

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

IN RE QUALCOMM INCORPORATED
SECURITIES LITIGATION

Case No. 3:17-cv-00121-JO-MSB

**NOTICE OF (I) PROPOSED SETTLEMENT AND
PLAN OF ALLOCATION; (II) SETTLEMENT HEARING; AND
(III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES**

TO: all persons or entities who purchased or otherwise acquired the common stock of Qualcomm Incorporated (“Qualcomm”) between February 1, 2012 and January 20, 2017, inclusive (the “Class Period”), and who were damaged thereby

***A Federal Court authorized this Settlement Notice.
This is not a solicitation from a lawyer.***

NOTICE OF SETTLEMENT: Please be advised that the Court-appointed Lead Plaintiffs, Sjunde AP-Fonden and Metzler Asset Management GmbH, on behalf of themselves and the Class (defined in ¶ 24 below), have reached a proposed settlement of the above-captioned action (“Action”) for **\$75,000,000.00** in cash that, if approved, will resolve all claims in the Action (the “Settlement”).¹

PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Class, your legal rights will be affected whether or not you act.

If you have questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, Qualcomm, any other Defendant in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see paragraph 69 below).

1. **Description of the Action and the Class:** This Notice relates to the proposed Settlement of claims in a pending securities class action brought by Qualcomm investors alleging, among other things, that Qualcomm and certain of its officers, Derek K. Aberle, Steven R. Altman, Donald J. Rosenberg, William F. Davidson, Jr., Paul E. Jacobs, and Steven M. Mollenkopf (together with Qualcomm, “Defendants”) violated the federal securities laws by making materially false and misleading statements and omissions regarding, among other things, Qualcomm’s alleged bundling of the negotiations and terms of its patent licenses and chipset agreements. A more detailed description of the Action is set forth in ¶¶ 10-23 below. If the Court approves the proposed

¹ All capitalized terms used in this Settlement Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated June 17, 2024 (the “Stipulation”), which is available at www.QualcommSecuritiesLitigation.com.

Settlement, the Action will be dismissed and members of the Class (defined in ¶ 24 below) will settle and release all Released Plaintiffs' Claims (defined in ¶ 35 below).

2. **Statement of the Class's Recovery:** Subject to Court approval, Lead Plaintiffs, on behalf of themselves and the Class, have agreed to settle the Action in exchange for a payment of \$75,000,000 in cash ("Settlement Amount") to be deposited into an escrow account. The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon ("Settlement Fund") less: (a) any Taxes, (b) any Notice and Administration Costs, (c) any Litigation Expenses awarded by the Court, and (d) any attorneys' fees awarded by the Court) will be distributed in accordance with a plan of allocation approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Class. The proposed plan of allocation ("Plan of Allocation") is attached hereto as Appendix A.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiffs' damages expert's estimate of the number of shares of Qualcomm common stock that may have been affected by the alleged conduct at issue in the Action, and assuming that all Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) is \$0.07 per eligible share. **Class Members should note, however, that the foregoing average recovery per eligible share is only an estimate.** Some Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased, held, or sold their Qualcomm stock and the total number and value of valid Claims submitted. Distributions to Class Members will be made based on the Plan of Allocation attached hereto as Appendix A or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree that they violated the federal securities laws or that, even if liability could be established, that any damages were suffered by any members of the Class because of their alleged conduct.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which have prosecuted the Action on a wholly contingent basis since its inception seven years ago, have not received any payment of attorneys' fees for their representation of the Class in the Action and have advanced the funds to pay expenses incurred to prosecute this Action. Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP and Motley Rice LLC, will apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' Counsel in the amount of 23% of the Settlement Fund, including any interest earned thereon. In addition, Lead Counsel will apply for payment of Litigation Expenses incurred by Plaintiffs' Counsel in connection with the institution, prosecution, and resolution of the claims against Defendants, in an amount not to exceed \$7.5 million, which amount may include a request for the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses. The estimated average cost per eligible share of Qualcomm common stock, if the Court approves Lead Counsel's fee and expense application, is approximately \$0.02 per share. **Please note that this amount is only an estimate.**

6. **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Class are represented by Jonathan D. Uslander of Bernstein Litowitz Berger & Grossmann LLP, 2121 Avenue of the Stars, Suite 2575, Los Angeles, CA 90067, 1-800-380-8496, settlements@blbglaw.com, and

Gregg S. Levin of Motley Rice LLC, 28 Bridgeside Blvd., Mount Pleasant, SC 29464, 1-843-216-9000, qcomsettlementquestions@motleyrice.com.

7. **Reasons for the Settlement:** Lead Plaintiffs’ principal reason for entering into the Settlement is the substantial and certain cash benefit provided for the Class, without the risk or the delays and costs inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery—or no recovery at all—might be achieved after a trial of the Action and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing, liability, or damages whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further litigation.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A CLAIM FORM POSTMARKED (IF MAILED), OR ONLINE, NO LATER THAN NOVEMBER 8, 2024.	This is the only way to be potentially eligible to receive a payment from the Settlement Fund. If you are a Class Member, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs’ Claims (defined in ¶ 35 below) that you have against Defendants and the other Defendants’ Releasees (defined in ¶ 36 below), so it is in your interest to submit a Claim Form.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 6, 2024.	If you do not like the proposed Settlement, the proposed Plan of Allocation, and/or the requested attorneys’ fees and Litigation Expenses, you may object by writing to the Court and explaining why you do not like them. You cannot object unless you are a Class Member.
ATTEND A HEARING ON SEPTEMBER 27, 2024 AT 9:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN SEPTEMBER 6, 2024.	If you have filed a written objection and wish to appear at the hearing, you must also file a notice of intention to appear by September 6, 2024, which allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing.
DO NOTHING.	If you are a member of the Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are being resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

These rights and options—and the deadlines to exercise them—are further explained in this Notice. **Please Note:** The date and time of the Settlement Hearing—currently scheduled for September 27, 2024 at 9:00 a.m. Pacific time—is subject to change without further notice to the Class. It is also within the Court’s discretion to hold the hearing in person or telephonically. If you plan to attend the hearing, you should check the website,

www.QualcommSecuritiesLitigation.com, or with Lead Counsel as set forth above to confirm that no change to the date and/or time of the hearing has been made.

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WHY DID I GET THIS NOTICE?

8. The purpose of this Settlement Notice is to inform potential Class Members about the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the motion by

Lead Counsel for attorneys' fees and Litigation Expenses (the "Settlement Hearing"). See paragraphs 55-56 below for details about the Settlement Hearing, including the date and location of the hearing.

9. The issuance of this Settlement Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still must decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

WHAT IS THIS CASE ABOUT?

10. Qualcomm is a technology company incorporated in Delaware and headquartered in San Diego, California. Qualcomm holds patents essential to certain cellular communications standards and is also one of the world's largest suppliers of chipsets for mobile devices. Qualcomm's common stock trades on the NASDAQ under the ticker symbol "QCOM."

11. This Action is a securities class action lawsuit alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against Qualcomm and certain of its officers (the "Defendants"). This lawsuit alleges that Defendants made material misrepresentations and omissions during the Class Period (from February 1, 2012 through January 20, 2017, inclusive) regarding Qualcomm's licensing and business practices, including Qualcomm's alleged bundling of the negotiations and terms of its patent licenses and chipset agreements, that artificially inflated the price of Qualcomm's common stock during the Class Period.

12. In January 2017, certain related class actions (*Rajesh Shah v. Qualcomm Inc. et al.*, Case No. 17-cv-00121-JAH-WVG and *James Feenstra v. Qualcomm Inc. et al.*, Case No. 17-cv-00155-JAH-WVG) were filed in the United States District Court for the Southern District of California (the "Court"), alleging violations of the federal securities laws.

13. On March 24, 2017, Sjunde AP-Fonden and Metzler Asset Management GmbH moved for appointment as Lead Plaintiffs, approval of their selection of lead counsel, and consolidation of all actions. On May 4, 2017, the Court appointed Sjunde AP-Fonden and Metzler Asset Management GmbH as Lead Plaintiffs, approved Bernstein Litowitz Berger & Grossman LLP and Motley Rice LLC as Lead Counsel for the Action, and ordered that all future filings in the action be made in Case No. 3:17-cv-00121-JAH-WVG, under the caption *In re Qualcomm Incorporated Securities Litigation*.

14. On July 3, 2017, Lead Plaintiffs filed their Consolidated Class Action Complaint for Violation of the Securities Laws (the "Complaint"). The Complaint asserts claims under Section 10(b) of the Securities Exchange Act of 1934 against all Defendants and under Section 20(a) against the Executive Defendants. The Complaint alleges that during the period from February 1, 2012 through January 20, 2017, Defendants made materially misleading or false statements or material omissions regarding, among other things, Qualcomm's alleged bundling of the negotiations and terms of its patent licenses and chipset agreements.

15. On March 18, 2019, the Court denied Defendants' motion to dismiss the Complaint. Defendants filed their Answer to the Complaint on May 31, 2019. In their Answer, Defendants denied all allegations of wrongdoing.

16. On January 15, 2020, Defendants moved for judgment on the pleadings, contending that Lead Plaintiffs failed to plausibly allege that disclosure of the truth concerning the alleged misstatements caused the declines in Qualcomm's stock price. On February 3, 2022, the Court denied the motion.

17. On May 23, 2022, Lead Plaintiffs filed a motion for class certification. On March 20, 2023, the Court issued an Order granting in part and denying in part Lead Plaintiffs' motion for class certification. The Court certified the Class (defined in ¶ 24 below), and appointed Lead Plaintiffs as Class Representatives for the Class and Bernstein Litowitz Berger & Grossmann LLP and Motley Rice LLC as Class Counsel.

18. On October 16, 2023, the Court entered an order setting a schedule for pre-trial proceedings with trial to begin October 28, 2024.

19. Beginning in November 2023, a notice was mailed to potential Class Members to notify them of, among other things: (i) the Court's certification of the Action to proceed as a class action on behalf of the Class; and (ii) Class Members' right to request to be excluded from the Class, the effect of remaining in the Class or requesting exclusion, and the procedure for requesting exclusion (the "Class Notice"). The deadline for requesting exclusion from the Class pursuant to the Class Notice was January 29, 2024. A list of the persons and entities who requested exclusion pursuant to the Class Notice is available at www.QualcommSecuritiesLitigation.com.

20. From March 2019 through March 2024, the Parties engaged in extensive fact and expert discovery, which included, among other things, issuing and responding to hundreds of document requests, interrogatories, and requests for admissions; serving multiple subpoenas on third parties; the production of 60 million pages of discovery from Defendants and third parties to Lead Plaintiffs and the extensive review and analysis of those documents by Lead Counsel; taking or defending over 37 fact and expert depositions; and preparation of expert reports from 11 expert witnesses (five for Lead Plaintiffs and six for Defendants). Discovery in the Action was hard-fought. The Parties regularly met and conferred regarding discovery issues and brought several disputed issues to the Court for resolution.

21. On March 29, 2024, Defendants moved for summary judgment on certain issues; to decertify the Class, and to exclude certain opinions and testimony from Lead Plaintiffs' proposed expert witnesses. On the same day, Lead Plaintiffs filed motions to exclude certain opinions and testimony from Defendants' proposed expert witnesses. These motions were fully briefed as of May 24, 2024, and were still pending when the Parties reached their agreement to settle.

22. The Parties reached an agreement in principle to settle the Action for \$75 million on May 31, 2024, and entered into the Stipulation on June 17, 2024. The Stipulation sets forth the full terms and conditions of the Settlement and can be viewed on the website for the Action, www.QualcommSecuritiesLitigation.com.

23. By Order dated June 27, 2024, the Court preliminarily approved the Settlement, authorized notice of the Settlement to be provided to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?
WHO IS INCLUDED IN THE CLASS?**

24. If you are a member of the Class who has not previously sought exclusion from the Class in connection with the Class Notice, you are subject to the Settlement. The Class, which was certified by the Court on March 20, 2023, consists of:

all persons or entities who purchased or otherwise acquired the common stock of Qualcomm between February 1, 2012 and January 20, 2017, inclusive (the “Class Period”), and who were damaged thereby.

Excluded from the Class are Defendants, the Officers and directors of Qualcomm at all relevant times, their Immediate Family Members, legal representatives, heirs, agents, affiliates, successors, or assigns, Defendants’ liability insurance carriers, and any affiliates or subsidiaries thereof, and any entity in which Defendants or their immediate families have or had a controlling interest. Also excluded from the Class are all persons and entities who requested exclusion from the Class in connection with the mailing of the Class Notice. A list of the persons and entities who requested exclusion is available at www.QualcommSecuritiesLitigation.com.

PLEASE NOTE: Receipt of this Settlement Notice does not mean that you are a Class Member or that you will be entitled to receive proceeds from the Settlement.

If you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Claim Form that is being distributed with this Settlement Notice and the required supporting documentation postmarked (if mailed), or online, no later than November 8, 2024.

WHAT ARE LEAD PLAINTIFFS’ REASONS FOR THE SETTLEMENT?

25. Lead Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the uncertainty, expense, and length of the continued proceedings inherent in the prosecution of their claims through resolution of Defendants’ pending motions for summary judgment, other pre-trial motions, trial, post-trial motions, and appeals presented significant risks to achieving a result superior to the Settlement.

26. Lead Plaintiffs faced risks on each main element of their claims, including falsity, scienter, and loss causation. Defendants had asserted, and would continue to argue, that their statements at issue concerning Qualcomm’s alleged bundling were true. For example, Defendants would argue that the statements that Qualcomm made commitments to standard-setting organizations to license patents on fair, reasonable, and non-discriminatory (“FRAND”) terms were literally true, and that their statements that Qualcomm’s two business units were “separate” was also true because they have separate management and financial statements. Defendants also had strong arguments that their statements that Qualcomm “facilitated competition” were true, including because the Ninth Circuit Court of Appeals ultimately found in connection with another action that Qualcomm’s business practices were “hypercompetitive” and that it “asserted its economic muscle ‘with vigor, imagination, devotion, and ingenuity.’” Defendants would also argue that they lacked the necessary “scienter” (state of mind) because they honestly believed their statements, that none of Qualcomm’s business practices violated any laws or any FRAND commitments, and that its practices were, in fact, procompetitive.

27. Lead Plaintiffs also faced the risks of no recovery based on developments in the actions that formed the basis of the corrective disclosures in this case. Since the time that the Complaint was filed, Qualcomm has successfully defeated nearly every other related action. For example, the Ninth Circuit held that Qualcomm's business practices at issue here complied with the competition laws and reversed a district court's decision in favor of the FTC. The Ninth Circuit also vacated a district court order certifying a class of U.S. consumers alleging the same anti-competitive practices, after which the district court dismissed certain claims and granted summary judgment on all remaining claims in favor of Qualcomm. Likewise, a court reversed the European Commission's findings that Qualcomm's chip-selling practices to Apple had anticompetitive effects, and Apple voluntarily dismissed its suit against Qualcomm and agreed to pay Qualcomm billions of dollars, causing an increase in Qualcomm's stock price. Meanwhile, the SEC has taken no action against any of the Defendants related to the alleged misstatements at issue in the case.

28. In addition, Lead Plaintiffs faced substantial risks in establishing loss causation and damages. Defendants would argue that Lead Plaintiffs and their damages expert could not establish a causal connection between the alleged misrepresentations and the alleged corrective disclosures that Lead Plaintiffs contended caused investors losses. Defendants would point to the fact that each of the corrective disclosures in this case were announcements of regulatory enforcement actions or a private lawsuit. Defendants strenuously argued that the corrective disclosures did not reveal "new" information about any of Qualcomm's alleged licensing and bundling practices, but merely disclosed developments in the regulatory investigations, which Defendants had already disclosed. The Court already accepted Defendants' argument as to Qualcomm's representations concerning its licensing practices in its Class Certification Order, declining to certify a class with respect to most of the alleged misrepresentations that had been at issue in this case. Defendants would also contend that their public SEC filings repeatedly warned investors about the risks of regulatory action, as well as the initiation of the investigations that led to the enforcement actions forming the corrective disclosures at issue. Finally, Defendants would argue that Lead Plaintiffs could not appropriately disaggregate the impact of information that was not related to the alleged false and misleading statements and omissions on the price declines at issue. On that basis, Defendants had moved to decertify the class through a motion that, if successful, would have precluded Lead Plaintiffs from prosecuting this action as a class action altogether.

29. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Class, Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class. Lead Plaintiffs and Lead Counsel believe that the Settlement provides a favorable result for the Class, namely \$75 million in cash (less the various deductions described in this Settlement Notice), as compared to the risk that the claims in the Action would produce a smaller, or no, recovery after a contested trial and appeals, possibly years in the future.

30. Defendants have denied the claims asserted against them in the Action and in the Complaint and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, as noted above, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

31. If there were no Settlement and Lead Plaintiffs failed to establish, either on summary judgment, at trial, or on appeal, any essential legal or factual element of their claims against Defendants, neither Lead Plaintiffs nor the other Class Members would recover anything from Defendants. Among other things, Lead Plaintiffs faced the very real risk that they would not be able to establish that Defendants made materially false or misleading statements or acted with fraudulent intent, or with the necessary state of mind. Defendants also intended to offer evidence that Lead Plaintiffs could not establish loss causation and damages, either in part or in full. In light of these circumstances, the Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

HOW ARE CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

32. As a Class Member, you are represented by Lead Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice and at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page 13 below.

33. If you are a Class Member and you wish to object to the Settlement, the Plan of Allocation, and/or Lead Counsel’s motion for attorneys’ fees and Litigation Expenses, and if you did not previously exclude yourself from the Class in connection with Class Notice, you may present your objections by following the instructions in the section entitled, “When And Where Will The Court Decide Whether To Approve The Settlement?,” on page 13 below.

34. If you are a Class Member you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (“Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and each of the other Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs’ Claim (as defined in ¶ 35 below) against Defendants and other Defendants’ Releasees (as defined in ¶ 36 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs’ Claims against any of the Defendants’ Releasees.

35. “Released Plaintiffs’ Claims” means any and all claims and causes of action of every nature and description, whether arising under federal, state, common, or foreign law, including known claims and Unknown Claims, that Lead Plaintiffs or any other member of the Class (i) asserted in the Complaint or (ii) could have asserted in any other forum that arise out of or relate in any way to the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Complaint and relate to the purchase of Qualcomm common stock during the Class Period. For the avoidance of doubt, this release does not cover, include, or release any claims relating to the enforcement of the Settlement.

36. “Defendants’ Releasees” means Defendants and their current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

37. “Unknown Claims” means any Released Plaintiffs’ Claims which any Lead Plaintiff or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants’ Claims which any Defendant does not know or suspect to exist in his or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and Defendants shall expressly waive, and each of the other Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Lead Plaintiffs and Defendants acknowledge, and each of the other Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

38. Pursuant to the Judgment, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants’ Claim (as defined in ¶ 39 below) against Lead Plaintiffs and the other Plaintiffs’ Releasees (as defined in ¶ 40 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Releasees.

39. “Released Defendants’ Claims” means any and all claims and causes of action of every nature and description, whether arising under federal, state, common, or foreign law, including known claims and Unknown Claims, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants in the Action. This release does not cover, include, or release (i) claims relating to the enforcement of the Stipulation or the Settlement; or (ii) any claims against any person or entity excluded from the Class.

40. “Plaintiffs’ Releasees” means Lead Plaintiffs, all other plaintiffs in the Action, and all other Class Members, and their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

**HOW DO I PARTICIPATE IN THE SETTLEMENT?
WHAT DO I NEED TO DO?**

41. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and you must timely complete and return a Claim Form with adequate supporting documentation *postmarked (if mailed), or submitted online at www.QualcommSecuritiesLitigation.com, no later than November 8, 2024*. You may obtain a Claim Form from the website maintained by the Claims Administrator, www.QualcommSecuritiesLitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at 1-877-390-3401, or by emailing the Claims Administrator at info@QualcommSecuritiesLitigation.com. **Please retain all records of your ownership of and transactions in Qualcomm common stock, as they may be needed to document your Claim.** If you previously requested exclusion from the Class in connection with Class Notice or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

HOW MUCH WILL MY PAYMENT BE?

42. At this time, it is not possible to make any determination as to how much any individual Class Member may receive from the Settlement.

43. Pursuant to the Settlement, Defendants have agreed to pay \$75,000,000 in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the Net Settlement Fund will be distributed to Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

44. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a Plan of Allocation and that decision is affirmed on appeal (if any) and/or the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

45. Neither Defendants, the other Defendants’ Releases, nor any other person or entity who or which paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or Judgment approving the Settlement becomes Final. Defendants and the other Defendants’ Releasees shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the Plan of Allocation.

46. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

47. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked (if mailed), or online, on or before November 8, 2024, shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the Releases given. This means that each Class Member releases the Released Plaintiffs’ Claims (as defined in ¶ 35 above) against the Defendants’ Releasees (as defined in ¶ 36 above) and

will be enjoined and prohibited from prosecuting any of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Class Member submits a Claim Form.

48. Participants in and beneficiaries of a Qualcomm-sponsored employee retirement and/or benefit plan covered by ERISA ("ERISA Plan") should NOT include any information relating to Qualcomm common stock purchased/acquired or held through the ERISA Plan in any Claim Form they submit in this Action. They should include ONLY Qualcomm common stock purchased or held outside of the Qualcomm-sponsored ERISA Plan. Claims based on any ERISA Plan(s)' purchases or ownership of Qualcomm common stock may be made by the ERISA Plan(s)' trustees.

49. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Class Member.

50. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

51. Only Class Members will be eligible to share in the distribution of the Net Settlement Fund. Qualcomm common stock is the only security eligible for recovery under the Settlement. Persons and entities who are excluded from the Class by definition or who previously excluded themselves from the Class in connection with Class Notice will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms.

52. **Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Lead Plaintiffs. At the Settlement Hearing, Lead Plaintiffs will request the Court approve the Plan of Allocation. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Class.**

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

53. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in the amount of 23% of the Settlement Fund. At the same time, Lead Counsel also intend to apply for payment of Litigation Expenses incurred in connection with the prosecution and resolution of this Action in an amount not to exceed \$7.5 million, which may include a request for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs directly related to their representation of the Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. ***Class Members are not personally liable for any such fees or expenses.***

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

54. Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.

55. Please Note: The date and time of the Settlement Hearing may change without further written notice to the Class. The Court may decide to conduct the Settlement Hearing by video or telephonic conference, or otherwise allow Class Members to appear at the hearing by phone, without further written notice to the Class. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Class Members must or may participate by phone or video, it is important that you monitor the Court's docket and the website for the Action, www.QualcommSecuritiesLitigation.com, before making any plans to attend the Settlement Hearing. Any updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person or telephonic appearances at the hearing, will be posted to the website, www.QualcommSecuritiesLitigation.com. Also, if the Court requires or allows Class Members to participate in the Settlement Hearing by telephone, the phone number for accessing the telephonic conference will be posted to the website, www.QualcommSecuritiesLitigation.com.**

56. The Settlement Hearing will be held on **September 27, 2024 at 9:00 a.m.**, before the Honorable Jinsook Ohta, United States District Judge, either in person in Courtroom 4C of the Edward J. Schwartz United States Courthouse, 221 West Broadway, San Diego, CA 92101, or by telephone or videoconference (in the discretion of the Court). The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for attorneys' fees and Litigation Expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

57. Any Class Member may object to the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of California at the address set forth below as well as serve copies on Lead Counsel and Defendants' Counsel at the addresses set forth below so that the papers are received ***on or before September 6, 2024***.

<u>Clerk's Office</u>	<u>Lead Counsel</u>	<u>Defendants' Counsel</u>
United States District Court for the Southern District of California Edward J. Schwartz U.S. Courthouse 221 West Broadway San Diego, CA 92101	Bernstein Litowitz Berger & Grossmann LLP Jonathan D. Uslander 2121 Avenue of the Stars, Suite 2575 Los Angeles, CA 90067 Motley Rice LLC Gregg S. Levin 28 Bridgeside Blvd. Mount Pleasant, SC 29464	Keker, Van Nest & Peters LLP Robert A. Van Nest 633 Battery Street San Francisco, CA 94111

58. Any objections, filings, and other submissions by the objecting Class Member must include: (a) the case name and docket number, *In re Qualcomm Incorporated Securities Litigation*, Case No. 3:17-cv-00121-JO-MSB; (b) the full name, current address, and telephone number of the person or entity objecting and must be signed by the objector; (c) a statement providing the specific reasons for the objection, including a detailed statement of the specific legal and factual basis for each and every objection and whether the objection applies only to the objector, to a specific subset of the Class, or to the entire Class; and (d) documents sufficient to prove membership in the Class, including documents showing number of shares of Qualcomm common stock that the objecting Class Member (i) owned as of the opening of trading on February 1, 2012, and (ii) purchased/acquired and/or sold during the Class Period (*i.e.*, from February 1, 2012 through January 20, 2017, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. The documentation establishing membership in the Class must consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement.

59. You may not object to the Settlement, Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and Litigation Expenses if you previously excluded yourself from the Class in connection with Class Notice or if you are not a member of the Class.

60. You may submit an objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first submit a written objection in accordance with the procedures described above, or the Court orders otherwise.

61. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and Litigation Expenses, and if you timely submit a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 57 above so that it is **received on or before September 6, 2024**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

62. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 57 above so that the notice is **received on or before September 6, 2024**.

63. Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and Litigation Expenses. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

**WHAT IF I BOUGHT QUALCOMM COMMON STOCK
ON SOMEONE ELSE'S BEHALF?**

64. In connection with the previously disseminated Class Notice, Nominees were advised that, if they purchased or otherwise acquired Qualcomm common stock from February 1, 2012 through January 20, 2017, inclusive, for the beneficial interest of persons or entities other than themselves, they must either (a) provide a list of the names, addresses, and, if available, email addresses of all such beneficial owners to A.B. Data; or (b) send a copy of the Class Notice by email to all such beneficial owners for whom they had email addresses, and request from A.B. Data sufficient copies of the Class Notice to forward to all such beneficial owners for whom email addresses are not available, and then forward those Class Notices to all such beneficial owners.

65. If you previously provided the names and addresses of persons and entities on whose behalf you purchased or otherwise acquired Qualcomm common stock from February 1, 2012 through January 20, 2017, inclusive, in connection with the Class Notice, and (i) those names and addresses remain current and (ii) you have no additional names and addresses for potential Class Members to provide to the Claims Administrator, you need do nothing further at this time. The Claims Administrator will mail the Postcard Notice to the beneficial owners whose names and addresses were previously provided in connection with the Class Notice.

66. If you elected to mail or email the Class Notice directly to beneficial owners, you were advised that you must retain the mailing records for use in connection with any further notices that may be provided in the Action. If you elected this option, the Claims Administrator will forward the same number of Postcard Notices to you to send to the beneficial owners, **and you must mail and/or email the Postcard Notices to their beneficial owners by no later than seven (7) calendar days after receipt of the Postcard Notices.** If you require more copies of the Postcard Notice than you previously requested in connection with the Class Notice mailing, please contact the Claims Administrator, A.B. Data, Ltd., toll-free at 1-877-390-3401, and let them know how many notices you require.

67. If you have not already provided the names and addresses for all persons and entities on whose behalf you purchased Qualcomm common stock from February 1, 2012 through January 20, 2017, inclusive, in connection with the Class Notice, or if you have additional names or updated or changed information, then the Court has ordered that you must, **WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS SETTLEMENT NOTICE**, either: (i) send a list of the names, addresses, and, if available, email addresses of such beneficial owners to the Claims Administrator at *Qualcomm Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173043, Milwaukee, WI 53217*, in which event the Claims Administrator shall promptly mail the Postcard Notice to such beneficial owners, or (ii) request from A.B. Data sufficient copies of the Postcard Notice to forward to all such beneficial owners, and mail the Postcard Notices to the beneficial owners within seven (7) calendar days of receipt. **AS STATED ABOVE, IF YOU HAVE ALREADY PROVIDED THIS INFORMATION IN CONNECTION WITH CLASS NOTICE, UNLESS THAT INFORMATION HAS CHANGED (E.G., BENEFICIAL OWNER HAS CHANGED ADDRESS), IT IS UNNECESSARY TO PROVIDE SUCH INFORMATION AGAIN.**

68. Upon full and timely compliance with these directions, nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees in compliance with these directions shall be paid from

the Settlement Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to review by the Court.

**CAN I SEE THE COURT FILE?
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

69. This Notice contains only a summary of the terms of the Settlement. For the terms and conditions of the Settlement, please see the Stipulation available at www.QualcommSecuritiesLitigation.com. More detailed information about the matters involved in this Action can be obtained by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.casd.uscourts.gov/>, or by visiting, during regular office hours, the Office of the Clerk, United States District Court for the Southern District of California, Edward J. Schwartz United States Courthouse, 221 West Broadway, San Diego, CA 92101. Additionally, copies of the Stipulation, any related orders entered by the Court, and certain other filings in this Action will be posted on the website, www.QualcommSecuritiesLitigation.com.

All inquiries concerning this Settlement Notice and the Claim Form should be directed to:

Qualcomm Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173043
Milwaukee, WI 53217
1-877-390-3401
info@QualcommSecuritiesLitigation.com
www.QualcommSecuritiesLitigation.com

and/or

Jonathan D. Uslander
Bernstein Litowitz Berger & Grossmann LLP
2121 Avenue of the Stars, Suite 2575
Los Angeles, CA 90067
1-800-380-8496
settlements@blbglaw.com

Gregg S. Levin
Motley Rice LLC
28 Bridgeside Blvd.
Mount Pleasant, SC 29464
1-843-216-9000
qcomsettlementquestions@motleyrice.com

**PLEASE DO NOT CALL OR WRITE THE COURT, THE CLERK'S OFFICE,
QUALCOMM, ANY DEFENDANT IN THE ACTION, OR DEFENDANTS' COUNSEL
REGARDING THIS NOTICE.**

Dated: July 11, 2024

By Order of the Court
United States District Court
Southern District of California

APPENDIX A

Proposed Plan of Allocation of Net Settlement Fund

70. As discussed above, the Settlement provides \$75,000,000 in cash for the benefit of the Class. The Settlement Amount and any interest it earns constitute the “Settlement Fund.” The Settlement Fund, after deduction of Court-approved attorneys’ fees and Litigation Expenses, Notice and Administration Costs, Taxes, and any other fees or expenses approved by the Court, is the “Net Settlement Fund.” If the Settlement is approved by the Court, the Net Settlement Fund will be distributed to eligible Authorized Claimants, *i.e.*, members of the Class who timely submit valid Claim Forms that are accepted for payment by the Court, in accordance with a plan of allocation to be adopted by the Court. Class Members who do not timely submit valid Claim Forms will not share in the Net Settlement Fund, but will otherwise be bound by the Settlement.

71. The Plan of Allocation (or the “Plan”) set forth herein is the plan that is being proposed to the Court for approval by Lead Plaintiffs after consultation with their damages expert. The Court may approve the Plan with or without modification, or approve another plan of allocation, without further notice to the Class. Any Orders regarding a modification to the Plan will be posted to www.QualcommSecuritiesLitigation.com. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan. Qualcomm common stock is the only security eligible for recovery under the Plan of Allocation.

72. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making an equitable *pro rata* allocation of the Net Settlement Fund.

73. The Plan of Allocation was created with the assistance of Lead Plaintiffs’ damages expert and reflects the assumption that Defendants’ alleged materially false and misleading statements and material omissions proximately caused the price of Qualcomm common stock to be artificially inflated throughout the Class Period. In calculating the estimated artificial inflation allegedly caused by Defendants’ alleged misrepresentations and omissions, Lead Plaintiffs’ damages expert considered price changes in Qualcomm common stock in reaction to certain public announcements allegedly revealing the truth concerning Defendants’ alleged misrepresentations and material omissions, adjusting for price changes that were attributable to market or industry forces and adjusting to disaggregate the portions of the price declines on those days that were unrelated to the alleged fraud, based on Lead Plaintiffs’ damages expert’s content analysis of media and analyst reports issued in connection with the corrective disclosures at issue.

74. In order to have recoverable damages, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of Qualcomm common stock. In this case, Lead Plaintiffs allege that Defendants made false statements and omitted material facts during the period from February 1, 2012 through January 20, 2017, inclusive, which had the effect of artificially inflating the price of Qualcomm common stock. Lead Plaintiffs further allege that corrective information was released to the market after the close of trading on November 17, 2015, before the opening of trading on December 8, 2015, and during market hours on January 17, 2017 and January

20, 2017, which removed alleged artificial inflation from the price of Qualcomm common stock on November 18, 2015, December 8, 2015, January 17, 2017, January 20, 2017, and January 23, 2017.

75. Recognized Loss Amounts are based primarily on the difference in the amount of alleged artificial inflation in the prices of Qualcomm common stock at the time of purchase or acquisition and at the time of sale, or the difference between the actual purchase price and sale price. Accordingly, in order to have a Recognized Loss Amount under the Plan of Allocation, a Class Member that purchased or otherwise acquired Qualcomm common stock during the Class Period must have held those shares through at least one of the dates where allegedly new corrective information was released to the market and allegedly partially removed the artificial inflation from the price of Qualcomm common stock.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

76. Based on the formula stated below, a “Recognized Loss Amount” will be calculated for each purchase or acquisition of Qualcomm common stock during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that number will be zero.²

77. For each share of Qualcomm common stock purchased or otherwise acquired during the Class Period (from February 1, 2012 through January 20, 2017), and:

- A. Sold before November 18, 2015, the Recognized Loss Amount will be \$0.00;
- B. Sold from November 18, 2015 through the close of trading on January 20, 2017, the Recognized Loss Amount will be ***the lesser of:*** (i) the amount of alleged artificial inflation per share on the date of purchase/acquisition as stated in Table A *minus* the amount of alleged artificial inflation per share on the date of sale as stated in Table A; or (ii) the purchase/acquisition price *minus* the sale price;
- C. Sold from January 21, 2017 through the close of trading on April 20, 2017, the Recognized Loss Amount will be ***the least of:*** (i) the amount of alleged artificial inflation per share on the date of purchase/acquisition as stated in Table A; (ii) the purchase/acquisition price *minus* the average closing price from January 23, 2017 through the date of sale as stated in Table B below; or (iii) the purchase/acquisition price *minus* the sale price; or
- D. Held as of the close of trading on April 20, 2017, the Recognized Loss Amount will be ***the lesser of:*** (i) the amount of alleged artificial inflation per share on the date of purchase/acquisition as stated in Table A; or (ii) the purchase/acquisition price *minus* \$55.80.³

² Any transactions in Qualcomm common stock executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

³ Pursuant to Section 21D(e)(1) of the Exchange Act, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent

ADDITIONAL PROVISIONS

78. **Calculation of Claimant’s “Recognized Claim”:** A Claimant’s “Recognized Claim” will be the sum of his, her, or its Recognized Loss Amounts as calculated under ¶ 77 above.

79. **LIFO Matching:** If a Class Member made more than one purchase/acquisition or sale of Qualcomm common stock during the Class Period, all purchases/acquisitions and sales will be matched on a last-in, first-out (“LIFO”) basis. Under the LIFO method, sales of Qualcomm common stock will be matched first against the most recent prior purchases/acquisitions in reverse chronological order, and then against any holdings at the beginning of the Class Period.

80. **Purchase/Sale Prices:** For the purposes of calculations in ¶ 77 above, “purchase/acquisition price” means the actual price paid, excluding any fees, commissions, and taxes, and “sale price” means the actual amount received, not deducting any fees, commissions, and taxes.

81. **“Purchase/Acquisition/Sale” Dates:** Purchases or acquisitions and sales of Qualcomm common stock will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of Qualcomm common stock during the Class Period will not be deemed a purchase, acquisition, or sale of Qualcomm common stock for the calculation of a Claimant’s Recognized Loss Amount, nor will the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition/sale of Qualcomm common stock unless (i) the donor or decedent purchased or otherwise acquired or sold such Qualcomm common stock during the Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) no Claim was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to shares of such shares of Qualcomm common stock.

82. **Short Sales:** The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Qualcomm common stock. The date of a “short sale” is deemed to be the date of sale of the Qualcomm common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sales” and the purchases covering “short sales” is zero.

83. In the event that a Claimant has an opening short position in Qualcomm common stock, the earliest purchases or acquisitions of Qualcomm common stock during the Class Period will be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

84. **Common Stock Purchased/Sold Through the Exercise of Options:** Option contracts are not securities eligible to participate in the Settlement. With respect to Qualcomm common stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

85. **Market Gains and Losses:** The Claims Administrator will determine if the Claimant had a “Market Gain” or a “Market Loss” with respect to his, her, or its overall transactions in Qualcomm common stock during the Class Period. For purposes of making this calculation, the Claims

with the requirements of the Exchange Act, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Qualcomm common stock during the “90-day look-back period,” which ran from January 21, 2017 through April 20, 2017. The mean (average) closing price for Qualcomm common stock during this 90-day look-back period was \$55.80.

Administrator shall determine the difference between (i) the Claimant's Total Purchase Amount⁴ and (ii) the sum of the Claimant's Total Sales Proceeds⁵ and the Claimant's Holding Value.⁶ If the Claimant's Total Purchase Amount minus the sum of the Claimant's Total Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain.

86. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in Qualcomm common stock during the Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in Qualcomm common stock during the Class Period but that Market Loss was less than the Claimant's Recognized Claim, then the Claimant's Recognized Claim will be limited to the amount of the Market Loss.

87. **Determination of Distribution Amount:** The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which will be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

88. If an Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that Authorized Claimant. Those funds will be included in the distribution to Authorized Claimants whose Distribution Amount is \$10.00 or more.

89. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the Net Settlement Fund seven (7) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance will be contributed to one or more

⁴ The "Total Purchase Amount" is the total amount the Claimant paid (excluding all fees, taxes, and commissions) for all shares of Qualcomm common stock purchased or acquired during Class Period.

⁵ The Claims Administrator shall match any sales of Qualcomm common stock during the Class Period using last-in, first-out ("LIFO") share matching. The proceeds of any sales matched against the Claimant's opening position in Qualcomm common stock will not be considered for purposes of calculating market gains or losses. The total amount received (not deducting any fees, commissions, and taxes) for sales of the remaining shares of Qualcomm common stock sold during the Class Period is the "Total Sales Proceeds."

⁶ The Claims Administrator shall ascribe a "Holding Value" of \$54.88 to each share of Qualcomm common stock purchased or acquired during the Class Period that was still held as of the close of trading on January 20, 2017.

non-sectarian, not-for-profit, 501(c)(3) organizations to be selected by Lead Counsel and approved by the Court.

90. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, will be conclusive against all Claimants. No person shall have any claim against Lead Plaintiffs, Plaintiffs' Counsel, Lead Plaintiffs' damages experts, Defendants, Defendants' Counsel, or any of the other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiffs, Defendants, and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

TABLE A
Qualcomm Common Stock
Estimated Alleged Artificial Inflation
February 1, 2012 through and including January 20, 2017

Date Range	Artificial Inflation Per Share
February 1, 2012 - November 17, 2015	\$10.38
November 18, 2015 - December 7, 2015	\$9.75
December 8, 2015 - January 16, 2017	\$8.54
January 17, 2017 - January 19, 2017	\$7.32
January 20, 2017	\$5.92

TABLE B
Qualcomm Common Stock
90-Day Look-Back Table
Closing Price and Average Closing Price
January 23, 2017 through April 20, 2017

Date	Closing Price	Average Closing Price between January 23, 2017 and Date Shown	Date	Closing Price	Average Closing Price between January 23, 2017 and Date Shown
1/23/2017	\$ 54.88	\$ 54.88	3/8/2017	\$ 57.77	\$ 55.29
1/24/2017	55.00	54.94	3/9/2017	57.97	55.37
1/25/2017	56.90	55.59	3/10/2017	58.64	55.47
1/26/2017	54.05	55.21	3/13/2017	58.46	55.55
1/27/2017	54.24	55.01	3/14/2017	58.22	55.63
1/30/2017	53.61	54.78	3/15/2017	58.52	55.70
1/31/2017	53.43	54.59	3/16/2017	58.35	55.77
2/1/2017	53.15	54.41	3/17/2017	57.55	55.82
2/2/2017	52.66	54.21	3/20/2017	57.81	55.87
2/3/2017	52.98	54.09	3/21/2017	56.80	55.89
2/6/2017	52.88	53.98	3/22/2017	57.04	55.92
2/7/2017	53.27	53.92	3/23/2017	56.81	55.94
2/8/2017	52.89	53.84	3/24/2017	56.92	55.96
2/9/2017	52.88	53.77	3/27/2017	56.66	55.98
2/10/2017	54.00	53.79	3/28/2017	57.38	56.01
2/13/2017	54.93	53.86	3/29/2017	57.36	56.04
2/14/2017	55.48	53.95	3/30/2017	57.20	56.06
2/15/2017	56.49	54.10	3/31/2017	57.34	56.09
2/16/2017	56.88	54.24	4/3/2017	56.50	56.10
2/17/2017	56.46	54.35	4/4/2017	56.68	56.11
2/21/2017	56.75	54.47	4/5/2017	56.47	56.11
2/22/2017	57.10	54.59	4/6/2017	56.53	56.12
2/23/2017	57.14	54.70	4/7/2017	56.32	56.13
2/24/2017	57.22	54.80	4/10/2017	56.52	56.13
2/27/2017	56.73	54.88	4/11/2017	55.35	56.12
2/28/2017	56.48	54.94	4/12/2017	53.39	56.07
3/1/2017	57.01	55.02	4/13/2017	52.79	56.01
3/2/2017	56.37	55.07	4/17/2017	52.89	55.96
3/3/2017	56.44	55.11	4/18/2017	52.67	55.91
3/6/2017	56.45	55.16	4/19/2017	52.61	55.85
3/7/2017	56.73	55.21	4/20/2017	52.66	55.80