to the Company or our stockholders. We believe that the implications of this holdover status have not been fully developed, which will create uncertainty in our Board's composition and the execution of its oversight function.

We believe that our existing policy allows the stockholders to express any concerns about director nominees and requires the Board to review those concerns and take appropriate action, just like the structure suggested by the proponent. However, our existing policy avoids the uncertainties that would arise with unelected holdover directors continuing in office. **FOR THE REASONS SET FORTH ABOVE, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE AGAINST ADOPTION OF PROPOSAL 7.**

**STOCK OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the ownership of our common stock as of December 20, 2010 by: (i) each stockholder known to us to have greater than 5% ownership (based solely on our review of Forms 13D and 13G filed with the SEC); (ii) each of our executive officers named in the Summary Compensation Table under Executive Compensation and Related Information