QUALCOMM INC/DE
Form DEF 14A
January 18, 2012
Table of Contents

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

(Name of Registrant as Specified In Its Charter)

(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:

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

(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):

(4) Proposed maximum aggregate value of transaction:

(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:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

January 19, 2012

Dear Fellow Stockholder:

You are cordially invited to attend Qualcomm s Annual Meeting on Tuesday, March 6, 2012. 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 2011 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 6, 2012.

Sincerely,

Paul E. Jacobs

Chairman and Chief Executive Officer

Table of Contents

5775 Morehouse Drive

San Diego, California 92121-1714

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On March 6, 2012

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 6, 2012 at 9:30 a.m. Pacific Time for the following purposes:

1. To elect 12 directors to hold office until the next annual stockholders meeting and until their respective successors have been elected or appointed.

2. To ratify the selection of PricewaterhouseCoopers LLP as our independent public accountants for our fiscal year ending September 30, 2012.

3. To hold an advisory vote on executive compensation.

4. To approve an amendment to the Company s Restated Certificate of Incorporation to eliminate the plurality voting provision.

5. To transact such other business as may properly come before stockholders at the Annual Meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on January 9, 2012 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 19, 2012

Table of Contents

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* 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.

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

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MARCH 6, 2012

This proxy statement and our Annual Report on Form 10-K for fiscal 2011 are available at *http://www.qualcomm.com*

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 19, 2012, 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.

Table of Contents

2012 PROXY SUMMARY

This summary highlights information contained elsewhere in our proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Stockholders

Time and date:	9:30 a.m., March 6, 2012
Place:	Irwin M. Jacobs Qualcomm Hall 5775 Morehouse Drive San Diego, CA 92121
Record date:	January 9, 2012
How to vote:	You may vote either in person at the Annual Meeting or by telephone, the Internet or mail. See the Notice of Annual Meeting of Stockholders for more detail regarding how you may vote if you are a registered holder or a beneficial owner of shares held in street name.

Voting Matters

Proposals	Board Voting Recommendation	Page Reference (for more detail)
Election of directors	FOR EACH DIRECTOR NOMINEE	8
Ratification of PricewaterhouseCoopers LLP as our independent public accountants for fiscal 2012	FOR	12
Advisory vote on executive compensation	FOR	13
Approval of an amendment to the Company s Restated Certificate of Incorporation to eliminate the plurality voting provision	FOR	15

iii

Table of Contents

Board Nominees

Name	Age	Director Since	Occupation	Independent	Committee Memberships AC	CC	GC	FC
Barbara T. Alexander	63	2006	Independent consultant	X	X	X		
Stephen M. Bennett*	57	2008	Chairman of Symantec Corporation	X		C		
Donald G. Cruickshank	69	2005	Chairman of Audioboo Ltd.	X	X			X
Raymond V. Dittamore	68	2002	Retired Audit Partner, Ernst &Young LLP	X	C			
Thomas W. Horton	50	2008	Chairman, Chief Executive Officer and President, AMR Corporation	X	X			
Paul E. Jacobs	49	2005	Chairman of the Board and Chief Executive Officer					
Robert E. Kahn	73	1997	Chairman, Chief Executive Officer and President, Corporation for National Research Initiatives	X				X
Sherry Lansing	67	2006	Founder and Chair of the Sherry Lansing Foundation	X			C	
Duane A. Nelles	68	1988	Self-Employed, Personal Investment Business	X				C
Francisco Ros	61	2010	Founder and President of First International Partners, S.L.	X			X	
Brent Scowcroft	86	1994	President, The Scowcroft Group	X			X	
Marc I. Stern	67	1994	Vice Chairman and Chief Executive Officer of The TCW Group, Inc. and Chairman of Société Générale s Global Investment Management and Services North America Unit	X		X		

AC Audit Committee
CC Compensation Committee
GC Governance Committee
FC Finance Committee
C Committee Chair
* Presiding Director

Table of Contents

Fiscal 2011 Business Performance and Executive Pay Highlights

We achieved record revenues and earnings, driven by the popularity of smartphones, continued adoption of 3G technologies, particularly in emerging regions, and our industry-leading chipset and patent portfolio.

We expanded our licensing base and resolved several licensing disputes, completed the $3.1 billion acquisition of Atheros Communications, Inc. and continued to build strong strategic partnerships.

The Compensation Committee funded the fiscal 2011 annual cash incentive plan at 190% of target, driven by above-target Non-GAAP revenues and Non-GAAP operating income. The Compensation Committee awarded payouts to the named executive officers (NEOs), which are summarized in the graph on page 24. The graph on page 25 shows the relationship between the Company s financial performance and the CEO s compensation.

The table below summarizes the key components of our NEOs compensation for fiscal 2011 and highlights the significant portion that is variable.

	Variable Compensation								Fixed Compensation		Total Direct Compensation (TDC)	
	Cash Earned by the NEOs for Fiscal 2011 Performance		Grant Date Fair Values of Equity Awards (1)									
Name	Non-Equity Incentive Plan Compensation ($)	+	Performance Stock Units ($)	+	Restricted Stock Units ($)	=	Total Variable Amount ($)	+	Salary Earned during Fiscal 2011 ($)	=	Amount for Fiscal 2011 ($)	Variable Amount as a % of TDC
Paul E. Jacobs	5,500,000		7,458,249		6,864,080		19,822,329		1,150,591		20,972,920	95%
Steven R. Altman	2,000,000		4,302,737		3,959,991		10,262,728		828,285		11,091,013	93%
William E. Keitel	1,600,000		2,696,365		2,481,537		6,777,902		684,632		7,462,534	91%
Steven M. Mollenkopf	2,000,000		2,639,132		2,428,719		7,067,851		801,706		7,869,557	90%
Donald J. Rosenberg	1,350,000		2,294,708		2,112,043		5,756,751		641,925		6,398,676	90%

(1) The actual amounts that may be realized vary based on the Company s stock price performance and relative Total Shareholder Return (TSR).

PROXY STATEMENT

TABLE OF CONTENTS

Table of Contents

QUALCOMM INCORPORATED

5775 Morehouse Drive

San Diego, California 92121-1714

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

March 6, 2012

GENERAL MATTERS

The accompanying 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 6, 2012, 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 9, 2012 (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 1,687,678,993 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, executive compensation and certain amendments to our certificate of incorporation or bylaws.

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

1

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 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 $7,500, 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 2013 Annual Meeting of Stockholders is September 21, 2012. Stockholder nominations for director and other proposals that are not to be included in such materials must be received no earlier than November 8, 2012 and no later than the close of business on December 8, 2012. 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 requirements for submitting 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 2011 that we filed with the Securities and Exchange Commission (SEC) on November 2, 2011. 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 to each member of the Board. The code of ethics is available on our website at *www.qualcomm.com* under the Corporate Governance section under Investor Relations. To date, there have not been any waivers by us under the code of ethics. Any amendments to, or waivers under, the code of ethics that are required to be disclosed by the SEC will be disclosed on our website at *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

Table of Contents

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.

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 until our annual meeting in March 2011, and Mr. Bennett acted as the Board s Presiding Director thereafter. The chair of the Governance Committee is scheduled to assume this role in March 2013. 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 and Chief Executive Officer in developing agendas for Board meetings;
- Acting as the principal liaison between the non-management directors and the Chairman and 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 2011, the Board held nine 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. We have four standing committees: the Audit, Compensation, Governance and Finance 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:

Name of Committee	**Website Link**
Audit Committee	*http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=463*
Compensation Committee	*http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=462*
Governance Committee	*http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=461*
Finance Committee	*http://investor.qualcomm.com/documentdisplay.cfm?DocumentID=464*

The table below provides fiscal 2011 committee membership information for each of the Board Committees.

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

C 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 integrated audit and quarterly reviews of our consolidated financial statements and discuss our financial statements and earnings releases. The Audit Committee selects, engages, supervises and confirms the independence of our relationship with our independent public accountants, reviews the plans and results of internal audits, and reviews evaluations by management and the independent public accountants of our internal control over financial reporting and the quality of our financial reporting, among other functions. The Audit Committee met 15 times during fiscal 2011. The Board has determined that Messrs. Dittamore and Horton, Sir Donald Cruickshank and Ms. Alexander are Audit Committee financial experts as defined by the SEC. 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 other executive officers and the directors and performs such other functions regarding compensation as the Board may delegate. The Compensation Committee met seven times during fiscal 2011. 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, including emergency procedures (such as disaster recovery and security). 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 seven times during fiscal 2011. All of the members of the Governance Committee are independent directors within the meaning of NASDAQ Rule 5605.

Table of Contents

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 nine times during fiscal 2011.

During fiscal 2011, 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.

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 success factors 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* 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

Table of Contents

offices at 5775 Morehouse Drive, N-510F, San Diego, California 92121-1714. A stockholder s recommendation must be received by us within the time limits 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 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 the SEC, and that a majority of the members of the Board meet the definition of independent director under NASDAQ Rule 5605. 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.

Table of Contents

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 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. **In response to the results of the voting on a shareholder proposal at our 2011 annual meeting, we are submitting for stockholder approval an amendment to our Restated Certificate of Incorporation to eliminate the provision establishing plurality voting in director elections. If that proposed amendment achieves the required stockholder approval, we intend to adopt a majority voting structure in our bylaws for uncontested director elections.**

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. Non-employee directors are required to hold a number of shares of the Company s common stock with a value equal to five times the annual retainer for Board service paid to U.S. residents. Non-employee directors are required to achieve this ownership level within five years of joining the Board, or (in the case of non-employee directors serving on the Board on September 18, 2009) by September 18, 2014. Until September 18, 2014, non-employee directors who were serving on September 18, 2009 are required to hold a number of shares of the Company s common stock with a value equal to three times the annual cash retainer for Board service paid to U.S. residents. 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 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

Table of Contents

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 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.

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.

Dr. Irwin Mark Jacobs will conclude his service as a director at the Annual Meeting. 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. In light of Dr. Irwin Mark Jacobs s retirement, the Board, upon recommendation of its Governance Committee, has decided to reduce the number of its members by one and, as a result, has adopted a resolution reducing the size of the Board to 12 directors effective as of the time stockholders vote on the election of directors at the Annual Meeting. Therefore, 12 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 12 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 12 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 7 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.

Set forth below is biographical information for each person nominated.

Table of Contents

Nominees for Election at this Meeting

BARBARA T. ALEXANDER, 63, Director since 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 has been a director of Allied World Assurance Company Holdings, Ltd. since August 2009 and KB Home since October 2010. 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. 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. Her experience at Freddie Mac has added to her knowledge regarding risk management issues. She has been designated as an audit committee financial expert.

STEPHEN M. BENNETT, 57, Director since 2008

Mr. Bennett 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 has been chairman of Symantec Corporation (Symantec) since October 2011. He has been a director of Symantec since February 2010 and AMR Corporation since July 2011. He previously served as a director of Intuit from January 2000 to December 2009 and Sun Microsystems, Inc. from May 2004 to February 2010. Mr. Bennett 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 GE 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, 69, Director since 2005

Sir Donald 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 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

Table of Contents

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. He has been designated as an audit committee financial expert. 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, 68, Director since 2002

Mr. Dittamore retired in June 2001 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. He 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 in accounting 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 a large international accounting firm 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, 50, Director since 2008

Mr. Horton has been Chairman and Chief Executive Officer of AMR Corporation (AMR) and American Airlines, Inc. (American) since November 2011 and President of AMR and 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. In November 2011, AMR and American filed voluntary petitions for reorganization under Federal bankruptcy laws. 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 provide a useful resource to our senior management. In addition, Mr. Horton has been designated as an audit committee financial expert.

PAUL E. JACOBS, 49, Director since 2005

Dr. Paul Jacobs has served as Chairman of the Board of Directors since March 2009 and as Chief Executive Officer since July 2005. He served as Group President of the Qualcomm Wireless & Internet (QWI) Group from July 2001 to June 2005. In addition, he served as Executive Vice President from February 2000 to June 2005. Dr. Jacobs has been a director of A123 Systems, Inc., a lithium-ion battery developer and manufacturer, since November 2002. Dr. Jacobs holds a B.S. degree in Electrical Engineering and Computer Science, an M.S. degree in Electrical Engineering and a Ph.D. degree in Electrical Engineering and Computer Science from the University of California, Berkeley. Dr. Paul Jacobs is the son of Dr. Irwin Mark 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 the rapidly evolving technologies and competitive environment, bring valuable insights and knowledge to our Board.

Table of Contents

ROBERT E. KAHN, 73, Director since 1997

Mr. 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 numerous honorary degrees and is a member of the National Academy of Engineering and an Inductee of the National Inventors Hall of Fame. 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. 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 through over 50 years of experience 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, 67, Director since 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 Dr. Armand Hammer. Ms. Lansing is also a regent of the University of California and serves as Chair of the University Health Services Committee. Ms. Lansing has been a director of Dole Food Company, Inc. since October 2009 and RealD Inc. since May 2010. 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. 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, 68, Director since 1988

Mr. Nelles has been in the personal investment business since 1987. Prior to that time, he was a partner in the large international public accounting firm of Coopers & Lybrand LLP, which he joined in 1968. Mr. Nelles has been a director of American Assets Trust, Inc. since February 2011. He 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 nearly 20 years of service as a partner in an international public accounting firm 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.

Table of Contents

FRANCISCO ROS, 61, Director since 2010

Dr. Ros is President of First International Partners, S.L., a business consulting firm he founded in 2002. He was Secretary of State (vice minister) of the Government of Spain from May 2004 to July 2010. He served as a senior director of business development of Qualcomm from July 2003 to April 2004. In 2011, he was the recipient of the Great Cross of the Telecommunications and Information Society Merit granted by the Government of Spain. Dr. Ros holds an engineering degree and Ph.D. from the Universidad Politecnica 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, 86, Director since 1994

General Scowcroft is the President of The Scowcroft Group, Inc., an international business consulting firm he founded in June 1994. He 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. 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 have been 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 the most important markets in the world.

MARC I. STERN, 67, Director since 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. He has been Chairman of Société Générale Group s (Société Générale) Global Investment Management and Services in North America (GIMS) 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. Mr. Stern has been a director of TCW Funds, Inc., a registered investment company, since September 1992. 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 holds a B.A. degree in political science and history from Dickinson College, an M.A. degree in government 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 qualification s 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 and compensation related issues, as well as general leadership. Finally, as a member of our Board for 16 years, Mr. Stern brings a very valuable historical perspective on the development of the Company s business and its leadership.

Table of Contents

Required Vote and Board Recommendation

If a quorum is present and voting, the 12 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 12 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.

PROPOSAL 2

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 30, 2012, 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.

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 25, 2011 and September 26, 2010 and fees for other services rendered by PricewaterhouseCoopers LLP during those periods.

	Fiscal 2011	Fiscal 2010
Audit fees (1)	$ 6,760,000	$ 5,439,000
Audit-related fees (2)	2,340,000	2,720,000
Tax fees (3)	153,000	11,000
All other fees (4)	50,000	58,000
Total	$ 9,303,000	$ 8,228,000

(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 certain licensees.

(3) Tax fees consist of fees for professional services rendered for international tax consulting.

(4) All other fees were comprised of fees related to technical publications purchased from the independent public accountant and advisory services provided in connection with the Broadband Wireless Access spectrum won in India.

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 30, 2012.

PROPOSAL 3

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Our compensation philosophy is designed to (1) align each executive s compensation with the Company s short-term and long-term performance (i.e., pay for performance and accountability for results), (2) provide total compensation needed to attract, motivate and retain key executives who are crucial to the Company s long-term success (i.e., competitive pay), and (3) promote engagement with the Company s values of innovation, execution and partnership and alignment with stockholders interests. Stockholders are encouraged to read the Compensation Discussion and Analysis (CD&A) and other sections of this proxy statement, which include discussions of the following:

Members of the Board s Compensation Committee are independent directors (see 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 (see page 32). It selected a peer group of companies, using objective criteria and taking into account the compensation consultant s recommendations, to compare to our executive officers compensation (page 30).

We have many compensation practices that promote consistent leadership, decision-making and actions without taking inappropriate or unnecessary risks. The practices are highlighted on page 27, discussed in detail in the CD&A and include:

A balance of short-term and long-term performance measures (pages 22, 26 and 27);

Annual cash incentive amounts earned vary with performance compared to established financial objectives (pages 22 and 23), and amounts potentially realized from long-term equity incentive awards will vary with our stock price and relative total shareholder return (pages 26 to 27 and 38).

On average, 77% of the named executive officers total direct compensation is attributable to the grant date fair value of long-term incentive equity awards, for which the actual amount earned or realized is dependent upon the Company s stock price performance and continued employment with Qualcomm, and 90% varies based on performance in the form of cash and equity (page 35);

Stock ownership guidelines for directors and executive officers (pages 7 and 48);

Table of Contents

We do not make tax gross-up payments on compensation or benefits, except where directly business-related and provided in a policy applicable to all eligible employees, such as relocation;

A cash incentive compensation repayment (claw back) policy (page 48);

An insider trading policy that prohibits transactions involving short-swing profits, short sales and derivatives, including put and call options and forward sales contracts (pages 27 to 28);

Executive officers in the U.S. are employed at will without severance agreements or employment contracts (page 47).

Our executive officers compensation amounts are aligned with our financial performance. In fiscal 2011, we exceeded our financial objectives, and our executive officers earned annual cash incentive amounts that were above the target amounts. We exceeded the objectives for fiscal 2011 to a greater extent than for fiscal 2010. Accordingly, our named executive officers earned fiscal 2011 annual cash incentives that were more than the amounts they earned for fiscal 2010 (pages 22 to 24).

Dr. Jacobs s fiscal 2011 total direct compensation was 24% more than his fiscal 2010 amount. His annual cash incentive for fiscal 2011 was $5.5 million, which was 63% more than his cash incentive of $3.4 million for fiscal 2010. This reflects growth in revenues and operating income for fiscal 2011 as compared to fiscal 2010 and the substantially higher cash incentive program funding rate for fiscal 2011. The grant date fair value of his fiscal 2011 annual equity award, which consisted of a mix of slightly more than 50% in performance stock units with the remainder in restricted stock units, was 16% more than the grant date fair value of his fiscal 2010 equity award, which consisted of performance stock units and stock options.

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 our stockholders 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 paid to the Company s named executive officers, as disclosed under the heading Executive Compensation and Related Information, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

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 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.

THE BOARD UNANIMOUSLY RECOMMENDS AN ADVISORY VOTE FOR APPROVAL OF THE COMPENSATION FOR OUR EXECUTIVE OFFICERS.

Table of Contents

PROPOSAL 4

APPROVAL OF AN AMENDMENT TO THE RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE THE PLURALITY VOTING PROVISION

The Company s Restated Certificate of Incorporation provides that in an election of directors the candidates receiving the highest number of votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares shall be declared elected. This is commonly referred to as a plurality voting provision. In contrast, a majority voting standard, which typically applies only in uncontested elections, would require a director candidate to obtain approval of a majority of the votes cast in order to be elected.

In December 2011, the Board of Directors adopted, subject to stockholder approval, an amendment to revise Article VI of the Restated Certificate of Incorporation to eliminate the current plurality voting provision. If adopted the amendment would allow the Board to establish a majority voting structure in the Bylaws for future uncontested director elections.

Background of Proposal

Although we have maintained a plurality voting standard for many years and we adopted a majority vote policy in 2005, our Board of Directors recognizes that a majority of the companies in the Standard & Poor s 500 Index have adopted a majority voting standard for director elections. In 2011, a majority of the votes cast at our annual meeting voted in favor of a stockholder proposal requesting that the Board of Directors initiate the appropriate process to amend the Company s corporate governance documents to provide for majority voting in uncontested elections. After a review by the Company s Governance Committee and the Board of Directors, the Board of Directors, based upon the recommendation of the Governance Committee, decided that it was an appropriate time to propose eliminating the plurality voting provision in the Restated Certificate of Incorporation. The Board is committed to principles of corporate democracy and is mindful that a majority of the shares voted at the 2011 Annual Meeting were voted in favor of adopting a majority voting standard.

The elimination of the plurality voting standard would require amendment to the Restated Certificate of Incorporation. The amendment to the Restated Certificate of Incorporation to implement this proposal would be to delete the sentence The candidates receiving the highest number of votes of the shares entitled to be voted for them up to the number of directors to elected by such shares shall be elected. from the provisions of Section A of Article VI. If approved, this proposal will become effective upon the filing of a Certificate of Amendment to the Restated Certificate of Incorporation with the Secretary of State of the State of Delaware containing substantially this amendment, which the Company would do promptly. The Board would then consider amendments to the Company s Bylaws to implement a majority voting process for uncontested elections of directors.

Required Vote and Board Recommendation

Approval of this proposal requires the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the shares of the Company s common stock outstanding as of the Record Date. Abstentions will be counted as present for purposes of determining if a quorum is present, but will not have any effect on the outcome of this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE AMENDMENT TO THE RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE THE PLURALITY VOTING PROVISION.

16

Table of Contents

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 19, 2011 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 (the Named Executive Officers or NEOs); (iii) each director and nominee for director; and (iv) all of our executive officers and directors as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1) Number of Shares	Percent of Class
BlackRock, Inc. 40 East 52nd Street New York, NY 10022 (2)	86,230,693	5.11%
Paul E. Jacobs (3)	5,051,723	*
William E. Keitel (4)	251,716	*
Steven R. Altman (5)	2,355,526	*
Steven M. Mollenkopf (6)	336,120	*
Donald J. Rosenberg (7)	472,588	*
Barbara T. Alexander (8)	86,719	*
Stephen M. Bennett (9)	25,386	*
Donald G. Cruickshank (10)	108,200	*
Raymond V. Dittamore (11)	150,556	*
Thomas W. Horton (12)	4,700	*
Irwin Mark Jacobs (13)	20,727,592	1.23%
Robert E. Kahn (14)	261,500	*
Sherry Lansing (15)	38,814	*
Duane A. Nelles (16)	171,340	*
Francisco Ros	475	*
Brent Scowcroft (17)	491,699	*
Marc I. Stern (18)	691,225	*
All Executive Officers and Directors as a Group (24 persons) (19)	33,567,498	1.98%

* Less than 1%.

(1) This table is based upon information supplied by officers and directors. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 1,686,643,280 shares outstanding on December 19, 2011, adjusted as required by rules promulgated by the SEC.

(2) This information is as of December 31, 2010 and based on the Schedule 13G filed with the SEC by BlackRock, Inc.

(3) Includes 401,382 shares held in family trusts, 1,019,700 shares held in Grantor Retained Annuity Trusts for the benefit of Dr. Paul Jacobs and his spouse and 176,493 shares held for the benefit of Dr. Paul Jacobs children. Dr. Paul Jacobs disclaims all beneficial ownership for the shares held in trust for the benefit of his children. Also includes 3,428,225 shares issuable upon exercise of options exercisable within 60 days, of which 670,142 shares are held in trusts for the benefit of Dr. Paul Jacobs and/or his spouse and 512,758 shares are held by Dr. Paul Jacobs s spouse.

Table of Contents

(4) Includes 233,589 shares issuable upon exercise of options exercisable within 60 days.

(5) Includes 104,125 shares held in family trusts and 2,251,249 shares issuable upon exercise of options exercisable within 60 days, of which 466,460 shares are held in trusts for the benefit of Mr. Steven Altman and/or his spouse and 119,478 shares are held by Mr. Steven Altman s spouse.

(6) Includes 317,740 shares issuable upon exercise of options exercisable within 60 days.

(7) Includes 914 shares held jointly with his spouse and 471,674 shares issuable upon exercise of options exercisable within 60 days.

(8) Includes 6,863 shares held in family trusts and 76,000 shares issuable upon exercise of options exercisable within 60 days and 365 fully vested deferred stock units and dividend equivalents to be released within 60 days. Excludes 8,398 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.

(9) Includes 10,000 shares held jointly with his spouse and 8,000 shares issuable upon exercise of options exercisable within 60 days. Excludes 12,659 fully vested deferred stock units and dividend equivalents that settle on December 31, 2020.

(10) Includes 8,200 shares held in a pension plan pursuant to which Sir Donald Cruickshank has voting rights or discretion over the holdings in the plan. Also includes 100,000 shares issuable upon exercise of options exercisable within 60 days.

(11) Includes 7,400 shares held in family trusts and 138,000 shares issuable upon exercise of options exercisable within 60 days. Excludes 10,429 fully vested deferred stock units and dividend equivalents that settle on December 31, 2020.

(12) Includes 2,200 shares held jointly with his spouse and 2,500 shares issuable upon exercise of options exercisable within 60 days. Excludes 5,273 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.

(13) Includes 5,316,701 shares held in family trusts and 13,458,678 shares held in Grantor Retained Annuity Trusts for the benefit of Dr. Irwin Jacobs and his spouse. Dr. Irwin Jacobs shares voting power with his spouse for shares owned through these trusts. Also includes 1,948,336 shares issuable upon exercise of options exercisable within 60 days, of which 947,362 shares are held in trusts for the benefit of Dr. Irwin Jacobs and/or his spouse, and 112,000 shares are held by Dr. Irwin Jacobs s spouse. Excludes 9,150 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.

(14) Includes 138,000 shares issuable upon exercise of options exercisable within 60 days. Excludes 5,273 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.

(15) Includes 4,725 shares held in family trusts and 34,089 shares issuable upon exercise of options exercisable within 60 days. Excludes 5,273 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.

(16) Includes 111,340 shares held in family trusts and 60,000 shares issuable upon exercise of options exercisable within 60 days. Excludes 5,273 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.

(17) Includes 209,378 shares held in family trusts and 163,321 shares held in Grantor Retained Annuity Trusts for the benefit of Mr. Scowcroft and 118,000 shares issuable upon exercise of options exercisable within 60 days. Excludes 5,273 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant.

(18) Includes 546,974 shares owned through a grantor trust, of which Mr. Stern is the trustee. Also includes 138,000 shares issuable upon exercise of options exercisable within 60 days. Includes 525,085 shares pledged by Mr. Stern. Excludes 10,108 and 1,416 fully vested deferred stock units and dividend equivalents that settle three years after the date of grant and upon retirement from the Board, respectively.

(19) Includes 11,715,315 shares issuable upon exercise of options exercisable within 60 days and 365 fully vested deferred stock units and dividend equivalents to be released within 60 days for all directors and executive officers as a group. Also includes 525,085 shares pledged by one director. Excludes 78,525 fully vested deferred stock units, restricted stock units and related dividend equivalents.

Table of Contents

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires our directors, executive officers and persons who own more than 10% of a registered class of our equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Officers, directors and greater-than-10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, all Section 16(a) filing requirements were complied with during fiscal 2011, except for the following: a late Form 4 was filed to report a sale of shares from a trust by Mr. Altman that was reported late by his broker in fiscal 2011.

Compensation Committee Interlocks and Insider Participation in Compensation Decisions

None of the members of our Compensation Committee are, or have been, employees or officers of the Company. During fiscal 2011, no member of the Compensation Committee had any relationship with us requiring disclosure under Item 404 of Regulation S-K. During fiscal 2011, none of our executive officers served on the compensation committee (or equivalent) or board of another entity whose executive officer(s) served on our Compensation Committee or Board.

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 25, 2011 (number of shares in millions):

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options and Rights	Weighted Average Exercise Price of Outstanding Options		Number of Shares Remaining Available for Future Issuance
Equity compensation plans approved by stockholders (1)	165 (2)	$	39.38 (3)	93(4)
Equity compensation plans not approved by stockholders (5)	(6)	$		2
Total (7)	165	$	39.38	95

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

(2) Includes approximately 21 million shares that may be issued upon the satisfaction of performance objectives or other conditions pursuant to PSUs and RSUs granted under the 2006 Long-Term Incentive Plan. The PSUs include the maximum number of shares that may be issued.

(3) Does not include outstanding PSUs and RSUs.

(4) Includes approximately 18 million shares reserved for issuance under the Amended and Restated 2001 Employee Stock Purchase Plan, of which approximately 2 million shares are subject to purchase under the current offering period.

(5) Consists of the Atheros Communications, Inc. 2004 Stock Incentive Plan, as amended (the Atheros Plan), which was assumed in connection with the acquisition of Atheros in May of 2011. The Atheros Plan provides for the issuance of the Company s common stock in connection with stock options, stock appreciation rights, restricted stock and stock units, which may be granted to certain employees who were employed by Atheros immediately prior to the acquisition. The terms and conditions of awards granted

Table of Contents

under the Atheros Plan are determined pursuant to equity grant administrative procedures established by the Company s Compensation Committee.

(6) Includes 47,331 shares that may be issued under the Atheros Plan pursuant to awards granted by Qualcomm subsequent to the acquisition of Atheros.

(7) Excludes options assumed in connection with mergers and acquisitions, with the exception of Atheros. Approximately 5 million shares of the Company s common stock were issuable upon exercise of these assumed options. These options have a weighted average exercise price of $30.70 per share. No additional options may be granted under these assumed arrangements.

CERTAIN RELATIONSHIPS AND RELATED-PERSON TRANSACTIONS

Our code of ethics states that our executive officers and directors, including their immediate family members, are charged with avoiding situations in which their personal, family or financial interests conflict with those of the Company. In accordance with its charter, the Audit Committee is responsible for reviewing and approving related-person transactions between the Company and any directors or executive officers. The Compensation Committee reviews compensation-related transactions with directors or executive officers (such as base salary and annual cash incentives). Any request for us to enter into a transaction with an executive officer or director, or any of such person s immediate family members or affiliates, which would be reportable as a related-person transaction, must be presented to our Audit Committee for review and approval. In considering the proposed agreement, our Audit Committee will consider the relevant facts and circumstances and the potential for conflicts of interest or improprieties. Additionally, a related-person transaction involving one of our executive officers would be reviewed under our Conflict of Interest and Outside Employment policy, which would require review of the potential transaction by appropriate levels of management and the Company s legal department.

During fiscal 2011, we employed the family members of certain directors and executive officers. Those employees whose compensation exceeded $120,000 are discussed below, all of whom were adults who did not live with the related director or executive officer. Each family member is compensated according to our standard practices, including participation in our employee benefit plans generally made available to employees of a similar responsibility level. We do not view any of the directors or executive officers as having a beneficial interest in the described transactions that is material to them or the Company. Moreover, none of the following directors or executive officers believes that they have a direct or indirect material interest in the employment relationships of the listed family members. Stock options and other awards were granted under our 2006 Long-Term Incentive Plan, and the options have exercise prices that were equal to the closing price of our stock on the date of grant. Options granted before September 28, 2009 vest as follows: 10% of the shares subject to the option vest on the six-month anniversary of the date of grant, with ratable monthly vesting over the remainder of the five-year vesting period. Options granted on or after September 28, 2009 vest as follows: 12.5% of the shares subject to the option vest on the six-month anniversary of the date of grant, with ratable six-month vesting over the remainder of the four-year vesting period. Options granted to family members of certain directors and executive officers under any of our stock option plans have a term of either ten years or seven years. Generally, restricted stock units vest three years from the grant date. Generally, vesting of both stock options and restricted stock units is contingent upon continued service with the Company.

Dr. Paul E. Jacobs is the son of Dr. Irwin Mark Jacobs, a director of the Company. Dr. Paul Jacobs serves as our Chairman and Chief Executive Officer (CEO). Dr. Paul Jacobs was compensated as described below under the heading Executive Compensation and Related Information.

Duane A. Nelles s son, Duane A. Nelles III, serves as Vice President, QCT Corporate Development. During fiscal 2011, Duane A. Nelles III earned $236,338 in base salary and $120,000 in cash incentives and received restricted stock unit grants totaling 10,200 shares. Additionally, Duane A. Nelles s son, Paul S. Nelles, serves as

Table of Contents

a Senior Project Manager. During fiscal 2011, Paul Nelles earned $105,244 in base salary and $19,300 in cash incentives and received restricted stock unit grants totaling 575 shares.

Steven R. Altman s brother, Jeffrey S. Altman, serves as Vice President, Business Development. Jeffrey Altman earned $210,646 in base salary and $60,000 in cash incentives during fiscal 2011 and received restricted stock unit grants totaling 6,100 shares.

Steven M. Mollenkopf s brother, James D. Mollenkopf, serves as Senior Director, Strategic Development. James Mollenkopf earned $192,614 in base salary and $72,500 in cash incentives during fiscal 2011 and received a stock option grant for 11,000 shares of our stock at an exercise price of $44.76 per share and a restricted stock unit grant for 1,875 shares.

Daniel L. Sullivan s daughter, Megan Delgado, serves as Senior Manager, Marketing. Megan Delgado earned $100,233 in base salary and $21,500 in cash incentives during fiscal 2011 and received restricted stock unit grants totaling 634 shares.

COMPENSATION COMMITTEE REPORT

The Compensation Committee reviewed and discussed the Compensation Discussion and Analysis (CD&A) with management. Based on this review and discussion, the Compensation Committee recommended to the Board that the CD&A be included in our 2012 Proxy Statement.

COMPENSATION COMMITTEE

Stephen M. Bennett, Chair

Barbara T. Alexander

Marc I. Stern

EXECUTIVE COMPENSATION AND RELATED INFORMATION

This section of the proxy statement includes the following:

- The Executive Summary highlights our pay-for-performance approach and key compensation programs and provides a brief overview of the factors that we believe are most relevant to stockholders as they consider their votes on Proposal 3 (advisory vote on executive compensation, or Say-on-Pay).

- The Compensation Discussion and Analysis (CD&A) section describes and analyzes our compensation programs and the specific amounts of compensation paid to our Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the other three most highly compensated executive officers for fiscal 2011. Collectively, we refer to these individuals as the Named Executive Officers or the NEOs.

- The Compensation Risk Management section describes the process applied, and the factors considered by both the Company and the Compensation Committee, in an assessment that concluded that our compensation policies and practices do not encourage excessive and unnecessary risk taking that would be reasonably likely to have a material adverse effect on the Company.

- The Compensation Tables and Narrative Disclosure section reports the compensation and benefit amounts paid to our NEOs for fiscal 2011. The amounts attributable to long-term equity incentive awards represent the grant date fair value of those awards for which actual amounts earned or realized is dependent upon the Company s stock price performance and continued employment with Qualcomm.

Table of Contents

Executive Summary

Pay for Performance: In structuring our cash incentive award program, we use Non-GAAP revenues and Non-GAAP operating income as financial objectives because they (1) focus the executive officer team on overall business growth and profitability; (2) provide direct linkage between decisions and outcomes; and (3) are two key factors that influence stockholder value. The Compensation Committee determined that the Non-GAAP objectives better enable evaluation of operating results on a consistent and comparable basis than would objectives measured in conformity with GAAP. These Non-GAAP objectives exclude the Qualcomm Strategic Initiatives (QSI) reportable segment, certain estimated share-based compensation and certain acquisition-related items because we view such items as unrelated to our operational performance. Fiscal 2011 Non-GAAP revenues and Non-GAAP operating income and fiscal 2009 Non-GAAP operating income were adjusted to exclude certain items for calculating financial performance. See further discussion under the Fiscal 2011 annual cash incentive program section on page 33. The most directly comparable GAAP financial measures and information reconciling these adjusted Non-GAAP financial measures to our financial results prepared in accordance with GAAP are included in Appendix 3.

The two graphs below are intended to provide context for understanding the increased annual cash incentives our NEOs earned for fiscal 2011 as compared to the amounts they earned for fiscal 2010 and 2009. The Percent Growth in Financial Objectives graph on the left below shows that our fiscal 2011 financial objectives established targets of double-digit growth (14% in Non-GAAP revenues and 11% in Non-GAAP operating income) above our fiscal 2010 achievements. Our fiscal 2010 financial objectives established targets of single-digit growth (4% in Non-GAAP revenues and 2% in Non-GAAP operating income) above our fiscal 2009 achievements. The Percent Growth in Financial Achievements graph on the right below shows that our fiscal 2011 financial achievements exceeded the double-digit growth objectives (30% actual growth in Non-GAAP revenues and 35% actual growth in Non-GAAP operating income). Our fiscal 2010 financial achievements also exceeded the growth objectives (6% actual growth in Non-GAAP revenues and 5% in actual growth in Non-GAAP operating income), but not to the same extent that was achieved in fiscal 2011.

Percent Growth in Financial Objectives **Percent Growth in Financial Achievements**

Table of Contents

The Percent of Financial Objectives Achieved and Resulting Incentive Multiple graph below shows the relationship between our financial performance and the factor we used to determine the funds available for the annual cash incentive awards. In fiscal 2011, we achieved 114% of our Non-GAAP revenues objective and 122% of our Non-GAAP operating income objective, resulting in an Incentive Multiple of 1.90 (see the Fiscal 2011 annual cash incentive program and Grants of Plan-Based Awards sections for descriptions of the cash incentive program and formula). We place more relative weight on Non-GAAP operating income performance than on Non-GAAP revenues performance because we believe profit is slightly more important for stockholder value creation than top-line growth. In fiscal 2010, while we exceeded the objectives for fiscal 2010 to an extent similar to fiscal 2009, the funding rate for our cash incentive plan was slightly reduced from the fiscal 2009 rate because we achieved a higher percentage of our Non-GAAP operating income objective for fiscal 2009.

Percent of Financial Objectives Achieved and Resulting Incentive Multiple

23

Table of Contents

Because of our strong financial performance in fiscal 2011, the Compensation Committee determined that, consistent with the incentive program design, the CEO s and the other NEOs annual cash incentive awards for fiscal 2011 would be above the target amounts established at the beginning of fiscal 2011 and greater than the amounts received for fiscal 2010 and 2009, as illustrated in the NEO Annual Cash Incentive Awards graph below.

NEO Annual Cash Incentive Awards

Table of Contents

CEO Compensation: Dr. Jacobs s 2011 total direct compensation (i.e., salary, cash incentive and long-term equity awards) was 24% more than each of his 2010 and 2009 amounts. The CEO Pay for Performance graph below presents Dr. Jacobs s total direct compensation (TDC) compared to the Non-GAAP revenues and Non-GAP operating income achievements for fiscal 2009 through 2011.

CEO Pay for Performance

25

Table of Contents

The CEO Pay Components graph below compares Dr. Jacobs s salary, cash incentive earned and long-term incentive award for fiscal 2011, 2010 and 2009. His fiscal 2011 equity award consisted of performance stock units (PSUs) and restricted stock units (RSUs), while his fiscal 2010 equity award consisted of stock options and PSUs, and his fiscal 2009 equity award consisted entirely of stock options.

Dr. Jacobs s cash incentive award for fiscal 2011 of $5.5 million was 90% more than the target amount of $2.9 million, 63% more than his fiscal 2010 award of $3.4 million and 53% more than his fiscal 2009 award of $3.6 million. This reflects our fiscal 2011 results, which substantially exceeded the goals that we set at the beginning of the year, whereas our results for fiscal 2010 and 2009 were much closer to the goals set at the beginning of those years.

CEO Pay Components

Current Status of our PSU Programs: During fiscal 2011, there were two concurrent PSU programs in place: (1) the fiscal 2010 PSU program (described in the Performance Stock Units section under Grants of Plan-Based Awards in our proxy statement dated January 20, 2011); and (2) the fiscal 2011 PSU program (described in the Fiscal 2011 Annual Long-Term Incentive Awards section in the CD&A and the Performance Stock Units section under Grants of Plan-Based Awards in the Compensation Tables and Narrative Disclosures section of this proxy statement). Because two measurement periods have been completed for the fiscal 2010 PSU program and no measurement periods have yet been completed for the fiscal 2011 PSU program, we can provide a status update for only the fiscal 2010 PSU program in this proxy statement.

The first measurement period of our fiscal 2010 PSU program was completed during fiscal 2011, and the second measurement period was completed shortly after the end of fiscal 2011. The third measurement period will be completed on April 30, 2012, and the fourth (and final) measurement period will be completed on October 31, 2012. During the first measurement period, our Total Shareholder Return (TSR) was slightly below that of the NASDAQ 100, resulting in slightly fewer than target PSUs earned. Our TSR was above that of the NASDAQ 100

26

during the second measurement period, and PSUs above the target amount were earned. The Summary of Fiscal 2010 PSU Program Performance table below presents the results of these first two measurement periods.

Summary of Fiscal 2010 PSU Program Performance

Performance Period	Qualcomm TSR	÷	NASDAQ 100 TSR	=	Ratio of Qualcomm to NASDAQ 100	Percent of Measurement Period Target Award Earned
11/2/2009 - 4/29/2011	130.76%		134.72%		97.06%	98.53%
11/2/2009 - 10/31/2011	126.03%		119.25%		105.69%	102.84%

Compensation Program Practices: We have many practices that promote consistent leadership, decision-making and actions among our NEOs that are consistent with our values of innovation, execution and collaboration without taking inappropriate or unnecessary risks. These practices include:

In fiscal 2011, a majority of the long-term incentive awards granted to our CEO, the other NEOs and other executive officers were in the form of performance-based awards. The mix of PSUs and RSUs rewards relative and absolute stock price appreciation, thereby aligning the interests of our stockholders and executive officers.

On average, 77% of our NEOs fiscal 2011 annual target compensation was attributable to the grant date fair value of long-term incentive equity awards, and 91% of their fiscal 2011 annual target compensation was variable in the form of annual cash incentives and long-term incentive equity awards.

We have a balance of short-term (Non-GAAP revenues and Non-GAAP operating income) and long-term (relative TSR) performance measures.

We have a balance of time horizons for our ongoing incentive awards, including an annual cash incentive program, a three-year PSU program, RSUs that become fully vested three years after the grant date and stock options that become fully vested four years after the grant date with a seven-year term.

We limit the potential annual cash incentive amounts that the NEOs may earn to 2.5 times the target amount. We introduced PSUs in fiscal 2010 and limited the potential number of shares of Qualcomm stock that our NEOs may earn to 2.0 times the target amount for the fiscal 2011 awards and 1.25 times the target amount for the fiscal 2010 awards. The higher maximum award for fiscal 2011 aligns relative earned compensation with relative performance (e.g., compensation in the top quartile is earned for performance achieved in the top quartile) consistent with our pay-for-performance philosophy. The fiscal 2010 awards included a minimum award of 75% of the target amount, whereas the fiscal 2011 awards did not include a minimum award amount.

We continued the risk assessments for our compensation and benefit programs and human resources data management processes and practices relative to executive, non-executive and sales compensation programs that we initiated in fiscal 2010.

We established stock ownership guidelines in September 2006. In October 2010, we increased the ownership guideline for the CEO from five times to six times annual base salary. Our CEO and two of the other NEOs were required to and have met their respective guidelines as of September 25, 2011, and the remaining NEOs are progressing towards their respective guidelines.

We do not make tax gross-up payments on compensation or benefits, except where directly business-related and provided in a policy applicable to all eligible employees, such as relocation.

We adopted a cash incentive compensation repayment (claw back) policy effective January 1, 2009, and we intend to amend the policy to comply with the additional requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) after the SEC adopts new regulations implementing those requirements.

Our insider trading policy for executive officers and non-employee directors prohibits transactions involving short-swing profits, short sales and derivatives, including put and call options and forward sales contracts.

Table of Contents

- Our policy requires that a Qualcomm trading compliance officer first pre-clear complex transactions such as loans and other transactions that may be structured to monetize or otherwise obtain value for stock holdings.

- We employ our NEOs at will, without severance agreements or employment contracts. Thus, our CEO and other NEOs do not have guaranteed arrangements for cash compensation or severance upon a change in control or excise tax gross-up for change-in-control payments. Furthermore, no outstanding unvested equity awards assumed by an acquirer in the event of a change in control would accelerate for employees, including NEOs, who were not involuntarily terminated or who did not terminate voluntarily for good reason during a specified period after the change in control (i.e., double-trigger treatment of unvested awards).

Our compensation programs are subject to a thorough process that includes Compensation Committee review and approval of program design and practices; the advice of an independent, third-party compensation consultant engaged by the Compensation Committee; and long-standing, consistently applied practices with respect to the timing and pricing of stock options.

Compensation Discussion and Analysis

In this section, we discuss and analyze our compensation programs and the specific amounts of compensation paid to our Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the other three most highly compensated executive officers for fiscal 2011. Collectively, we refer to these individuals as the Named Executive Officers or the NEOs. They are:

- Dr. Paul E. Jacobs, Chairman and CEO, has 21 years of service with Qualcomm and has been CEO since July 2005 and Chairman since March 2009.

- Mr. William E. Keitel, Executive Vice President (EVP) and CFO, has 15 years of service with Qualcomm and has been CFO since February 2002.

- Mr. Steven R. Altman, Vice Chairman, has 22 years of service with Qualcomm and has been Vice Chairman since November 2011. During fiscal 2011, Mr. Altman served as President.

- Mr. Steven M. Mollenkopf, President and Chief Operating Officer, has 17 years of service with Qualcomm and has been President and Chief Operating Officer since November 2011. During fiscal 2011, Mr. Mollenkopf served as Executive Vice President and Group President.

- Mr. Donald J. Rosenberg, EVP, General Counsel and Corporate Secretary, has 4 years of service with Qualcomm.

Compensation Program Objectives and What We Reward: Our compensation program has five primary objectives:

- Align the interests of our NEOs and long-term stockholders;

- Pay for performance: annual cash incentive amounts earned vary with performance compared to pre-established financial objectives, and amounts potentially realized from long-term equity incentive awards will vary with absolute stock price performance and relative TSR;

- Deliver pay that is competitively reasonable and appropriate for our business needs and circumstances;

Reflect high standards for corporate governance and compensation-related risk management; and

Be tax efficient for the Company.

Key Components of Our NEO Compensation Program: We are including three tables to summarize the key components of our NEO compensation program. The first table, immediately below, includes the principal components of our pay-for-performance approach. The other two tables are included in the final section of the CD&A under the heading Other Components of Our Executive Compensation Programs on page 45. These two additional tables summarize benefit programs that are available only to our NEOs and other employees in vice president or senior vice president roles and benefit programs that are generally available to all of our U.S.-based employees, including our NEOs.

Table of Contents

Principal Components of our Pay-for-Performance Approach (1)

Component	Purpose	Form	Pay-for-Performance	Comment
Base salary	Provide sufficient competitive pay to attract and retain experienced and successful executives.	Cash	Adjustments to base salary consider individual performance, contributions to the business, competitive practices and internal comparisons.	Annual fixed cash compensation. Base salary reflects the employee s level of responsibility, expertise, skills, knowledge and experience. The Compensation Committee determines the amount in November and any adjustment to the annual rate is effective in late December.
Annual cash incentive	Encourage and reward contributions to our annual financial performance objectives. Engage executives in execution, collaboration and teamwork. Emphasize accountability for results.	Cash	The potential award amount varies with the degree to which we achieve our annual financial objectives and the extent to which the NEO contributes to strategic and operational objectives.	Annual variable cash compensation. The Compensation Committee, at its sole discretion, may adjust the amount of the annual cash incentive earned as calculated based on the pre-established formula. It determines the fiscal year target amount in November and approves the actual amount earned the following November, after the close of the fiscal year.
Long-term incentive	Encourage and reward building long-term stockholder value, employment retention and company stock ownership. Engage executives in innovation and align them with stockholder interests. We provide a mix of equity award types to balance specific objectives. Stock options: Reward absolute stock price appreciation. PSUs: Reward relative stock performance. RSUs: Maintain retention value through short-term market volatility.	PSUs, RSUs and Stock options	PSUs: A variable amount of Qualcomm shares are awarded based on the relative performance of our TSR compared to that of the NASDAQ 100. RSUs: Retain executives and align them with stockholders interests by awarding a fixed number of Qualcomm shares upon vesting. Stock Options: The potential appreciation in our stock price above the option exercise price motivates our NEOs to build stockholder value. NEOs may realize an amount only if our stock price appreciates over the option term.	Long-term variable share-based compensation. The Compensation Committee, at its sole discretion, determines the mix of equity awards (stock options, RSUs and PSUs) and the value of awards granted each year. It determines the value of the awards in November and the awards are granted on the date the Compensation Committee approves the awards. We encourage stock ownership through guidelines applicable to all of our executive officers.

(1) All of our employees receive a base salary and are eligible to participate in our annual cash incentive program, and substantially all of our employees are eligible to participate in our long-term incentive program.

29

Table of Contents

Determining the Amount of Compensation for Our NEOs: The amount of compensation we provide our NEOs is intended to be:

Competitively reasonable and appropriate for our business needs and circumstances. We consider competitive compensation practices by other companies as reference points that the Compensation Committee may use for comparative purposes. We do not target specific benchmark percentiles.

Internally fair and equitable relative to roles, responsibilities and work relationships. Management and the Compensation Committee may consider certain business and individual factors to evaluate internal fairness and equity. We do not attempt to establish specific internal relationships among the NEOs.

Variable from year-to-year based on the Company s performance and individual performance (pay-for-performance). Our annual cash incentive program and long-term incentive awards deliver compensation to our NEOs when we achieve our financial performance objectives; the price of our stock appreciates above the stock option exercise price during the option term; and our TSR, relative to the NASDAQ 100 Total Return Index (NASDAQ 100), meets or exceeds a minimum threshold.

In determining the compensation amounts and opportunities, we consider several factors, including (1) competitive compensation practices, (2) business and individual factors, (3) the perspectives provided by the Compensation Committee s independent compensation consultant, Frederic W. Cook & Co., Inc. (FWC), and (4) the CEO s evaluations and recommendations for the other executive officers. We discuss each of these factors in the following sections.

Competitive compensation practices. We conduct analyses using compensation data disclosed in SEC filings to establish reference points (i.e., the statistical median and the 75^{th} percentile) that we use to compare our NEOs compensation to that provided by peer companies.

Peer companies for fiscal 2011. The Compensation Committee objectively identified the peer group companies, taking into account FWC s recommendations, based on the following characteristics with regard to Qualcomm:

- Principal business in a technology, media or telecommunications industry segment;
- Generally comparable in market capitalization (guideline of one-quarter to four-times Qualcomm);
- Comparable performance-based compensation model; and
- Commonly used as peers of peers (i.e., the peer companies disclosed by the companies we used as peers).

Peer Companies for Fiscal 2011

Adobe Systems	Amazon	Apple
Applied Materials	AT&T	Broadcom
Cisco	Comcast	Corning
Dell	DirecTV	eBay
EMC	Google	Hewlett Packard
IBM	Intel	Microsoft
Motorola	Oracle	Texas Instruments
Time Warner	Time Warner Cable	United Technologies
Verizon	Viacom	Walt Disney
Yahoo!		

Table of Contents

Changes from the fiscal 2010 peer companies included the addition of Time Warner Cable because it was (1) comparable in terms of net income and market capitalization, (2) a recent spin-off from another peer company and (3) a potential competitor for executive talent. Sprint Nextel was excluded for fiscal 2011 because they were below the minimum values established for peer company profitability and market capitalization.

Peer Company Data (1) (Dollars in billions)

	Range	Median	Qualcomm	Qualcomm s Rank
Market Capitalization	$15.5 - $252.6	$ 41.3	$ 61.4	12 of 29
Revenues (trailing four quarters)	$ 2.9 - $123.0	$ 24.1	$ 10.6	22 of 29
Net Income (trailing four quarters)	$(0.1) - $ 16.3	$ 2.4	$ 2.1	16 of 29
1-year TSR (2)	8% - 129%	71%	11%	27 of 29
3-year TSR (2)	(28%) - 45%	(3%)	(2%)	13 of 29

(1) Qualcomm and the peer company data reported was as of February 2010, the time at which FWC prepared the peer company selection analysis. At its April 2010 meeting, the Compensation Committee determined the peer companies that were used for the competitive analyses prepared by FWC. The Compensation Committee reviewed the competitive analyses at its September 2010 meeting, prior to making fiscal 2011 compensation decisions at its November 2010 meeting.

(2) TSR includes increases in stock price and assumes reinvestment of any dividends paid. The percentage is calculated by dividing (a) the increase or decrease in the stock price and the dividends paid during the period by (b) the stock price at the beginning of the period.

Business and individual factors. In addition to compensation amounts that are competitively reasonable and appropriate, we intend for our compensation amounts to be internally fair and equitable relative to roles, responsibilities and relationships among our NEOs. Accordingly, we also consider many other factors in the process of determining compensation levels for each NEO, including:

The Compensation Committee s evaluation of the CEO and other NEOs;

Individual performance and contributions to financial goals, such as Non-GAAP revenues, profitability, free cash flow and Non-GAAP operating expenses;

Labor market conditions, the need to retain and motivate the NEO and the NEO s potential to assume increased responsibilities and long-term value contribution to the Company;

Management succession plans and bench strength;

Operational management, such as project milestones and process improvements;

Internal working and reporting relationships and our desire to encourage collaboration and teamwork among our NEOs;

Individual expertise, skills, knowledge and tenure in position; and

Leadership, including developing and motivating employees, collaborating within Qualcomm, attracting and retaining employees and personal development.

We do not have a predefined framework that determines which of these factors may be more or less important, and the emphasis placed on specific factors may vary among the NEOs. Ultimately, it is the Compensation Committee s judgment of these factors, along with competitive data, that form the basis for determining the CEO s, the other NEO s and executive officers compensation.

Table of Contents

Other factors considered in determining NEO compensation.

Results from the 2011 Annual Meeting advisory vote on executive compensation. At our 2011 Annual Meeting, the ballot included our first advisory vote on executive compensation, commonly known as Say-on-Pay. The vote was not binding upon the Company, the Board of Directors or the Compensation Committee. Of the votes cast, including abstentions, 94.4% were FOR the compensation of the executive officers as disclosed in the Executive Compensation and Related Information section of the proxy statement. The Compensation Committee was cognizant of this result in its considerations to continue the key components, design, implementation and amounts of our compensation programs.

Prior compensation or amounts realized or realizable from prior equity compensation. FWC prepared and reviewed with the Compensation Committee an analysis of the NEOs equity holdings based on the current and potential values of their equity awards and ownership of our stock. The Compensation Committee and the CEO reviewed these analyses as part of their broader consideration of alignment with stockholder interests, succession planning and retention of executive officers. The Compensation Committee also determined not to include the amounts of annual cash incentives for fiscal 2010 (paid in fiscal 2011) and the amounts realized or realizable from prior equity awards in establishing compensation amounts for fiscal 2011 because we award cash incentives for fiscal year performance, and equity awards are forward-looking long-term incentives granted as part of the direct compensation that the Compensation Committee establishes each year. The Compensation Committee believes that reducing equity award grant values because of prior gains and ownership could penalize our executive officers for their long-term service and past and future performance.

CEO involvement in compensation decisions. After the end of the fiscal year, the Compensation Committee and the CEO discussed our business performance, his performance and his evaluation of and compensation recommendations for the other NEOs. The Compensation Committee, without the CEO present, determined the CEO s base salary, annual cash incentive and long-term equity awards. The Compensation Committee also approved the CEO s recommendations for base salaries, annual cash incentives and long-term equity awards for the other NEOs.

The Compensation Committee s independent consultants and advisors.

Consultants and advisors. The Compensation Committee has the authority to retain and terminate any independent, third-party compensation consultant and to obtain independent advice and assistance from internal and external legal, accounting and other advisors. During fiscal 2011, the Compensation Committee engaged an independent executive compensation consulting firm, FWC, to advise it on compensation matters. FWC reported directly to the Compensation Committee. We did not engage FWC for any additional services during fiscal 2011 beyond its support of the Compensation Committee. The engagement did not raise any conflicts of interest, and pursuant to this engagement, FWC:

- Provided information, insights and advice regarding compensation philosophy, objectives and strategy;
- Recommended peer group selection criteria and identified and recommended potential peer companies;
- Provided analyses of competitive compensation practices for executive officers and non-employee directors;
- Provided analyses of potential risks arising from our executive, non-executive and sales compensation programs;
- Provided analyses of aggregate equity compensation spending;
- Reviewed and commented on recommendations regarding NEO compensation; and
- Advised the Compensation Committee on specific issues as they arose.

32

Table of Contents

Representatives from FWC attended all Compensation Committee meetings during fiscal 2011 and interacted with the Committee Chair, members of our human resources staff and outside legal counsel prior to and following Compensation Committee meetings. We paid $261,512 in fees to FWC during fiscal 2011, all for work that was directly in support of the Compensation Committee and execution of the Committee s responsibilities under its charter.

The Compensation Committee also sought and received advice from our outside legal counsel, DLA Piper. The total rewards management department within our human resources organization supported the Compensation Committee in its work, collaborated with FWC and DLA Piper, conducted analyses and managed our compensation and benefit programs.

Discussion of NEO Compensation for Fiscal 2011

In the first quarter of fiscal 2011, the Compensation Committee determined base salaries, target annual cash incentives and the grant date fair value of long-term incentive awards for the NEOs. The Compensation Committee considered information from FWC s competitive analysis, the business and individual factors described above, tax efficiency and the CEO s recommendations for the other NEOs in determining these amounts. The two graphs below summarize the total direct compensation profiles for our NEOs.

The NEO Annual TDC for Fiscal 2011 graph below compares the target TDC amount for each NEO relative to the 50th (the triangle-shaped markers) and 75th (diamond-shaped markers) percentiles of competitive practice.

NEO Annual TDC for Fiscal 2011

(1) Excludes the $3.2 million value of a special retention equity award granted to Mr. Rosenberg in fiscal 2011 in the form of RSUs that cliff-vest four years from the grant date. The value of this equity award was excluded because the Compensation Committee views it as a special amount related to Mr. Rosenberg s key leadership at a time of complex and critical global legal affairs and government relations.

Table of Contents

The Relationship of TDC between CEO and Other NEOs graph below presents the relationship of the CEO s TDC as a multiple of the TDC for each of the four other NEOs. For example, Dr. Jacobs s TDC is 1.8 times greater than Mr. Altman s TDC. These relationships may be useful when considering succession planning as well as alignment and engagement among the NEOs. The CEO reviewed these relationships in making his recommendations for the other NEOs to the Compensation Committee, but the Compensation Committee did not establish specific internal compensation relationships among the NEOs when determining TDC for the other NEOs for fiscal 2011.

Relationship of TDC between CEO and Other NEOs

(1) Excludes the $3.2 million value of a special retention equity award granted to Mr. Rosenberg in fiscal 2011 as noted above.

34

Table of Contents

The Contribution of Each Pay Component to TDC for Fiscal 2011 graph below illustrates the proportionate contribution of each pay component to TDC. For the NEOs, 94% of Dr. Jacobs s TDC varies based on performance (the sum of the target annual cash incentive and the grant date fair value of long-term equity incentive awards divided by TDC). On average, 77% of our NEOs fiscal 2011 annual target TDC was attributable to the grant date fair value of long-term incentive equity awards, and 91% of their fiscal 2011 annual target TDC was variable in the form of annual cash incentives and long-term incentive equity awards. These proportionate contributions are substantially the same as in fiscal 2010.

Contribution of Each Pay Component to TDC for Fiscal 2011

(1) Excludes the $3.2 million value of a special retention equity award granted to Mr. Rosenberg in fiscal 2011 as noted above.

(2) The fair values of the RSUs were determined using the closing price of Qualcomm stock on the grant date.

(3) The fair values of the PSUs were determined using a Monte-Carlo simulation (a form of a binomial option-pricing model) with the following assumptions: expected volatility of 40.91% for Qualcomm and 30.31% for the NASDAQ 100; expected volatility of 32.80% for Qualcomm s ending stock price; a correlation coefficient of 0.7347; risk-free rates of return of 0.39%, 0.51%, 0.64% and 0.77% for the 18-, 24-, 30- and 36- month performance periods, respectively; and a dividend rate of 1.5%.

Fiscal 2011 annual cash incentive program. During the first quarter of fiscal 2011, the Compensation Committee, after consultation with the CEO and review by the Board of Directors, established Non-GAAP revenues and Non-GAAP operating income objectives for the fiscal 2011 annual cash incentive program. The Non-GAAP revenues and operating income objectives for fiscal 2011 were $1.5 billion (14%) and $470 million (11%) more than the Non-GAAP revenues and operating income achieved for fiscal 2010, respectively. We applied a relative weighting of 40% to Non-GAAP revenues and 60% to Non-GAAP operating income to emphasize the relative importance of operating income on stockholder value creation.

Table of Contents

The Fiscal 2011 Annual Cash Incentive Calculation table below reports our Non-GAAP revenues and Non-GAAP operating income objectives and results for fiscal 2011. We achieved 114% and 122% of our Non-GAAP revenues and Non-GAAP operating income objectives for fiscal 2011, respectively. These levels of performance, when applied to the formula approved by the Compensation Committee at the beginning of fiscal 2011, resulted in an incentive target multiple of 1.90 before any CEO and Compensation Committee discretion was applied. (See the narrative under Grants of Plan-Based Awards that provides a detailed description of the cash incentive program and formula.)

Fiscal 2011 Annual Cash Incentive Calculation

	Results ($000s)	÷	Target ($000s)	=	Achievement Ratio	x	Relative Weight		Weighted Achievement Ratio
Non-GAAP revenues (1)	14,319,587		12,527,901		114%		40%		45.7%
Non-GAAP operating income (1)	5,818,845		4,786,176		122%		60%		72.9%
							Sum	=	118.6%
					Incentive Multiple(2)(3)				1.90

(1) Fiscal 2011 Non-GAAP revenues and Non-GAAP operating income were adjusted to exclude certain items for calculating financial performance. See further discussion below.

(2) See the Annual Cash Incentive Program section under Grants of Plan-Based Awards for a discussion of how we calculate the incentive multiple.

(3) The incentive multiple has been rounded to the nearest hundredth.

Consistent with past practice, the fiscal 2011 annual cash incentive program authorized the Compensation Committee to adjust reported Non-GAAP revenues and Non-GAAP operating income for calculating financial performance on which fiscal 2011 cash incentives were determined to eliminate the distorting effect of certain unusual income or expense items on year-over-year growth percentages. As a result, $637 million and $265 million were excluded from Non-GAAP revenues and Non-GAAP operating income, respectively, for this purpose. The Compensation Committee determined that it was appropriate to exclude the items listed below in order to align award payments more closely with underlying business growth trends and eliminate volatile swings (up or down) caused by these unusual items. For fiscal 2011, the Compensation Committee adjusted Non-GAAP revenues and Non-GAAP operating income to exclude the following:

- Certain revenues resulting from agreements with two licensees to settle ongoing disputes;

- Revenues and operating income related to Atheros Communications, Inc., which was renamed Qualcomm Atheros, Inc. (Atheros) that were included in Qualcomm s Non-GAAP results since the date Atheros was acquired in May 2011.

- Charitable contributions resulting from the establishment of the Qualcomm Charitable Foundation.

36

Table of Contents

The Fiscal 2011 Company Performance-Adjusted and Actual Cash Incentive Award Amounts table below shows, for each NEO, the target annual cash incentive established at the beginning of fiscal 2011, the performance-adjusted incentive amount that is the product of multiplying the target annual cash incentive by the incentive multiple of 1.90, the actual incentive award amount approved by the Compensation Committee and the variance between the award and performance-adjusted amounts.

Fiscal 2011 Company Performance-Adjusted and Actual Cash Incentive Award Amounts

Name	Target Annual Cash Incentive ($)	Performance-Adjusted Incentive Amount ($) (1)	Amount Awarded by Compensation Committee ($)	Variance of Award Amount vs. Performance-Adjusted Amount
Jacobs	2,900,000	5,510,000	5,500,000	-0.2%
Altman (2)	1,169,000	2,221,100	2,000,000	-10.0%
Mollenkopf (2)	975,000	1,852,500	2,000,000	8.0%
Keitel	862,500	1,638,750	1,600,000	-2.4%
Rosenberg	715,000	1,358,500	1,350,000	-0.6%

(1) The Performance-Adjusted Incentive Amount is the product of the Target Annual Cash Incentive multiplied by the Target Incentive Multiple of 1.90 and represents a reference point that the Compensation Committee considers along with individual accomplishments in determining the NEOs annual cash incentive awards.

(2) The incentive awards for Messrs. Altman and Mollenkopf reflect the CEO s and Compensation Committee s consideration of their individual achievements described below and the CEO s recommendation and the Compensation Committee s decision to award them equivalent amounts for fiscal 2011.

Fiscal 2011 annual long-term incentive awards. The Compensation Committee exercises its discretion in approving long-term incentive award amounts. A key consideration is the resulting target direct compensation relative to competitive practices and internal pay relationships. Our compensation philosophy and practice is that total direct compensation is reasonable and appropriate when relative competitive pay is fairly aligned with relative competitive performance. After it has considered the resulting position of total direct compensation relative to competitive practice, the Compensation Committee then considers individual performance and contributions, long-term potential and retention, internal fairness and equitability and the business and individual factors described earlier.

In fiscal 2010, the Compensation Committee established a strategy to de-emphasize stock options in favor of other types of long-term equity incentives for executive officers by including grants of PSUs and RSUs in addition to stock options. We structured an ongoing PSU program to award a variable amount of Qualcomm shares based on the relative performance of our TSR compared to that of the NASDAQ 100. In this way, PSUs reward relative stock performance, including dividends; stock options reward absolute stock price appreciation; and RSUs reward stock performance while maintaining retention value through short-term market volatility. We selected the NASDAQ 100 because it (1) represents a broader capital market with which we compete for talent and capital investments, (2) is representative of the broad range of our business operations, which includes licensing of intellectual property and sales of products and services, (3) is both objectively determined and readily available, and our performance compared to the index can be evaluated at any time, (4) provides transparency for participants and stockholders and (5) facilitates the tracking and administration of the plan. (See the Performance Stock Units section under Grants of Plan-Based Awards for a description of the PSU program.)

During the first quarter of fiscal 2011, the Compensation Committee awarded a combination of PSUs and RSUs to our executive officers, and, excluding the special retention RSUs awarded to Mr. Rosenberg, each

Table of Contents

executive officer received a majority of his equity awards in the form of PSUs. We made adjustments to the fiscal 2010 PSU program (described in our last proxy statement) in establishing the fiscal 2011 PSU program. The design of the fiscal 2011 PSU program is depicted in the Fiscal 2011 PSU Award Structure table below.

Fiscal 2011 PSU Award Structure

Qualcomm TSR relative to the NASDAQ 100	Percent of Target Award Amount that may be Earned
Maximum: 133% and above	200%
Target: 100%	100%
Threshold: 66%	33%
Less than 66%	0%

The total award amount that may be earned may not exceed the target award amount if Qualcomm s TSR for the three-year performance period is negative. The performance period is the three-year period from November 1, 2010 to October 31, 2013, with four separate measurement periods of 18, 24, 30 and 36 months. We determined that four separate measurement periods would encourage and reward sustained and continuous growth over the three years and align with stockholders interests. The PSUs will not vest until the end of the performance period and include dividend equivalent rights. The dividend equivalents will accrue, in the form of additional shares of Qualcomm stock, on earned shares with vesting and distribution on the third anniversary of the grant date. The cliff-vest provision provides a retention component and aligns with the three-year performance period. The RSUs vest annually in equal amounts over three years and include dividend equivalent rights. The PSUs and RSUs are consistent with our long-term incentive program because they align the interests of our NEOs and our stockholders by rewarding relative and absolute stock price performance, and they provide the additional advantage of being retention tools under certain circumstances.

Awarding a mix of PSUs and RSUs to our NEOs and other employees enables us to address certain strategic compensation objectives, including:

- Better managing our equity burn rate (the number of shares subject to equity awards granted during the year divided by total common shares outstanding) while we increase our staffing levels and maintain a broad-based equity program in which substantially all of our employees are eligible to receive equity awards;

- Better managing our overhang (the number of outstanding unexercised stock options and unvested PSUs and RSUs);

- Better balancing of our NEOs equity compensation portfolios, especially in times of high market volatility and when increases to our stock price may be constrained by external factors, such as legal challenges to our business model; and

- Reinforcing our already strong capability to attract, retain and engage highly talented executives.

Discussion of compensation for Dr. Paul Jacobs, Chairman and CEO.

	Fiscal 2011	Fiscal 2010	Change
Salary	$ 1,150,591	$ 1,146,644	0.3%
Annual cash incentive earned	5,500,000	3,370,000	63.2%
Total cash compensation	6,650,591	4,516,644	47.2%
Annual long-term incentive award grant date fair value	14,322,329	12,375,102	15.7%

Total direct compensation (TDC)	**$ 20,972,920**	**$ 16,891,746**	24.2%

38

Table of Contents

Dr. Jacobs s TDC for fiscal 2011 was 24% more than the fiscal 2010 amount primarily due to the increases in his annual cash incentive and the grant date fair value of his long-term incentive award. The Company s financial performance exceeded its objectives to a greater extent in fiscal 2011 as compared to fiscal 2010 resulting in a larger annual cash incentive amount. The PSUs included in the long-term incentive award become fully vested at the end of the three-year performance period, and the RSUs vest annually and become fully vested on the third anniversary of the grant date. The actual amount realized is dependent upon relative and absolute TSR for PSUs and absolute TSR for RSUs.

Dr. Jacobs received a bonus award of $7,125 from Qualcomm s patent award program in fiscal 2011. He received similar amounts from the patent award program in fiscal 2010 and 2009.

The Compensation Committee increased the amount of Dr. Jacobs s equity award (comprised of both PSUs and RSUs) so that his resulting TDC for fiscal 2011 would be between the median and 75th percentile of competitive practice. The amount of his equity award aligned with the 75th percentile of competitive practice, and slightly more than 50% of the shares awarded were PSUs.

After the end of fiscal 2011, the Compensation Committee awarded Dr. Jacobs an annual cash incentive of $5.5 million, which was 63% more than the amount he received for fiscal 2010. This amount is 0.2% less than the performance-adjusted incentive amount due to a nominal rounding off and is not a negative reflection of his performance. In determining his annual cash incentive award, the Compensation Committee considered the performance-adjusted incentive amount and his leadership in accomplishing the following:

Dr. Jacobs led the Company to achieve fiscal 2011 strategic initiatives and operational plans, resulting in record earnings per share, record MSM chipset volumes, record CDMA-based device shipments, record QCT and QTL revenues, a record $15.0 billion in total revenues (an increase of 36% year-over-year) and a record $5.0 billion in operating income (an increase of 35% year-over-year). Additionally, under Dr. Jacobs s leadership, we returned $1.5 billion to shareholders in the form of cash dividends totaling $1.4 billion and share repurchases totaling $142 million. The Company ended the fiscal year well-positioned with a strong balance sheet, including $20.9 billion in cash, cash equivalents and marketable securities.

Dr. Jacobs was successful with the overall development and implementation of fiscal 2011 strategies and initiatives aimed at growing revenue, increasing shareholder value and positioning Qualcomm for continued success in the market. Some of the significant highlights included expanding Qualcomm s licensing base, solidifying the Company s position in Windows Phone 7, achieving industry success with Snapdragon and demonstrating LTE leadership with the introduction of the world s first LTE multimode, standards-compliant chipset. He also continued to strengthen relationships with key industry players and a broad range of global operators, especially in the emerging regions of China and India. We completed the $3.1 billion acquisition of Atheros Communications, Inc., providing one of the broadest portfolios of mobile, connectivity and networking solutions in the industry. Additionally, through personal relationships with senior executives and oversight of the Company s legal strategy, he helped resolve licensing disputes and reached a $1.9 billion spectrum sale agreement with AT&T, helping to optimize shareholder value from the wind down of the FLO TV business.

Dr. Jacobs continued to build very positive strategic partnerships across the industry with customers, partners, investors, analysts, government officials and other key constituencies.

Our capabilities and capacity for continued growth and success lie in our Company values (innovation, execution and partnership), leadership, employee development, engagement and retention and our culture of high performance. We were named to Fortune Magazine s 100 Best Companies to Work for in America for the 13th consecutive year, and we received the Global Business Leadership Award from the National Committee on American Foreign Policy.

Table of Contents

Discussion of compensation for Mr. William Keitel, EVP & CFO.

	Fiscal 2011	Fiscal 2010	Change
Salary	$ 684,632	$ 670,010	2.2%
Annual cash incentive earned	1,600,000	950,000	68.4%
Total cash compensation	2,284,632	1,620,010	41.0%
Annual long-term incentive award grant date fair value	5,177,902	4,707,265	10.0%
Total direct compensation (TDC)	**$ 7,462,534**	**$ 6,327,275**	17.9%

Mr. Keitel s TDC for fiscal 2011 was 18% more than fiscal 2010 primarily due to the increases in his annual cash incentive and the grant date fair value of his long-term incentive award. The Company s financial performance exceeded its objectives to a greater extent in fiscal 2011 as compared to fiscal 2010 resulting in a larger annual cash incentive amount.

Mr. Keitel s salary for fiscal 2011 as reported above and in the Summary Compensation Table reflects an increase awarded by the Compensation Committee that was effective during the first quarter of fiscal 2011.

The Compensation Committee increased the amount of Mr. Keitel s equity award (comprised of both PSUs and RSUs) to position his resulting TDC for fiscal 2011 between the median and 75th percentile of competitive practice. The amount of his equity award was between the median and 75th percentile of competitive practice, and slightly more than 50% of the shares awarded were PSUs.

After the end of fiscal 2011, the Compensation Committee awarded Mr. Keitel an annual cash incentive of $1.6 million, which was 68% more than the amount he received for fiscal 2010. This amount is 2.4% less than the performance-adjusted incentive amount due to a nominal rounding off and is not a negative reflection of his performance. In determining his annual cash incentive award, the Compensation Committee considered the performance-adjusted incentive amount and his leadership in accomplishing the following:

We continued excellence in the quality of our accounting and reporting practices, including transparent and robust disclosures. We filed all of our quarterly SEC reports simultaneously with our earnings releases. In addition, we successfully maintained membership in the Internal Revenue Service s (IRS) elite Compliance Assurance Process program, under which Qualcomm s federal tax returns are fully audited at the time of filing its tax returns, eliminating the need to file amended state returns for IRS adjustments.

We achieved excellent returns on our cash holdings and investments in marketable securities during another period of record low interest rates and volatile markets, while generating sufficient cash flows to return capital to stockholders and to fund our acquisitions.

Mr. Keitel led negotiations with the California Franchise Tax Board that generated substantial tax savings in California and negotiations that will result in a tax holiday for the relocation of our Qualcomm CDMA Technologies (QCT) segment s non-U.S. headquarters to Singapore starting in fiscal 2012.

Mr. Keitel provided leadership and oversight to our investor relations organization. We upheld best practices on earnings conference calls, analyst meetings and financial disclosures. Institutional Investor recognized Qualcomm for Best Investor Relations in the Telecommunications sector of the Technology, Media & Telecommunications category.

Table of Contents

Discussion of compensation for Mr. Steven Altman, Vice Chairman.

	Fiscal 2011	Fiscal 2010	Change
Salary	$ 828,285	$ 810,014	2.3%
Annual cash incentive earned	2,000,000	1,225,000	63.3%
Total cash compensation	2,828,285	2,035,014	39.0%
Annual long-term incentive award grant date fair value	8,262,728	7,248,303	14.0%
Total direct compensation (TDC)	**$ 11,091,013**	**$ 9,283,317**	19.5%

Mr. Altman s TDC for fiscal 2011 was 20% more than the fiscal 2010 amount primarily due to the increases in his annual cash incentive and the grant date fair value of his long-term incentive award. The Company s financial performance exceeded its objectives to a greater extent in fiscal 2011 as compared to fiscal 2010 resulting in a larger annual cash incentive amount.

Mr. Altman s salary for fiscal 2011 as reported above and in the Summary Compensation Table reflects an increase awarded by the Compensation Committee that was effective during the first quarter of fiscal 2011.

The Compensation Committee increased the amount of Mr. Altman s equity award (comprised of both PSUs and RSUs) so that his resulting TDC for fiscal 2011 would be between the median and 75th percentile of competitive practice. The amount of his equity award was between the median and 75th percentile of competitive practice, and slightly more than 50% of the shares awarded were PSUs.

After the end of fiscal 2011, the Compensation Committee awarded Mr. Altman an annual cash incentive of $2.0 million, which was 63% more than the amount he received for fiscal 2010 and 10% less than the performance-adjusted incentive amount. The amount of his cash incentive award was lower than the performance-adjusted incentive amount to reflect (1) the CEO s and Compensation Committee s decision to award Mr. Altman a cash incentive award amount equivalent to that of Mr. Mollenkopf for internal equitability, (2) his transition from President to Vice Chairman (see the Compensation Decisions for Our NEOs for Fiscal 2012 section) and (3) his leadership in accomplishing the following:

- We preserved the model, structure and integrity of our licensing program.

- Mr. Altman provided leadership, counsel and input relating to licensing matters and other major transactions for the Company.

- Mr. Altman contributed to our continued global growth through his oversight of our services businesses.

Discussion of compensation for Mr. Steven Mollenkopf, President and Chief Operating Officer.

	Fiscal 2011	Fiscal 2010	Change
Salary	$ 801,706	$ 691,158	16.0%
Annual cash incentive earned	2,000,000	1,000,000	100.0%
Total cash compensation	2,801,706	1,691,158	65.7%
Annual long-term incentive award grant date fair value	5,067,851	4,200,556	20.6%
Total direct compensation (TDC)	**$ 7,869,557**	**$ 5,891,714**	33.6%

Mr. Mollenkopf s TDC for fiscal 2011 was 34% more than his fiscal 2010 amount primarily due to the increases in his annual cash incentive and the fair value of his long-term incentive award. The Company s financial performance exceeded its objectives to a greater extent in fiscal 2011 as compared to fiscal 2010 resulting in a larger annual cash incentive amount. In addition, the Compensation Committee increased Mr. Mollenkopf s fiscal 2011 annual cash incentive target from 110% to 125% of his base salary to position it

Table of Contents

between the median and 75th percentile and to recognize the additional leadership responsibilities that he assumed for our Qualcomm MEMS Technologies, Inc. subsidiary and our Qualcomm Internet Services division during fiscal 2010.

Mr. Mollenkopf s salary for fiscal 2011 as reported above and in the Summary Compensation Table reflects a 4% increase awarded by the Compensation Committee that was effective during the first quarter of fiscal 2011.

The Compensation Committee increased the amount of Mr. Mollenkopf s equity award (comprised of both PSUs and RSUs) so that his resulting TDC for fiscal 2011 would be slightly below the median of competitive practice. The amount of his equity award was slightly above the median of competitive practice, and slightly more than 50% of the shares awarded were PSUs.

After the end of fiscal 2011, the Compensation Committee awarded Mr. Mollenkopf an annual cash incentive of $2.0 million, which was twice the amount he received for fiscal 2010 and reflects the increase to his cash incentive target as well as company and individual performance for fiscal 2011. This amount is 8% more than the performance-adjusted incentive amount and reflects the CEO s and Compensation Committee s decision to award Mr. Mollenkopf a cash incentive amount equivalent to that of Mr. Altman and to recognize his leadership in accomplishing the following:

QCT continued its strong financial performance, shipping 483 million Mobile Station Modems (21% growth from fiscal 2010) and delivering $8.9 billion in revenues and $2.1 billion in earnings before tax, representing 32% and 21% growth from fiscal 2010, respectively.

We continued QCT s industry leadership by being recognized as the top fabless semiconductor company, the top wireless chip company and one of the top ten semiconductor companies.

Mr. Mollenkopf continued to identify and implement strategies to increase future revenues. QCT is positioned to expand its business and continue to lead in technology. QCT also completed the acquisitions of Atheros and certain assets of Gesturetek, Inc., Bigfoot Networks, Inc. and others.

We maintained smartphone system on chip market leadership with Android, Blackberry OS and Windows Phone and grew presence in Android tablet devices.

We continued the momentum of our Snapdragon product line and added new and expanded existing customer relationships.

Discussion of compensation for Mr. Donald Rosenberg, EVP, General Counsel and Corporate Secretary.

	Fiscal 2011	Fiscal 2010	Change
Salary	$ 641,925	$ 620,006	3.5%
Annual cash incentive earned	1,350,000	950,000	42.1%
Total cash compensation	1,991,925	1,570,006	26.9%
Annual long-term incentive award grant date fair value	4,406,751	4,049,361	8.8%
Subtotal	6,398,676	5,619,367	13.9%
Special retention RSU grant date fair value	3,232,618		
Total direct compensation (TDC)	**$ 9,631,294**	**$ 5,619,367**	71.4%

Mr. Rosenberg s TDC for fiscal 2011 was 71% more than his fiscal 2010 amount primarily because of a special retention equity award granted in the form of RSUs that cliff-vest four years from the grant date.

Mr. Rosenberg s salary for fiscal 2011 as reported above and in the Summary Compensation Table reflects an increase awarded by the Compensation Committee that was effective during the first quarter of fiscal 2011.

Table of Contents

The Compensation Committee increased the amount of Mr. Rosenberg s annual equity award (comprised of both PSUs and RSUs) so that his resulting TDC for fiscal 2011 would be above the 75th percentile of competitive practice. The amount of this equity award was above the 75th percentile of competitive practice and slightly more than 50% of the shares awarded were PSUs. In addition to the annual equity awards that vest three years from the grant date, the Compensation Committee also awarded Mr. Rosenberg a special retention equity award of $3.2 million in the form of RSUs that cliff-vest four years from the grant date. The Compensation Committee and Dr. Jacobs wanted to increase Mr. Rosenberg s retention incentive because he provides key leadership at a time of complex and critical global legal affairs and government relations.

After the end of fiscal 2011, the Compensation Committee awarded Mr. Rosenberg an annual cash incentive of $1.4 million, which was 42% more than the amount he received for fiscal 2010. This amount is 0.6% less than the performance-adjusted incentive amount due to a nominal rounding off. The percentage increase in the cash incentive earned for fiscal 2011 as compared to fiscal 2010 is less than that of the other NEOs because the Compensation Committee awarded him more than the performance-adjusted incentive amount for fiscal 2010 when it did not do so to the same extent for the other NEOs. Neither of these is a negative reflection on Mr. Rosenberg s performance. In determining his annual cash incentive award, the Compensation Committee considered the performance-adjusted incentive amount and his leadership in accomplishing the following:

- Mr. Rosenberg oversaw continued excellence in the quality of our litigation management and outcomes, discovery management practices and protection of our intellectual property and confidential information.

- We continue to be a party to numerous legal matters. Our discovery management organization collected nearly twice the terabytes of electronically stored information in fiscal 2011 as compared to fiscal 2010.

- We established an intellectual property leak response team that requested removal of company documents posted without permission on public internet websites.

- We implemented a new patent foreign filing strategy that resulted in immediate cost savings in fiscal 2011.

- We succeeded in slowing the future expense growth trajectory for patent filings.

- Mr. Rosenberg supported the successful outcome in licensing disputes.

- Mr. Rosenberg continued his efforts to educate governments and regulators about the value of intellectual property and its fundamental role in encouraging innovation and economic development.

Compensation Decisions for Our NEOs for Fiscal 2012

This section provides an update to compensation decisions and actions we made after the end of fiscal 2011.

On October 4, 2011, we announced leadership and organizational changes that included changes to the roles for Steven Altman and Steven Mollenkopf that were effective on November 14, 2011. Mr. Altman was appointed Vice Chairman, and Mr. Mollenkopf was appointed President and Chief Operating Officer. On November 9, 2011, the Compensation Committee met and approved compensation amounts that reflect these changes. In addition, the Compensation Committee approved compensation amounts for the CEO and the other NEOs for fiscal 2012 that were consistent with competitive practices among the peer companies. The Compensation Committee exercised its discretion in determining the annual, ongoing long-term incentive award amounts. We continued our transition to a more performance-based approach for equity compensation that we began in fiscal 2010 by granting RSUs and PSUs, with at least 50% of the annual equity shares awarded to each NEO in the form of PSUs. We will continue to align our annual long-term incentive awards with our strategic objectives and intend to grant at least 50% of such awards in the form of performance-based equity awards and the remainder in the form of RSUs and/or stock options. We designed the

PSU program to award a variable amount of shares of Qualcomm stock based on the relative performance of our TSR compared to that of the NASDAQ 100. The key elements of the fiscal 2012 PSU program are the same as the fiscal 2011 program. Furthermore, the RSUs granted to the CEO, the other NEOs and other executive officers include a performance-based vesting provision such that the RSUs will vest only upon the achievement of objectives that equal or exceed a pre-established performance target and the satisfaction of time-based service requirements.

Table of Contents

Fiscal 2012 compensation for Dr. Paul Jacobs, Chairman and CEO. The Compensation Committee increased Dr. Jacobs s base salary by 3.4%, from $1,160,000 to $1,200,000, maintained his annual cash incentive target at 250% of base salary and approved equity awards with an aggregate grant date fair value of $15 million. Of the equity shares awarded, slightly more than 50% were in the form of PSUs with the remainder in the form of RSUs. The PSUs cliff-vest on the third anniversary of the grant date, and the RSUs will vest annually over three years contingent upon the achievement of objectives that equal or exceed a pre-established performance target.

Fiscal 2012 compensation for Mr. William Keitel, EVP and CFO. The Compensation Committee increased Mr. Keitel s base salary by 2.9%, from $690,000 to $710,000, maintained his annual cash incentive target at 125% of base salary and approved equity awards with an aggregate grant date fair value of $5 million. Of the equity shares awarded, slightly more than 50% were in the form of PSUs with the remainder in the form of RSUs. The PSUs cliff-vest on the third anniversary of the grant date, and the RSUs will vest annually over three years contingent upon the achievement of objectives that equal or exceed a pre-established performance target.

Fiscal 2012 compensation for Mr. Steven Altman, Vice Chairman. The Compensation Committee reduced Mr. Altman s base salary by 28%, from $835,000 to $600,000, reduced his annual cash incentive target to 100% of base salary and approved equity awards with an aggregate grant date fair value of $4 million. Of the equity shares awarded, slightly more than 50% were in the form of PSUs the remainder in the form of RSUs. The PSUs cliff-vest on the third anniversary of the grant date, and the RSUs will cliff-vest on the third anniversary of the grant date contingent upon the achievement of objectives that equal or exceed a pre-established performance target.

Fiscal 2012 compensation for Mr. Steven Mollenkopf, President and COO. The Compensation Committee increased Mr. Mollenkopf s base salary by 4.5%, from $780,000 to $815,000, increased his annual cash incentive target to 140% of base salary and approved annual equity awards with an aggregate grant date fair value of $7 million. Of the equity shares awarded, slightly more than 50% were in the form of PSUs with the remainder in the form of RSUs. The PSUs cliff-vest on the third anniversary of the grant date, and the RSUs will vest annually over three years contingent upon the achievement of objectives that equal or exceed a pre-established performance target. The Compensation Committee also approved a special promotion equity award with an aggregate grant date fair value of $5 million, also with slightly more than 50% in the form of PSUs and the remainder in the form of RSUs. The PSUs and RSUs vest annually in equal installments over the three-year period following the second anniversary of the grant date, becoming fully vested on the fifth anniversary of the grant date.

Fiscal 2012 compensation for Mr. Donald Rosenberg, EVP, General Counsel and Corporate Secretary. The Compensation Committee increased Mr. Rosenberg s base salary by 3.8% from $650,000 to $675,000, maintained his annual cash incentive target at 110% of base salary and approved equity awards with an aggregate grant date fair value of $4.4 million. Of the equity shares awarded, slightly more than 50% were in the form of PSUs with the remainder in the form of RSUs. The PSUs cliff-vest on the third anniversary of the grant date, and the RSUs will vest annually over three years contingent upon the achievement of objectives that equal or exceed a pre-established performance target.

We designed the PSU programs to award a variable amount of shares of Qualcomm stock based on the relative performance of our TSR compared to the NASDAQ 100. The table below summarizes the percentage of the PSU award amount that a NEO would earn at different levels of relative TSR performance.

Qualcomm TSR relative to the NASDAQ 100	**Percent of Target Award Amount that may be Earned**
Maximum: 133% and above	200%
Target: 100%	100%
Threshold: 66%	33%
Less than 66%	0%

Table of Contents

The performance period is three years, from September 26, 2011 (the beginning of fiscal 2012) through September 26, 2014, with four separate measurement periods of 18, 24, 30 and 36 months. The earned PSUs will not vest until the end of the performance period. The PSU awards include dividend equivalents that may accrue, in the form of additional shares of Qualcomm stock, on earned units, but are not paid out on unearned PSUs and vest at the same time as the underlying earned PSUs.

Other Components of our Executive Compensation Programs

On page 28, we noted that there are additional aspects of our executive compensation program. This section discusses those additional aspects.

Components of Our Compensation Program Available to U.S.-Based Executive-Level Employees

Component	Purpose	Form	Comment
Nonqualified deferred compensation	Provide a competitive, tax-efficient defined contribution retirement program for employees deemed to be highly compensated. Encourage building long-term stockholder value through a Company contribution in the form of Qualcomm stock (Match Shares).	Qualcomm stock (Match Shares)	We do not have a pension plan or other defined benefit retirement program. See the Nonqualified Deferred Compensation table, footnote 2, for a description of the Match Shares.
Financial planning reimbursement	Attract and retain executive-level employees. Assist NEOs to efficiently manage their time.	Reimbursement of actual expenses incurred for financial, estate and tax planning	Annual maximum reimbursement of up to $12,500 for the Chairman and CEO and the President and up to $8,000 for the other NEOs.
Additional life insurance	Attract and retain executive-level employees.	Additional coverage, above the amount provided to all employees	The additional coverage is $1 million for the Chairman and CEO and $750,000 for the other NEOs.
Use of corporate aircraft for personal travel	Facilitate flexible travel arrangements and provide security.	Imputed taxable income for W-2 reporting and incremental cost to the Company for reporting the perquisite in this proxy statement.	We do not allow our NEOs to reimburse the Company for the cost for personal flights or for the incremental cost of non-business guests because we do not operate our aircraft on a for hire basis under applicable Federal Aviation Administration regulations.

45

Table of Contents

Components of Our Compensation Program Available to All U.S.-Based Employees

Component	Purpose	Form	Comment
Tax qualified deferred compensation	Provide a tax-efficient retirement savings opportunity. Attract and retain employees.	401(k) Plan	The 401(k) Plan is a voluntary, tax-qualified deferred compensation plan. We match employee contributions in cash using a tiered structure in order to encourage participation among all employees.
Employee Stock Purchase Plan (ESPP)	Encourage long-term stock ownership and align employee and stockholder interests. Attract and retain employees.	Qualcomm stock	A tax-qualified, voluntary ESPP available to all U.S.-based employees. (We also make a non-tax-qualified ESPP available to employees based in other countries provided we are able to comply with local regulations.) Annual purchases are limited to $25,000 per employee, through payroll deductions, including the purchase price discount. The purchase price is equal to 85% of the lower of: (1) the fair market value (FMV) on the first day of the offering period or (2) the FMV on the last day of the offering period.
Charitable contribution match	Encourage and extend employees support of cultural, educational and community non-profit organizations.	Matching cash paid to the charitable organization	We match 100% of employee contributions, up to pre-defined maximum amounts, to qualified tax-exempt non-profit organizations, excluding organizations that further religious doctrine, exclusionary organizations and/or political non-profit organizations. The maximum annual amount we will match is based on the employee s job level. We will match up to $125,000 for our Chairman and CEO and the President and up to $100,000 annually for the other NEOs.

46

Table of Contents

In addition to the programs identified above, we offered a supplemental health care program that provided limited coverage above the basic health care plan to approximately 3,600 senior-level U.S.-based employees. The purpose of this program was to attract and retain experienced technical talent. For each NEO and eligible dependent, the supplemental health plan provided a maximum annual coverage limit of $7,500 above the basic health plan coverage. Effective January 1, 2011, we discontinued the supplemental health benefit coverage and now provide supplemental coverage for dental and vision expenses only, with an annual coverage limit of $4,250.

Post-Employment Compensation

We do not have employment agreements. We employ almost all U.S.-based employees, including all of our NEOs, at will, without severance agreements or employment contracts. This is consistent with our objective of providing compensation related to individual contributions that improve our market leadership, competitive advantage and stockholder value. It enables our Board to terminate employment with discretion as to the terms and conditions of any separation.

We do not have a pre-defined severance plan. We do not have a pre-defined severance plan covering the involuntary termination of employees, including the NEOs. We do not accelerate unvested stock options, RSUs or PSUs in the event of an involuntary for cause termination. Such terminations may involve theft, dishonesty, falsification, actions that are detrimental to the Company, conviction of a criminal act that impairs the performance of duties required by the Company or violation of a material Company policy.

The table below summarizes the treatment of unvested stock options, RSUs and PSUs following involuntary terminations without cause and the double trigger provisions for terminations after a change in control.

Treatment of Unvested Equity Awards in Certain Termination Situations

Situation	Stock Options	RSUs	PSUs
Treatment of unvested awards after involuntary terminations without cause.	10% of the total amount granted is automatically accelerated, and up to an additional 10% may be accelerated using a pre-defined formula, subject to execution of a general release of claims.	For RSUs that vest less frequently than annual graded vesting, a prorated portion (that does not exceed one-third of the total amount granted) may be vested using a pre-defined formula, subject to execution of a general release of claims.	All unvested PSUs are immediately forfeited. The Compensation Committee, in its sole discretion, may waive the automatic forfeiture of all or any portion of the award. This is consistent with the above-mentioned practice that allows our Board to terminate employment with discretion as to the terms and conditions of separation.
Double trigger treatment of unvested awards.	If, within 24 months after a change in control, the recipient is involuntarily terminated for any reason other than for cause or if the recipient voluntarily resigns for good reason (as defined in the award agreements), then vesting of stock options and RSUs is accelerated in full.		Vesting of PSUs that remained outstanding after a change in control is accelerated but the number of shares of stock that may be issued will be prorated using a pre-defined formula.

Table of Contents

Other Policies and Practices

We have a cash incentive compensation repayment (claw back) policy. Effective January 1, 2009, we adopted a policy that would require an executive officer, including a NEO, to repay to us the amount of any annual cash incentive that an executive officer received to the extent that:

- The amount of such payment was based on the achievement of certain financial results that were subsequently the subject of a restatement that occurs within 12 months of such payment;

- The executive officer had engaged in theft, dishonesty or intentional falsification of our documents or records that resulted in the obligation to restate our financial results; and

- A lower annual cash incentive would have been paid to the executive officer based upon the restated financial results.

The Compensation Committee is responsible for the interpretation and enforcement of this repayment policy. We plan to amend our repayment policy to comply with the additional requirements of the Dodd-Frank Act after the SEC adopts new regulations implementing those requirements.

We have long-standing practices regarding the timing, grant date and exercise price for equity awards. We have a long-standing and consistent practice of awarding annual equity awards to the NEOs at the first Compensation Committee meeting held in the first quarter of our fiscal year. The Compensation Committee meetings for the year are scheduled in advance, and we schedule the first meeting for the fiscal year to take place after the earnings release and the filing of our Annual Report on Form 10-K for the prior fiscal year. The Compensation Committee approves base salaries, annual cash incentives and equity awards at the same time to facilitate consideration of total direct compensation to NEOs. We may award stock options and/or RSUs upon hiring a new NEO, and we may award stock options and/or RSUs upon a promotion or change in roles and responsibilities of a NEO. The exercise price of all stock options is the fair market value (i.e., closing price) on the grant date, and the number of shares subject to the options is fixed on the grant date.

We have stock ownership guidelines. Our stock ownership guidelines for all of our executive officers, including our NEOs, help ensure that they maintain an equity stake in the Company, and by doing so, appropriately link their interests with those of other stockholders. Only shares actually owned and deferred stock units under the Executive Retirement Matching Contribution (ERMC) Plan count towards the equity ownership requirement. Outstanding unexercised stock options and unvested RSUs and PSUs do not count towards the requirement. Dr. Jacobs and Messrs. Altman and Keitel were required to achieve these stock ownership levels by September 2011 (five years after the Board of Directors adopted the guidelines) and met the ownership guidelines as of September 25, 2011. Mr. Mollenkopf is required to achieve his stock ownership guideline of 2 times his base salary by May 2013, five years after becoming an executive officer in May 2008, and his stock ownership guideline of 3 times his base salary by November 2016, five years after his appointment as President in November 2011. Mr. Rosenberg is required to achieve his guideline by October 2012, five years after becoming an executive officer. Messrs. Mollenkopf and Rosenberg are progressing towards their ownership guidelines. If a NEO has not met the guidelines by the deadline, we will require that the NEO, upon a stock option exercise, hold at least 50% of the net shares remaining after required tax withholdings until they meet the minimum guideline. The guidelines are as follows:

Role	Multiple of Base Salary
CEO	6x
President	3x
All other executive officers	2x

Tax regulations. A goal of the Compensation Committee is to comply with the requirements of Internal Revenue Service Code Sections 162(m) and 409A. Section 162(m) places a $1 million annual limit on the amount that a public company may deduct for compensation paid to the CEO and the other three most highly compensated NEOs, excluding the CFO. The $1 million limit does not apply if the compensation meets

Section 162(m) requirements for performance-based compensation. We designed and administered our fiscal 2010 cash incentive program as cash-denominated performance units granted under the 2006 LTIP to be eligible for tax deductions to the extent permitted by the relevant tax regulations, including Section 162(m). Compliance with Section 162(m) did not influence the allocation of compensation among base salary, target annual cash incentives and long-term incentives for fiscal 2011. Stock options granted under the 2006 LTIP also qualify as performance-based compensation. Only actual shares distributed that are above the PSU target amount will qualify as deductible compensation under Section 162(m). From time-to-time, we may pay compensation to our Section 162(m) covered officers that may not be tax deductible if there are compelling business reasons to do so. Beginning in November 2011, RSUs granted to our executive officers are structured to satisfy the performance-based compensation exception of the 162(m) limit on deductible compensation.

Under Section 409A, a nonqualified deferred compensation plan (such as our ERMC Plan), must comply with certain requirements related to the timing of deferral and distribution decisions, otherwise amounts deferred under the plan could be included in gross income when earned and be subject to additional penalty taxes. Nonqualified stock options are generally exempt from Section 409A if the option satisfies certain requirements. RSUs and PSUs are also generally exempt from Section 409A. We administer the ERMC Plan and equity awards in accordance with Section 409A requirements.

Compensation Risk Management

The Compensation Committee engaged its independent compensation consultant, FWC, to collaborate with Qualcomm s human resources staff to conduct an assessment of potential risks that may arise from our compensation programs. Based on this assessment, the Compensation Committee concluded that our policies and practices do not encourage excessive and unnecessary risk taking that would be reasonably likely to have a material adverse effect on Qualcomm. The assessment included executive, non-executive and sales incentive programs and focused on the variable components of cash incentives and equity awards. Our compensation programs are designed and administered through a centralized, corporate total rewards management office and are substantially identical among business units, corporate functions and global locations (with modifications to comply with local regulations as appropriate.) The risk-mitigating factors considered in this assessment included:

- The alignment of pay philosophy, peer group companies and compensation amounts relative to competitive practices to support our business objectives;
- Effective balance of cash and equity, short- and long-term performance periods, caps on performance-based award schedules and financial metrics with individual factors and Compensation Committee and management discretion; and
- Ownership guidelines, claw back policy, insider trading policy, equity award approval authorization policy and independent Compensation Committee oversight.

Compensation Tables and Narrative Disclosures

The following tables, narratives and footnotes describe the total compensation and benefits for our NEOs for fiscal 2011. The values presented in the tables do not always reflect the actual compensation received by our NEOs during the fiscal year because some portion of an NEO s base salary and cash incentive compensation may have been deferred pursuant to our nonqualified deferred compensation plan.

Summary Compensation Table

Salary. We have a long-standing practice of establishing NEOs base salaries concurrent with the calendar year. Salary increases during fiscal 2011 were effective on December 25, 2010. Thus, the salaries reported in this table reflect approximately three months of earnings at the calendar 2010 rates and approximately nine months of earnings at the calendar 2011 rates. We used the calendar year 2011 base salaries in the CD&A when calculating target annual cash and target direct compensation. Salary for NEOs as presented in this table includes vacation match payments payable under our vacation policy, if any.

Table of Contents

Bonus. The amounts in this column represent bonuses to the NEOs including amounts received under our patent award program and new hire bonuses, if any. We disclose the annual cash incentives in the Non-Equity Incentive Plan Compensation column.

Stock Awards. Stock awards granted to NEOs include annual grants and may include special grants for new hire, promotion and/or retention grants. The amounts in this column represent the estimated grant date fair value of RSUs and PSUs granted during the fiscal year. The estimated RSU grant date fair values were determined based on the fair value of our stock on the date of grant. The estimated PSU grant date fair values were determined based on a Monte Carlo simulation. The amounts are not indicative of whether the NEO has or will realize the estimated fair value or any financial benefits from the award. See the Grants of Plan-Based Awards table for details on the PSUs granted to the NEOs during fiscal 2011.

Option Awards. Option awards granted to NEOs include annual grants and may include special grants for new hire, promotion grants and/or retention grants. The amounts in this column represent the estimated fair value of stock option awards granted during the fiscal year. The estimated fair value amounts were determined on the date of grant using an option-pricing model and are not indicative of whether the NEO has or will realize the estimated fair value or any financial benefit from the award. We did not grant any stock option awards to the NEOs during fiscal 2011.

Non-Equity Incentive Plan Compensation. The amounts in this column represent cash awards under our annual cash incentive program. The relevant performance period was fiscal 2011. The Compensation Committee approved the annual cash incentives after the end of fiscal 2011; the NEOs received payment of their fiscal 2011 annual cash incentives in November 2011. See the CD&A section and the Grants of Plan-Based Awards table and narrative for a description of the incentive program mechanics.

Change in Pension Value and Nonqualified Deferred Compensation Earnings. We do not offer a pension plan or other defined benefit retirement plan to our NEOs. We do not provide above-market or preferential earnings on deferred compensation, nor do we provide dividends on stock in the ERMC Plan at a rate higher than dividends on our common stock. As a result, this column has been omitted from the Summary Compensation Table.

All Other Compensation. See the All Other Compensation table for an itemized account of all other compensation reported in the Summary Compensation Table. Any individual item of compensation exceeding $10,000, except as discussed below under Perquisites and Other Personal Benefits, have been identified and quantified in accordance with SEC requirements.

Table of Contents

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($) (2)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Paul E. Jacobs,	2011	1,150,591	7,125	14,322,329		5,500,000	742,288	21,722,333
Chairman and Chief	2010	1,146,644	7,500	6,983,378	5,391,724	3,370,000	727,693	17,626,939
Executive Officer	2009	964,427	6,750		12,243,249	3,600,000	616,462	17,430,888
William E. Keitel,	2011	684,632		5,177,902		1,600,000	254,303	7,716,837
Executive Vice President	2010	670,010		2,656,296	2,050,984	950,000	192,790	6,520,080
and Chief Financial Officer	2009	684,004			5,017,725	950,000	264,197	6,915,926
Steven R. Altman,	2011	828,285	4,125	8,262,728		2,000,000	344,249	11,439,387
Vice Chairman (1)	2010	810,014		4,090,342	3,157,961	1,225,000	360,031	9,643,348
	2009	708,045			7,292,427	1,260,000	388,633	9,649,105
Steven M. Mollenkopf,	2011	801,706		5,067,850		2,000,000	68,614	7,938,170
President and Chief Operating	2010	691,158		2,370,575	3,933,684	1,000,000	61,249	8,056,666
Officer (1)	2009	637,123		2,176,800	3,947,277	950,000	61,487	7,772,687
Donald J. Rosenberg,	2011	641,925		7,639,369		1,350,000	208,890	9,840,184
Executive Vice President General Counsel								
and Corporate	2010	620,006		2,284,859	1,764,515	950,000	219,466	5,838,846
Secretary	2009	614,625			3,746,568	950,000	263,553	5,574,746

(1) During fiscal 2011, Mr. Altman served as President and Mr. Mollenkopf served as Executive Vice President and Group President. Mr. Altman became Vice Chairman and Mr. Mollenkopf became President and Chief Operating Officer on November 14, 2011.

(2) Fiscal 2011 amounts include $7,125 for Dr. Jacobs and $4,125 for Mr. Altman from our patent award program.

All Other Compensation

Perquisites and Other Personal Benefits. The amounts disclosed represent the full amount of perquisites if the aggregate annual value exceeded $10,000, and each perquisite and other personal benefit is identified by type. If the aggregate annual value of perquisites was less than $10,000, no disclosure was made. We have identified and quantified individual perquisite amounts that exceeded the greater of $25,000 or 10% of the aggregate amount of all perquisites for any NEO.

Executive Retirement Matching Contribution Plan. The amounts disclosed represent the dollar values of common stock used to match up to 10% of the aggregate of the participant s base salary plus annual cash incentives, less any 401(k) contributions, deferred on a pre-tax basis under the ERMC Plan. The dollar values are based on the average of the fair market value of the stock over the 200 trading days preceding the match date. (See the Voluntary Retirement Savings Plans section in the CD&A for a description of the ERMC Plan.)

Charitable Match. The amounts disclosed represent our matching contributions for NEO contributions to qualified, tax-exempt non-profit organizations.

Company Match on 401(k) Contributions. The amounts disclosed represent the cash value of our matches to employee contributions to the 401(k) plan.

Life Insurance Premiums. The amounts disclosed represent the premiums paid for group term life insurance greater than $50,000 and executive life insurance.

Table of Contents

All Other Compensation

Name	Perquisites and Other Personal Benefits ($) (1) (2)	Executive Retirement Matching Contribution Plan ($)	Charitable Match ($)	Company Matching 401k Contributions ($)	Life Insurance Premiums ($)	All Other Compensation Total ($)
Paul E. Jacobs	259,097	395,337	75,000	5,325	7,529	742,288
William E. Keitel	45,995	128,685	60,791	4,900	13,932	254,303
Steven R. Altman	40,066	165,088	125,000	5,325	8,770	344,249
Steven M. Mollenkopf		50,014	10,035	5,325	3,240	68,614
Donald J. Rosenberg	22,218	130,605	31,256	5,875	18,936	208,890

(1) The amounts in this column include: Dr. Jacobs $228,817 for the personal use of our corporate aircraft, $25,000 for financial planning and $5,280 for other insurance premiums; Mr. Keitel $33,038 for the personal use of our corporate aircraft and $12,957 for financial planning and other insurance premiums; Mr. Altman for financial planning, other insurance premiums and the personal use of our corporate aircraft; and Mr. Rosenberg for financial planning, other insurance premiums and the personal use of our corporate aircraft. Under certain limited circumstances, NEOs may use the corporate aircraft for personal purposes. In those instances, the value of the benefit is based on the aggregate incremental cost to the Company. The incremental cost is calculated based on the variable costs to the Company, including fuel costs, mileage, trip-related maintenance, universal weather-monitoring costs, on-board catering, landing/ramp fees and other miscellaneous variable costs. Fixed costs that do not change based on usage, such as pilot salaries and the cost of maintenance not related to specific flights, are excluded.

(2) We purchase tickets to various sporting, civic, cultural, charity and entertainment events. We use these tickets for business development, partnership building, charitable donations and community involvement. If not used for business purposes, we may make these tickets available to our employees, including our NEOs, as a form of recognition and reward for their efforts. Because we had already purchased these tickets, we do not believe that there is any aggregate incremental cost to us if a NEO uses a ticket for personal purposes.

Grants of Plan-Based Awards

Annual Cash Incentive Program. The Compensation Committee approved a target annual cash incentive, expressed as a percentage of base salary, for each NEO. The target annual cash incentive was the potential earnings opportunity for the NEO if we achieved 100% of our financial objectives for Non-GAAP revenues and Non-GAAP operating income. We structured the annual cash incentive program to provide different potential incentive earnings opportunities at various levels of financial performance. The table below shows the relationship between the percentage of financial performance that is achieved (the Weighted Achievement Ratio) and the potential cash incentive opportunity as a percentage of the target annual cash incentive (the Target Incentive Multiple). The Target Incentive Multiple increases 2.2 percentage points for each one percent improvement in the Weighted Achievement Ratio from 80% to 95%; 7.4 percentage points for each one percent improvement from 95% to 110%; and 1.9 percentage points for each one percent improvement from 110% to 150%. The maximum Target Incentive Multiple is 2.5 and applies to Weighted Achievement Ratios of 150% and above. The annual cash incentive program is not funded if the Weighted Achievement Ratio is below 80%.

Potential Non-Equity Incentive Plan Payout and Associated Financial Performance Levels

Potential Payout Level	Weighted Achievement Ratio (1)	Target Incentive Multiple (2)
Maximum	150%	2.50
	110%	1.74

Target	100%	1.00
	95%	0.63
Threshold	80%	0.30

Table of Contents

(1) The Weighted Achievement Ratio is the result of actual financial results achieved for the fiscal year divided by financial objectives established during the first quarter of the fiscal year.

(2) The Target Incentive Multiple is the percentage of the potential cash incentive award relative to the target annual cash incentive. The target incentive multiple is applied to each NEO s target annual cash incentive to calculate the company-performance-adjusted incentive amount. For example, if we achieve 80% of our financial objectives, the NEOs target annual cash incentives would be multiplied by 0.30 to calculate the company-performance-adjusted incentive amounts.

Equity Awards. At its previously scheduled meeting in November 2010, the Compensation Committee approved long-term equity awards granted under the 2006 LTIP. The awards consisted of PSUs and RSUs. The grant date for both the PSUs and RSUs was the date that the Compensation Committee met and approved the awards.

Stock Option Awards. Nonqualified stock options are granted under the 2006 LTIP. Twelve and one-half (12.5%) percent of the shares vest six months after the grant date, and the remaining shares vest in equal semi-annual installments over the next 42 months, becoming fully vested four years after the grant date. Options granted prior to September 10, 2010 have a ten-year term, and options granted on or after September 10, 2010 have a seven-year term. Generally, vesting is contingent upon continued service with Qualcomm. We did not grant any stock option awards to the NEOs during fiscal 2011.

Performance Stock Units (PSUs). The PSUs provide for a variable number of Qualcomm shares based on the relative performance of our TSR compared to that of the NASDAQ 100. For the PSUs granted during fiscal 2011, there are four separate measurement periods, all of which began on November 1, 2010. The first measurement period is 18 months and ends on April 30, 2012; the second is 24 months and ends on October 31, 2012; the third is 30 months and ends on April 30, 2013; and the fourth is 36 months and ends on October 31, 2013. We allocated 25% of the target PSU amount disclosed in the Grants of Plan-Based Awards table to each measurement period. Our TSR is compared to that of the NASDAQ 100 at the end of each measurement period, and an award amount is determined according to the schedule below. The total award amount may not exceed the target award amount if Qualcomm s TSR for the three-year performance period is negative. Between the levels specified, the percent of award amount earned is interpolated linearly. The number of shares of Qualcomm stock to be distributed to each participant at the end of the three-year measurement period is the sum of the shares earned for each of the four performance periods. The shares become fully vested at the end of the three-year performance period. The PSU awards include dividend equivalents that may accrue, in the form of additional shares of Qualcomm stock, on earned units, but are not paid out on unearned performance awards and would vest at the same time as the underlying earned PSUs. The table below summarizes the percentage of the PSU award amount that a NEO would earn at different relative TSRs.

Qualcomm TSR vs. NASDAQ 100 TSR	Award Level	Percent of PSU Award Amount Earned
133% and above	Maximum	200%
125%		175%
110%		130%
100%	Target	100%
90%		80%
75%		50%
66%	Threshold	33%
Less than 66%		0%

Table of Contents

Grants of Plan-Based Awards (1) (2)

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards ($) (3)
Name	**Type of Award**	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**		
Paul E. Jacobs	Annual cash incentive program		870,000	2,900,000	7,250,000					
	Restricted Stock Units	11/8/2010							143,600	6,864,080
	Performance Stock Units	11/8/2010				47,949	145,300	290,600	145,300	7,458,249
William E. Keitel	Annual cash incentive program		258,750	862,500	2,156,250					
	Restricted Stock Units	11/8/2010							51,915	2,481,537
	Performance Stock Units	11/8/2010				17,335	52,530	105,060	52,530	2,696,365
Steven R. Altman	Annual cash incentive program		350,700	1,169,000	2,922,500					
	Restricted Stock Units	11/8/2010							82,845	3,959,991
	Performance Stock Units	11/8/2010				27,662	83,825	167,650	83,825	4,302,737
Steven M. Mollenkopf	Annual cash incentive program		292,500	975,000	2,437,500					
	Restricted Stock Units	11/8/2010							50,810	2,428,718
	Performance Stock Units	11/8/2010				16,967	51,415	102,830	51,415	2,639,132
Donald J. Rosenberg	Annual cash incentive program		214,500	715,000	1,787,500					
	Restricted Stock Units	11/8/2010							111,813	5,344,661
	Performance Stock Units	11/8/2010				14,753	44,705	89,410	44,705	2,294,708

(1) Unless indicated otherwise, the Compensation Committee approved all grants on the grant date.

(2) We did not award any stock options to any NEOs in fiscal 2011; therefore, we did not include the All Other Option Awards column in this table.

(3) The amounts for RSUs represent the grant date fair value based on the closing stock price of the Company s stock on the date of grant. For additional information on the valuation assumptions, refer to Note 1 Basis of Presentation of Qualcomm s consolidated financial statements included in Appendix 1. The amounts for PSUs represent the grant date fair value as determined using a Monte Carlo simulation.

Outstanding Equity Awards at Fiscal Year End

The Outstanding Equity Awards at Fiscal Year End table provides information on the current holdings of equity awards by the NEOs. All stock options awarded to the NEOs were nonqualified stock options; options granted prior to September 10, 2010 are exercisable for ten years from the grant date, and options granted on or after September 10, 2010 are exercisable for seven years from the grant date.

Table of Contents

Outstanding Equity Awards at Fiscal Year End

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options Exercisable # (1)	Number of Securities Underlying Unexercised Options Unexercisable #	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (2)	Market Value of Shares or Units of Stock That have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That have Not Vested (#) (3)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Paul E. Jacobs	1,041		17.47	11/7/2012				
	600,000		43.62	12/2/2014				
	900,000		44.02	11/3/2015				
	560,333	25,667	34.83	11/9/2016				
	728,333	221,667	37.29	11/11/2017				
	493,810	396,500	35.66	11/6/2018				
	148,218	247,032	44.75	11/8/2019				
					145,860	7,335,293		
							300,951	15,134,809
Total	3,431,735	890,866			145,860	7,335,293	300,951	15,134,809
William E. Keitel	37,000	12,334	34.83	11/9/2016				
	42,500	99,167	37.29	11/11/2017				
	37,500	162,500	35.66	11/6/2018				
	18,794	93,970	44.75	11/8/2019				
					52,732	2,651,892		
							111,693	5,617,054
Total	135,794	367,971			52,732	2,651,892	111,693	5,617,054
Steven R. Altman	600,000		43.62	12/2/2014				
	620,000		44.02	11/3/2015				
	465,500	19,000	34.83	11/9/2016				
	301,333	134,167	37.29	11/11/2017				
	36,333	236,167						