

**Qualcomm**  
**2020 Annual Meeting of Stockholders**  
**March 10, 2020**

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**Presenters**

**Mark McLaughlin, Chairman of the Board of Directors**  
**Steve Mollenkopf, CEO**

**Q&A Participants**

**David Burns**  
**Russ Gemida**  
**Elizabeth Peel**

**Unidentified Speaker**

Please welcome chairman of the board of directors of Qualcomm, Incorporated, Mark McLaughlin.

**Mark McLaughlin**

Thank you very much. Good morning, ladies and gentlemen. I'm Mark McLaughlin, Chair of the Board of Directors of Qualcomm, Incorporated. And welcome to Qualcomm's 2020 Annual Meeting of Stockholders.

Our attendance is a little lighter than usual today due to Coronavirus. I want to pass along the wishes of the board and all the management team that our thoughts are with all those who are impacted by the outbreak, directly or indirectly, especially our employees, stockholders, business partners, and families, and all those who are impacted around the world.

Now, before I call the meeting to order, I'd like to introduce the other members of the board of who are with us this morning. Mark Fields, Jeff Henderson, Harish Manwani, Steve Mollenkopf, Ambassador Sandy Randt, Irene Rosenfeld, Neil Smit, and Tony Vinciguerra.

And Barbara Alexander, Dr. Francisco Ross, and Ann Livermore could not be here today, but Ann is listening in live on the webcast.

I would also like to introduce our executives who are present today. Steve Mollenkopf, our Chief Executive Officer; Cristiano Amon, our President; Brian Modoff, our Executive Vice President, Strategy and Mergers & Acquisitions; Akash Palkiwala, Executive Vice President and Chief Financial Officer; Alex Rogers, our Executive Vice President and President of QTL; Don Rosenberg, Executive Vice President, General Counsel and Corporate Secretary; and Dr. Jim Thompson, Executive Vice President Engineering and Chief Technology Officer.

I'd also like to acknowledge today the presence of Dr. Irwin Jacobs and Joan Jacobs, who are with us today. It's always a delight and honor to have you with us. Thank you very much.

In addition, present are Jay Rains of the law firm of DLA Piper, the company's outside corporate legal counsel and Bob Barrett of the accounting firm of PricewaterhouseCoopers, LLP, the company's independent public accountants. Mr. Barrett will be available to answer any questions concerning PricewaterhouseCoopers and its services to the company.

Qualcomm's 2020 annual meeting of stockholders will now come to order. I will act as the chairman and Don Rosenberg will act as the secretary. Will the secretary please report with respect to the stockholder list and distribution of notice of the meeting?

**Don Rosenberg**

Yes, Mr. Chairman. I have at this meeting a complete list of the stockholders of record of the company's common stock on January 13, 2020, the record date for this meeting.

I also have with me an affidavit certifying that on January 23, 2020, the notice of the 2020 annual meeting of stockholders was distributed to stockholders of record as of the close of business on the record date.

The affidavit of distribution will be attached to the minutes of this meeting.

**Mark McLaughlin**

Thank you, Don. Stockholders who have voted by proxy, either by mail, internet, or telephone need not cast ballots today unless you wish to change your votes. Prior to opening the polls for voting, we would like to distribute ballots to anyone who did not pick one up at the registration table and would like one now.

Please raise your hand if you'd like a ballot at this time.

Okay. At this time, I appoint Mr. Peter Descovich to act as the inspector of election for this meeting. Mr. Descovich has taken and subscribed to the customary oath of office to execute his duties with strict impartiality. This oath will be attached to the minutes of this meeting.

The inspector's function is to decide upon the qualification of voters, accept their votes, and when balloting is complete, to tally the final votes. Will the secretary please report with respect to the existence of a quorum?

**Don Rosenberg**

I've been informed by the inspector of election that at least a majority of the company's outstanding shares of stock are present, in person or by proxy. This constitutes a quorum for the transaction of business.

**Mark McLaughlin**

Since the requirements for calling this meeting have been duly observed and they're represented here more than a necessary number of shares of the outstanding common stock of the company to constitute a quorum, I hereby declare this meeting to be duly constituted for the transaction of all business.

The formal business of this meeting is listed in the notice of annual meeting and proxy statement that was provided to the stockholders. There are several proposals to be considered by stockholders at this meeting. We will now place each other proposals before the meeting.

Following the formal business of the meeting, we will adjourn and Steve will provide a business update and then we'll have time to take some questions.

The meeting will now proceed to the first item of business.

Proposal one is the election of 10 directors to serve until next year's annual meeting of stockholders. The board has nominated the following persons for election as directors of the company and recommends its stockholders vote for each nominee. Mark Fields, Jeff Henderson, Ann Livermore, Harish Manwani, Mark McLaughlin, Steve Mollenkopf, Ambassador Sandy Randt, Irene Rosenfeld, Neil Smit, and Tony Vinciguerra.

These nominations need no second, since no other director nominations were received prior to the deadline specified in our bylaws and stated in last year's proxy materials. The nominations are now closed.

Proposal two is the ratification of the selection of PricewaterhouseCoopers, LLP as the company's independent public accountants for fiscal year ending September 27, 2020. The board recommends a stockholder vote "For" this proposal.

Proposal three is the approval of the amended and restated 2016 long-term incentive plan, including an increase in the share reserve by 74,500,000 shares. The board recommends that stockholders vote "For" this approval.

Proposal four is the approval on an advisory basis of the company's executive compensation. The board recommends that stockholders vote "For" this proposal.

Proposal five is the approval on an advisory basis of the frequency of future advisory votes on the company's executive compensation. The board recommends that stockholders vote for an "Annual" advisory vote on this proposal.

That concludes the proposals for today's meeting. Is there any discussion?

The polls are now open for voting on all the matters to be presented. If you wish to vote by ballot on these matters, please hold up your ballot so that an usher may collect it.

Okay. Seeing no ballots, we are ready to continue.

Have all the ballots been executed and delivered?

**Peter Descovich**

Yes, Mr. Chairman.

**Mark McLaughlin**

I now declare the polls closed. Has the inspector of election completed the tally?

**Peter Descovich**

Yes, Mr. Chairman.

**Mark McLaughlin**

Please report on the results of the voting.

**Peter Descovich**

Mr. Chairman, based on the proxies and ballots received, I can report that all nominees for director have been elected. The selection of PricewaterhouseCoopers as the company's independent public accountants for the fiscal year ending September 27, 2020 was ratified.

The amended and restated 2016 long-term incentive plan was approved. The advisory vote for approval of the company's executive compensation has not passed. Stockholders have approved holding future advisory votes on the executive compensation Annually.

**Mark McLaughlin**

Thank you. The full voting results will be published on our website and reported within four business days on a form 8K, which will be filed with the Security and Exchange Commission. This concludes the formal business of our meeting.

Is there a motion to adjourn the meeting?

**Unidentified Speaker**

I so move.

**Mark McLaughlin**

Is there a second?

**Unidentified Speaker**

Second.

InComm Conferencing

**Mark McLaughlin**

It has been moved and seconded that this meeting be adjourned. Any objections? Hearing no objections, this meeting is now adjourned.

On behalf of Qualcomm's board and executive committee, I would like to thank Barbara Alexander and Dr. Francisco Ross who are concluding their service at this meeting for their leadership, expertise, and strategic guidance.

We'd like to acknowledge them by making a donation in honor of Barbara Alexander to the president and fellows of Harvard College, supporting the Joint Center for Housing Studies. And a donation in honor of Dr. Ross to the Rohelios Segobia (ph) Foundation for the Development of Telecommunications located in Madrid.

I'd now like to turn the meeting over to Steve for a brief discussion of business, after which we will have a 15 minute question and answer session.

Any stockholder with questions should form a line at the microphones in the aisles after Steve's presentation. In fairness to all stockholders, you will not be permitted any more than two minutes for your questions or comments. If you're not able to ask a question, please contact our Investor Relations group.

Thank you very much. Steve?

**Steve Mollenkopf**

All right. Good morning, everybody. Thank you for coming. I'm sorry that we didn't get to have the usual packed house. But, I want to also echo Mark's comments about our support for all the folks who are affected by the current situation with the coronavirus in particular.

Our employees, our customers, and our partners, and, of course, our very important partners in Asia, many of whom, I think, are seeing a little bit of an improved situation, but still in a very difficult situation. So, they do have our support and I want to acknowledge that.

Let me quickly go through--I'm going to make a few comments here today that--forward looking statements and including expectations, projections, other potential future events. The actual results may vary, may differ materially from these forward-looking statements. So, please refer to our proxy and other filings.

So, let me just quickly talk about 2019. It was a very interesting and significant year, about \$19 million in non-GAAP revenue. We continue to see the expansion of the mobile handset platform and continued strength in QTL.

But, if you look at it in more detail, this was really a year that I think proved--or displayed the essence of Qualcomm. Working through big problems, dealing with large technology transitions and delivering them at scale, and then trying to do that in a way that rewards not only our partners but also our shareholders.

If you look back a year ago at the same meeting, I think it was probably a very different feeling in terms of the outlook than where we are today. But, it was just a tremendous year, if you look at significant things that occurred.

So, we drove 5G. Started really in a big way, over 275 5G devices launched or in development. We resolved the multi-year dispute with Apple, which obviously was a big headline. Licensing, in addition to that dispute, was also quite significant. We now have over 80 5G license agreements worldwide. Including with a large customer, Samsung, LG, and a number of others, of course.

We have two other large customers that we're working on right now that we've talk about. That was a very strong here in terms of execution in terms for the QTL team.

We had a large stock buyback, which we completed in the year. We did that when we were--I think we saw an opportunistic opportunity to take advantage of that. A large move really, \$23 billion. And hopefully you are pleased with that--as pleased with that as we are.

Our front end, we acquired the remaining interest of our RF360 acquisition. It was quite--I think it's going to be a very good asset for us long-term. And of course, we are navigating our way through the FTC complaint and legal situation and we're pleased to see that we were able to get to stay of that. And that is progressing.

I'm also very happy today to be able to talk about an increase in our dividend. We increased dividend by about 5 percent. We have, in history, returned \$91 billion of capital return--cumulative capital return to shareholders--to stockholders. And hopefully that's well received.

We're pleased to be in a position to not only do that, but also retain strategic flexibility for the company. I think very important thing as we move in through the big opportunities of 5G.

If you look at our strategy, what's the strategy of Qualcomm? What ties it all together?

Essentially what we do is we invest in the fundamental technologies that make cellular happen and then we deliver them at scale worldwide. Increasingly, that means delivering them not only in the cellular world but also outside of the cellular world. It's been something that the company has done through its entire period of time. And I think it's even more relevant today than it's ever been.

So, if I look--what are we? We're really the world's largest technology innovator for wireless. We're well-positioned not only in patents, but products. We have an opportunity to grow in adjacent markets. And we think we can do that in a way that's attractive to our shareholders in the form of revenue growth and margin expansion.

So, if I look at our patent portfolio, we talk about portfolio all the time. And although we sometimes hesitate to talk about numbers because the quality of the patents are so strong, but we also have the numbers.

And as a result of \$61 billion of cumulative R&D investment, we have over 140,000 patents or pending patent applications. We have 300 plus license agreements and we have licensed over 13 billion devices in the history. So, tremendously valuable program not only to our shareholders and our company, but also worldwide in terms of the industries and companies that have been created based off of the success of our patent portfolio and our ability to deliver that at scale.

And we're very pleased to have our innovation recognized not only by our industry but also by some of the key partners and by the press. So, Fast Company this morning actually announced that we are on the list and have been named to the Fast Company list for the world's most innovative companies. We're very happy to be honored here. And it's really a testament to the quality of the people that work here and the importance of the things that they work on.

So, on behalf of the employees, I really want to thank the folks at Fast Company for honoring us. It's truly a great honor.

Let me talk a little bit about 5G momentum. If you look at 5G, it's really driving faster than we've seen other transitions and it's happening worldwide faster as well. So, if you look today, there are 50 plus 5G networks that have launched in 20 plus countries. There are over 345 operators in 119 countries who have already--they're already investing in 5G.

So, of the 50 that have launched, there are already ~~345 additional~~ or 345 companies--or countries who have--or operators, excuse me, who have said I am going to launch as well. So, tremendous runway coming.

And we expect even in this year 200 million 5G devices to ship in 2020. By 2022, we expect that to be 750 million or more devices launching. Tremendous scale.

By the time we get to 2023, we think 5G connections will surpass ~~2~~ 1 billion. That's two years faster than what happened in 4G. And by 2025, we expect that to reach ~~3~~ 2.8 billion. So, that's about 30 percent of the total connections--cellular connections worldwide will be 5G.

And of course, that's what we're focused on doing. That's where the real value comes from, our ability to drive that worldwide.

So, if you look at the impact--tremendous amount of numbers I gave on the last page, but if you look at the impact, what does it mean to the economies? What does it mean to the industry? What's the significance of this worldwide?

So, if you look at the study that we commissioned with--I believe it was IHS, the total value of the goods and services associated with 5G just in the year 2035 is \$13.2 trillion. Now, that's not GDP impact, but it's the impact of someone selling something to someone selling something else to something--make somebody else due to 5G. It's the real economic impact of having this technology scale. It's tremendous impact worldwide.

To remind you, two years ago, I think we said it would've been 12.3. So, just in the last two years, that's moved up by 1 billion-trillion. So, a significant opportunity I think not just for Qualcomm, but for other companies.

So, how do we profit from it? It's obviously good for us when devices use technology that we're developing, but what does it really mean to a shareholder?

First of all, we get more revenue per device. You're starting to see that not only in how we talk about devices when device is launching, but you're actually starting to see that in the numbers of the business, which we're happy to see happening. That will continue.

We have growing opportunity for Qualcomm to grow outside of the cellular space. Things like our automobile business or in our networking business or in the internet of things.

And then, finally, further out but also equally important, is that the future of the cloud and AI intersect with 5G. All of the things that you think about today when you think about the cloud, you're so excited about the opportunities that happen when people get connected or businesses get connected, they're all head toward a future which is related to the combination of 5G, AI, and the cloud. And Qualcomm will be waiting there for them.

So, let me just finish with that and just remind everybody. So, the opportunity for us is not only in front of us and significant, but we should be thinking about how do we think about the company we're investing because we believe that 5G is not only the future of our cellular industry, but really the future of the internet. And it's a big opportunity for us.

It's enabled by the tight relationship of the technologies that we put together and deliver at scale. And we feel very confident in our ability to be able to deliver on it.

So, thank you very much for being a shareholder, for coming and talking to us, braving the current situation. And we look forward to taking your questions. So, thank you very much.



All right. Well, good morning, everyone. Anyone like to ask a question? Please.

**David Burn-Busni**

Hi. David Burns, San Jose. This question regards IP. It might be best directed to Don Rosenberg, perhaps Alex Rogers. Qualcomm is known and recognized for its value depth and breadth of its IP portfolio. Qualcomm is also known for its advocacy, particularly government levels regarding protecting IP.

Earlier this year, this tariff agreement signed between the government of the United States of America and the government of People's Republic of China includes aspects of IP in it. Directly, pharmaceuticals, trademarks, but also patents.

So, I wanted to ask the general question, do the terms of this agreement in general allow Qualcomm to support its IP the way it would like to? And where are things heading towards protecting Qualcomm IP in the future?

**Don Rosenberg**

Sure. I'll start.

So, yes, phase one of the trade agreement discusses IP in several areas, including trade secret. You didn't mention that. There is some patent focus but not as much as there probably will be in the future.

That said, we have experienced quite a bit of success in China in terms of having our patents both recognized and enforced. You'll recall just within the last year or so we had several cases there where we not only successfully pursued infringement claims, but actually got injunctive relief in China.

We've seen a gradual over time but a definite movement toward IP protection in China as China moves--tries to move from the manufacturer of the world to an innovator as well. And we think that has contributed to supporting intellectual property rights.

And we're going to continue to lobby both in the U.S. and in China for greater support of intellectual property rights and make sure that they maintain proper value that they're entitled to.

**Alex Rogers**

Yeah. So, just really quickly, I think the phase one agreement is good context for protection of IP rights between the two countries and in China. It's good context for our business.

We continue to be very active in markets around the world. Europe, U.S. here, China, India, and elsewhere to support policy thinking that properly recognizes the importance of intellectual

property, particularly patents. And so, we continue to be extremely active in trying to make sure that there's a healthy discussion oriented towards protecting patent rights and in particular standard to central patents as well.

**Unidentified Speaker**

Thank you, Alex. Thank you, Don.

**Unidentified Speaker**

You're welcome.

**Rustom Jamadar**

Good morning. I'm Rustom Jamadar. Can you comment on Huawei as a competitor to Qualcomm and 5G?

**Steve Mollenkopf**

Sure. Why don't I start and maybe my colleagues can fill it in?

So, like a lot of players in the cellular industry, I would say the relationship between Qualcomm and Huawei or Qualcomm and Samsung or others is actually quite complicated. We may be customers of each other. We may be partners in some areas and we may be competitors in some areas.

Huawei, for us, is a customer and also, in many respects, a partner to help drive the cellular ecosystem forward. You need to have many big players to actually create the worldwide scale that's required.

As a result, I think they have become much stronger over the years. They have a stronger position historically in 5G than they have had in 3G and 4G. But, I think that's not unusual in the cellular industry to see new players emerge and the like.

We continue to have, I think, a very constructive ability to drive the industry forward with them and with other partners. And we'll see that continuing.

But, by and large, we're both trying to figure out how to get 5G to become even more important worldwide standard. That's very different than I think some of the commentary you hear from people who compete with them directly, but we're really not in that industry.

**Elizabeth Peele**

Good morning. Hi. I'm Elizabeth Peele in from Orlando, Florida.

And I wanted to just thank the leadership team for what you have done to touch the lives of all stakeholders involved in Qualcomm. I'm a small stockholder, but have appreciated the return

on the investment, the grand vision that you have, how you've protected the stance of Qualcomm in the very competitive and volatile world. And I just want to say thank you.

**Unidentified Speaker**

Thank you.

**Unidentified Speaker**

Thank you.

**Unidentified Speaker**

Thank you.

**Unidentified Speaker**

Thank you.

**Steve Mollenkopf**

Any others?

**Unidentified Speaker**

That's it.

**Unidentified Speaker**

Any--look online.

**Steve Mollenkopf**

Any of you guys? Anything? Well, I think we're in the most unusual situation we've ever been in in one of these meetings. So, I think what I'll do is just thank everyone for coming.

We appreciate the dialogue, the support. Please take care of yourselves as you deal with this situation. And just know that there's still a lot of people at Qualcomm working hard. They're the long-term vectors for growth and excitement about the company remain. And we're working very hard on them, not only for you, but for the rest of the industry.

But, thank you very much for coming and take care of yourselves, please. Thank you.