

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 2, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Broadcom Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-38449
(Commission file Number)

35-2617337
(I.R.S. Employer
Identification No.)

**1320 Ridder Park Drive
San Jose, CA 95131-2313
(408) 433-8000**

(Address, including zip code, of principal executive offices and
registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.001 par value	AVGO	The NASDAQ Global Select Market
8.00% Mandatory Convertible Preferred Stock, Series A, \$0.001 par value	AVGOP	The NASDAQ Global Select Market

As of May 28, 2021, there were 410,260,560 shares of our common stock outstanding.

BROADCOM INC.
Quarterly Report on Form 10-Q
For the Quarterly Period Ended May 2, 2021

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PART I — FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements — Unaudited

BROADCOM INC.

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BROADCOM INC.
CONDENSED CONSOLIDATED BALANCE SHEETS — UNAUDITED

	May 2, 2021	November 1, 2020
(In millions, except par value)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,518	\$ 7,618
Trade accounts receivable, net	2,425	2,297
Inventory	1,004	1,003
Other current assets	1,298	977
Total current assets	14,245	11,895
Long-term assets:		
Property, plant and equipment, net	2,416	2,509
Goodwill	43,457	43,447
Intangible assets, net	14,068	16,782
Other long-term assets	1,338	1,300
Total assets	\$ 75,524	\$ 75,933
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 830	\$ 836
Employee compensation and benefits	639	877
Current portion of long-term debt	278	827
Other current liabilities	4,689	3,831
Total current liabilities	6,436	6,371
Long-term liabilities:		
Long-term debt	40,160	40,235
Other long-term liabilities	4,962	5,426
Total liabilities	51,558	52,032
Commitments and contingencies (Note 11)		
Preferred stock dividend obligation	27	27
Stockholders' equity:		
Preferred stock, \$0.001 par value; 100 shares authorized; 8.00% Mandatory Convertible Preferred Stock, Series A, 4 shares issued and outstanding; aggregate liquidation value of \$3,738 as of May 2, 2021 and November 1, 2020	—	—
Common stock, \$0.001 par value; 2,900 shares authorized; 410 and 407 shares issued and outstanding as of May 2, 2021 and November 1, 2020, respectively	—	—
Additional paid-in capital	24,045	23,982
Retained earnings	—	—
Accumulated other comprehensive loss	(106)	(108)
Total stockholders' equity	23,939	23,874
Total liabilities and equity	\$ 75,524	\$ 75,933

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BROADCOM INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS — UNAUDITED

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
	(In millions, except per share data)			
Net revenue:				
Products	\$ 4,983	\$ 4,253	\$ 10,064	\$ 8,457
Subscriptions and services	1,627	1,489	3,201	3,143
Total net revenue	6,610	5,742	13,265	11,600
Cost of revenue:				
Cost of products sold	1,548	1,448	3,220	2,907
Cost of subscriptions and services	151	144	293	321
Amortization of acquisition-related intangible assets	853	954	1,727	1,904
Restructuring charges	1	7	16	15
Total cost of revenue	2,553	2,553	5,256	5,147
Gross margin	4,057	3,189	8,009	6,453
Research and development	1,238	1,269	2,449	2,558
Selling, general and administrative	325	501	664	1,102
Amortization of acquisition-related intangible assets	494	599	988	1,202
Restructuring, impairment and disposal charges	25	54	96	111
Total operating expenses	2,082	2,423	4,197	4,973
Operating income	1,975	766	3,812	1,480
Interest expense	(466)	(487)	(1,036)	(893)
Other income (expense), net	(23)	130	94	126
Income from continuing operations before income taxes	1,486	409	2,870	713
Benefit from income taxes	(7)	(159)	(1)	(235)
Income from continuing operations	1,493	568	2,871	948
Loss from discontinued operations, net of income taxes	—	(5)	—	—
Net income	1,493	563	2,871	948
Dividends on preferred stock	(76)	(75)	(150)	(149)
Net income attributable to common stock	\$ 1,417	\$ 488	\$ 2,721	\$ 799
Basic income per share attributable to common stock:				
Income per share from continuing operations	\$ 3.46	\$ 1.23	\$ 6.67	\$ 2.00
Loss per share from discontinued operations	—	(0.01)	—	—
Net income per share	\$ 3.46	\$ 1.22	\$ 6.67	\$ 2.00
Diluted income per share attributable to common stock:				
Income per share from continuing operations	\$ 3.30	\$ 1.18	\$ 6.34	\$ 1.91
Loss per share from discontinued operations	—	(0.01)	—	—
Net income per share	\$ 3.30	\$ 1.17	\$ 6.34	\$ 1.91
Weighted-average shares used in per share calculations:				
Basic	409	401	408	400
Diluted	429	417	429	419

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BROADCOM INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME — UNAUDITED

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
	(In millions)			
Net income	\$ 1,493	\$ 563	\$ 2,871	\$ 948
Other comprehensive income, net of tax:				
Change in actuarial loss and prior service costs associated with defined benefit pension plans and post-retirement benefit plans	1	1	2	1
Other comprehensive income, net of tax	1	1	2	1
Comprehensive income	\$ 1,494	\$ 564	\$ 2,873	\$ 949

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BROADCOM INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS — UNAUDITED

	Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020
	(In millions)	
Cash flows from operating activities:		
Net income	\$ 2,871	\$ 948
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible and right-of-use assets	2,766	3,165
Depreciation	271	293
Stock-based compensation	869	1,062
Deferred taxes and other non-cash taxes	(326)	(247)
Loss on debt extinguishment	198	98
Unrealized gain on investments	(94)	—
Non-cash restructuring, impairment and disposal charges	27	17
Non-cash interest expense	43	61
Other	(8)	11
Changes in assets and liabilities, net of acquisitions and disposals:		
Trade accounts receivable, net	(141)	48
Inventory	(1)	30
Accounts payable	(14)	350
Employee compensation and benefits	(240)	(156)
Other current assets and current liabilities	590	464
Other long-term assets and long-term liabilities	(129)	(609)
Net cash provided by operating activities	<u>6,682</u>	<u>5,535</u>
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(8)	(10,870)
Proceeds from sale of business	—	168
Purchases of property, plant and equipment	(240)	(256)
Proceeds from disposals of property, plant and equipment	3	—
Other	(3)	(5)
Net cash used in investing activities	<u>(248)</u>	<u>(10,963)</u>
Cash flows from financing activities:		
Proceeds from long-term borrowings	9,904	19,849
Payments on debt obligations	(10,733)	(8,989)
Other borrowings, net	—	1,743
Payments of dividends	(3,095)	(2,753)
Shares repurchased for tax withholdings on vesting of equity awards	(686)	(388)
Issuance of common stock	106	128
Other	(30)	(10)
Net cash provided by (used in) financing activities	<u>(4,534)</u>	<u>9,580</u>
Net change in cash and cash equivalents	1,900	4,152
Cash and cash equivalents at beginning of period	7,618	5,055
Cash and cash equivalents at end of period	<u>\$ 9,518</u>	<u>\$ 9,207</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BROADCOM INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY — UNAUDITED
Two Fiscal Quarters Ended May 2, 2021

	8.00% Mandatory Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Par Value	Shares	Par Value				
	(In millions)							
Balance as of November 1, 2020	4	\$ —	407	\$ —	\$ 23,982	\$ —	\$ (108)	\$ 23,874
Net income	—	—	—	—	—	1,378	—	1,378
Other comprehensive income	—	—	—	—	—	—	1	1
Dividends to common stockholders	—	—	—	—	(164)	(1,304)	—	(1,468)
Dividends to preferred stockholders	—	—	—	—	—	(74)	—	(74)
Common stock issued	—	—	2	—	35	—	—	35
Stock-based compensation	—	—	—	—	444	—	—	444
Shares repurchased for tax withholdings on vesting of equity awards	—	—	(1)	—	(217)	—	—	(217)
Balance as of January 31, 2021	4	—	408	—	24,080	—	(107)	23,973
Net income	—	—	—	—	—	1,493	—	1,493
Other comprehensive income	—	—	—	—	—	—	1	1
Dividends to common stockholders	—	—	—	—	(60)	(1,417)	—	(1,477)
Dividends to preferred stockholders	—	—	—	—	—	(76)	—	(76)
Common stock issued	—	—	3	—	71	—	—	71
Stock-based compensation	—	—	—	—	425	—	—	425
Shares repurchased for tax withholdings on vesting of equity awards	—	—	(1)	—	(471)	—	—	(471)
Balance as of May 2, 2021	4	\$ —	410	\$ —	\$ 24,045	\$ —	\$ (106)	\$ 23,939

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BROADCOM INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY — UNAUDITED
Two Fiscal Quarters Ended May 3, 2020

	8.00% Mandatory Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Par Value	Shares	Par Value				
	(In millions)							
Balance as of November 3, 2019	4	\$ —	398	\$ —	\$ 25,081	\$ —	\$ (140)	\$ 24,941
Net income	—	—	—	—	—	385	—	385
Cumulative effect of accounting change	—	—	—	—	—	(10)	8	(2)
Fair value of partially vested equity awards assumed in connection with an acquisition	—	—	—	—	1	—	—	1
Dividends to common stockholders	—	—	—	—	(996)	(301)	—	(1,297)
Dividends to preferred stockholders	—	—	—	—	—	(74)	—	(74)
Common stock issued	—	—	2	—	37	—	—	37
Stock-based compensation	—	—	—	—	545	—	—	545
Shares repurchased for tax withholdings on vesting of equity awards	—	—	(1)	—	(168)	—	—	(168)
Balance as of February 2, 2020	4	—	399	—	24,500	—	(132)	24,368
Net income	—	—	—	—	—	563	—	563
Other comprehensive income	—	—	—	—	—	—	1	1
Dividends to common stockholders	—	—	—	—	(818)	(488)	—	(1,306)
Dividends to preferred stockholders	—	—	—	—	—	(75)	—	(75)
Common stock issued	—	—	4	—	91	—	—	91
Stock-based compensation	—	—	—	—	517	—	—	517
Shares repurchased for tax withholdings on vesting of equity awards	—	—	(1)	—	(217)	—	—	(217)
Balance as of May 3, 2020	4	\$ —	402	\$ —	\$ 24,073	\$ —	\$ (131)	\$ 23,942

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BROADCOM INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Overview, Basis of Presentation and Significant Accounting Policies

Overview

Broadcom Inc. ("Broadcom"), a Delaware corporation, is a global technology leader that designs, develops and supplies a broad range of semiconductor and infrastructure software solutions. We develop semiconductor devices with a focus on complex digital and mixed signal complementary metal oxide semiconductor based devices and analog III-V based products. We have a history of innovation in the semiconductor industry and offer thousands of products that are used in end products such as enterprise and data center networking, home connectivity, set-top boxes, broadband access, telecommunication equipment, smartphones and base stations, data center servers and storage systems, factory automation, power generation and alternative energy systems, and electronic displays. Our infrastructure software solutions enable customers to plan, develop, automate, manage and secure applications across mainframe, distributed, mobile and cloud platforms. Our portfolio of mainframe and BizOps software solutions enables customers to leverage the benefits of agility, automation, insights, resiliency and security in managing business processes and technology investments. We offer a cyber security solutions portfolio, including endpoint, network, information and identity security solutions. We also offer mission critical fibre channel storage area networking ("FC SAN") products and related software in the form of modules, switches and subsystems incorporating multiple semiconductor products. Unless stated otherwise or the context otherwise requires, references to "Broadcom," "we," "our" and "us" mean Broadcom and its consolidated subsidiaries. We have two reportable segments: semiconductor solutions and infrastructure software.

Basis of Presentation

We operate on a 52- or 53-week fiscal year ending on the Sunday closest to October 31 in a 52-week year and the first Sunday in November in a 53-week year. Our fiscal year ending October 31, 2021 ("fiscal year 2021") is a 52-week fiscal year. The first quarter of our fiscal year 2021 ended on January 31, 2021, the second quarter ended on May 2, 2021 and the third quarter ends on August 1, 2021. Our fiscal year ended November 1, 2020 ("fiscal year 2020") was also a 52-week fiscal year.

The accompanying condensed consolidated financial statements include the accounts of Broadcom and its subsidiaries, and have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information. The financial information included herein is unaudited, and reflects all adjustments which are, in the opinion of our management, of a normal recurring nature and necessary for a fair statement of the results for the periods presented. The November 1, 2020 condensed consolidated balance sheet data were derived from Broadcom's audited consolidated financial statements included in its Annual Report on Form 10-K for fiscal year 2020 as filed with the Securities and Exchange Commission. All intercompany transactions and balances have been eliminated in consolidation. The operating results for the fiscal quarter and two fiscal quarters ended May 2, 2021 are not necessarily indicative of the results that may be expected for fiscal year 2021, or for any other future period.

Significant Accounting Policies

Use of estimates. The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The inputs into certain of these estimates and assumptions include the consideration of the economic impact of the COVID-19 pandemic. Actual results could differ materially from these estimates, and such differences could affect the results of operations reported in future periods. As the impact of the COVID-19 pandemic continues to develop, many of these estimates could require increased judgment and carry a higher degree of variability and volatility, and may change materially in future periods.

2. Revenue from Contracts with Customers

We account for a contract with a customer when both parties have approved the contract and are committed to perform their respective obligations, each party's rights can be identified, payment terms can be identified, the contract has commercial substance, and it is probable we will collect substantially all of the consideration we are entitled to. Revenue is recognized when, or as, performance obligations are satisfied by transferring control of a promised product or service to a customer.

Disaggregation

We have considered (1) information that is regularly reviewed by our Chief Executive Officer, who has been identified as the Chief Operating Decision Maker (the "CODM") as defined by the authoritative guidance on segment reporting, in evaluating financial performance and (2) disclosures presented outside of our financial statements in our earnings releases and used in investor presentations to disaggregate revenues. The principal category we use to disaggregate revenues is the nature of our products and subscriptions and services, as presented in our condensed consolidated statements of operations. In addition, revenues by reportable segment are presented in Note 10. "Segment Information".

The following tables present revenue disaggregated by type of revenue and by region for the periods presented:

	Fiscal Quarter Ended May 2, 2021			
	Americas	Asia Pacific	Europe, the Middle East and Africa	Total
	(In millions)			
Products	\$ 471	\$ 4,035	\$ 477	\$ 4,983
Subscriptions and services ^(a)	1,050	193	384	1,627
Total	\$ 1,521	\$ 4,228	\$ 861	\$ 6,610

	Fiscal Quarter Ended May 3, 2020			
	Americas	Asia Pacific	Europe, the Middle East and Africa	Total
	(In millions)			
Products	\$ 490	\$ 3,438	\$ 325	\$ 4,253
Subscriptions and services ^(a)	976	162	351	1,489
Total	\$ 1,466	\$ 3,600	\$ 676	\$ 5,742

	Two Fiscal Quarters Ended May 2, 2021			
	Americas	Asia Pacific	Europe, the Middle East and Africa	Total
	(In millions)			
Products	\$ 861	\$ 8,355	\$ 848	\$ 10,064
Subscriptions and services ^(a)	2,054	384	763	3,201
Total	\$ 2,915	\$ 8,739	\$ 1,611	\$ 13,265

	Two Fiscal Quarters Ended May 3, 2020			
	Americas	Asia Pacific	Europe, the Middle East and Africa	Total
	(In millions)			
Products	\$ 930	\$ 6,889	\$ 638	\$ 8,457
Subscriptions and services ^(a)	2,075	331	737	3,143
Total	\$ 3,005	\$ 7,220	\$ 1,375	\$ 11,600

(a) Subscriptions and services predominantly includes software licenses with termination for convenience clauses.

Although we recognize revenue for the majority of our products when title and control transfer in Penang, Malaysia, we disclose net revenue by region based on the geographic shipment or delivery location specified by our distributors, original equipment manufacturer customers, contract manufacturers, channel partners, or software customers.

Contract Balances

Contract assets and contract liabilities balances were as follows:

	Contract Assets	Contract Liabilities
	(In millions)	
Balance as of November 1, 2020	\$ 158	\$ 3,443
Balance as of May 2, 2021	\$ 128	\$ 4,097

Changes in our contract assets and contract liabilities primarily result from the timing difference between our performance and the customer's payment. We fulfill our obligations under a contract with a customer by transferring products and services in exchange for consideration from the customer. We recognize a contract asset when we transfer products or services to a customer and the right to consideration is conditional on something other than the passage of time. Accounts receivable are recorded when the customer has been billed or the right to consideration is unconditional. We recognize contract liabilities when we have received consideration or an amount of consideration is due from the customer and we have a future obligation to transfer products or services. Contract liabilities include amounts billed or collected and advanced payments on contracts or arrangements, which may include termination for convenience provisions. The amount of revenue recognized during the two fiscal quarters ended May 2, 2021 that was included in the contract liabilities balance as of November 1, 2020 was \$1,853 million. The amount of revenue recognized during the two fiscal quarters ended May 3, 2020 that was included in the contract liabilities balance as of November 3, 2019 was \$1,059 million.

Remaining Performance Obligations

Revenue allocated to remaining performance obligations represents the transaction price allocated to unsatisfied or partially unsatisfied performance obligations. Remaining performance obligations include unearned revenue and amounts that will be invoiced and recognized as revenue in future periods, but do not include contracts for software, subscriptions or services where the customer is not committed. The customer is not considered committed when termination for convenience without payment of a substantive penalty exists, either contractually or through customary business practice. The majority of our customer software contracts include termination for convenience clauses without a substantive penalty and are not considered committed. Additionally, as a practical expedient, we have not included contracts that have an original duration of one year or less, nor have we included contracts with sales-based or usage-based royalties promised in exchange for a license of intellectual property ("IP").

Certain multi-year customer contracts in our semiconductor solutions segment contain firmly committed amounts and the remaining performance obligations under these contracts as of May 2, 2021 were approximately \$6.1 billion. We expect approximately 26% of this amount to be recognized as revenue over the next 12 months. Although the majority of our software contracts are not deemed to be committed, our customers generally do not exercise their termination for convenience rights. In addition, the majority of our contracts for products, subscriptions and services have a duration of one year or less. Accordingly, our remaining performance obligations disclosed above are not indicative of revenue for future periods.

3. Acquisitions

Acquisition of the Symantec Corporation Enterprise Security Business

On November 4, 2019, we completed the purchase of certain assets and assumed certain liabilities of the Symantec Corporation Enterprise Security business (the "Symantec Business"), which was an established leader in cyber security, for \$10.7 billion in cash (the "Symantec Asset Purchase"). We acquired the Symantec Business to expand our footprint of mission critical infrastructure software with our existing customer base.

Unaudited Pro Forma Information

The following unaudited pro forma financial information presents combined results of operations for the periods presented, as if we had completed the Symantec Asset Purchase as of the beginning of our fiscal year ended November 3, 2019 ("fiscal year 2019"). The unaudited pro forma information includes adjustments to amortization and depreciation for intangible assets and property, plant and equipment acquired, adjustments to interest expense for the additional indebtedness incurred to complete the acquisition, restructuring charges related to the acquisition and transaction costs. The unaudited pro forma information presented below is for informational purposes only and is not necessarily indicative of our consolidated results of operations of the combined business had the acquisition actually occurred at the beginning of fiscal year 2019 or of the results of our future operations of the combined business.

	Fiscal Quarter Ended	Two Fiscal Quarters Ended	
	May 3, 2020	May 3, 2020	
	(In millions)		
Pro forma net revenue	\$	5,568	\$ 11,207
Pro forma net income attributable to common stock	\$	403	\$ 632

Other Acquisitions

During the fiscal quarter ended February 2, 2020, we also completed three other acquisitions qualifying as business combinations for total consideration of \$201 million, of which \$109 million was allocated to goodwill and \$46 million was allocated to intangible assets. We do not consider these acquisitions to be material, individually or in the aggregate, to our condensed consolidated statements of operations.

4. Supplemental Financial Information

Cash Equivalents

Cash equivalents included \$3,188 million and \$2,471 million of time deposits and \$1,385 million and \$790 million of money-market funds as of May 2, 2021 and November 1, 2020, respectively. For time deposits, carrying value approximates fair value due to the short-term nature of the instruments. The fair value of money-market funds, which was consistent with their carrying value, was determined using unadjusted prices in active, accessible markets for identical assets, and as such, they were classified as Level 1 assets in the fair value hierarchy.

Accounts Receivable Factoring

We sell certain of our trade accounts receivable on a non-recourse basis to third-party financial institutions pursuant to factoring arrangements. We account for these transactions as sales of receivables and present cash proceeds as cash provided by operating activities in the condensed consolidated statements of cash flows. Total trade accounts receivable sold under the factoring arrangements were \$900 million and \$1,827 million during the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, and \$926 million and \$1,827 million for the fiscal quarter and two fiscal quarters ended May 3, 2020, respectively. Factoring fees for the sales of receivables were recorded in other income (expense), net and were not material for any of the periods presented.

Inventory

	May 2, 2021	November 1, 2020	
	(In millions)		
Finished goods	\$	321	\$ 323
Work-in-process		559	558
Raw materials		124	122
Total inventory	\$	1,004	\$ 1,003

Other Current Assets

	May 2, 2021	November 1, 2020
	(In millions)	
Prepaid expenses	\$ 604	\$ 387
Other (miscellaneous)	694	590
Total other current assets	<u>\$ 1,298</u>	<u>\$ 977</u>

Other Current Liabilities

	May 2, 2021	November 1, 2020
	(In millions)	
Contract liabilities	\$ 3,409	\$ 2,620
Tax liabilities	506	440
Interest payable	335	304
Other (miscellaneous)	439	467
Total other current liabilities	<u>\$ 4,689</u>	<u>\$ 3,831</u>

Other Long-Term Liabilities

	May 2, 2021	November 1, 2020
	(In millions)	
Unrecognized tax benefits	\$ 3,188	\$ 3,185
Contract liabilities	688	823
Other (miscellaneous)	1,086	1,418
Total other long-term liabilities	<u>\$ 4,962</u>	<u>\$ 5,426</u>

Supplemental Cash Flow Information

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
	(In millions)			
Cash paid for interest	\$ 369	\$ 375	\$ 741	\$ 756
Cash paid for income taxes	\$ 293	\$ 124	\$ 440	\$ 255

As of May 2, 2021 and May 3, 2020, \$38 million and \$53 million, respectively, of unpaid purchases of property, plant and equipment were included in accounts payable. Amounts reported as unpaid purchases are presented as cash outflows from investing activities for purchases of property, plant and equipment in the condensed consolidated statements of cash flows in the period in which they are paid.

5. Goodwill and Intangible Assets

Goodwill

	Semiconductor Solutions	Infrastructure Software	Total
	(In millions)		
Balance as of November 1, 2020	\$ 25,959	\$ 17,488	\$ 43,447
Acquisition	—	10	10
Balance as of May 2, 2021	<u>\$ 25,959</u>	<u>\$ 17,498</u>	<u>\$ 43,457</u>

Intangible Assets

	Gross Carrying Amount	Accumulated Amortization	Net Book Value
	(In millions)		
As of May 2, 2021:			
Purchased technology	\$ 24,126	\$ (15,648)	\$ 8,478
Customer contracts and related relationships	8,392	(3,871)	4,521
Order backlog	2,579	(2,094)	485
Trade names	797	(360)	437
Other	248	(126)	122
Intangible assets subject to amortization	<u>36,142</u>	<u>(22,099)</u>	<u>14,043</u>
In-process research and development	25	—	25
Total	<u>\$ 36,167</u>	<u>\$ (22,099)</u>	<u>\$ 14,068</u>

As of November 1, 2020:

Purchased technology	\$ 24,119	\$ (13,925)	\$ 10,194
Customer contracts and related relationships	8,389	(3,179)	5,210
Order backlog	2,579	(1,836)	743
Trade names	797	(322)	475
Other	252	(117)	135
Intangible assets subject to amortization	<u>36,136</u>	<u>(19,379)</u>	<u>16,757</u>
In-process research and development	25	—	25
Total	<u>\$ 36,161</u>	<u>\$ (19,379)</u>	<u>\$ 16,782</u>

Based on the amount of intangible assets subject to amortization at May 2, 2021, the expected amortization expense for each of the next five years and thereafter was as follows:

Fiscal Year:	Expected Amortization Expense
	(In millions)
2021 (remainder)	\$ 2,695
2022	4,367
2023	3,237
2024	2,367
2025	657
Thereafter	720
Total	\$ 14,043

The weighted-average remaining amortization periods by intangible asset category were as follows:

Amortizable intangible assets:	May 2, 2021
	(In years)
Purchased technology	4
Customer contracts and related relationships	4
Order backlog	2
Trade names	9
Other	9

6. Net Income Per Share

Basic net income per share is computed by dividing net income attributable to common stock by the weighted-average number of shares of common stock outstanding during the period. Diluted net income per share is computed by dividing net income attributable to common stock by the weighted-average number of shares of common stock and potentially dilutive shares of common stock outstanding during the period.

Diluted shares outstanding include the dilutive effect of unvested restricted stock units ("RSUs"), in-the-money stock options and employee stock purchase plan rights under the Broadcom Inc. Employee Stock Purchase Plan, as amended ("ESPP"), (collectively referred to as "equity awards"), as well as Mandatory Convertible Preferred Stock, as defined in Note 8. "Stockholders' Equity." Potentially dilutive shares whose effect would have been antidilutive are excluded from the computation of diluted net income per share.

The dilutive effect of equity awards is calculated based on the average stock price for each fiscal period, using the treasury stock method. Under the treasury stock method, the amount the employee must pay for exercising stock options and purchasing shares under the ESPP and the amount of compensation cost for future service that we have not yet recognized are collectively assumed to be used to repurchase shares. The dilutive effect of Mandatory Convertible Preferred Stock is calculated using the if-converted method. The if-converted method assumes that these securities were converted at the beginning of the reporting period to the extent that the effect is dilutive.

For each of the fiscal quarter and two fiscal quarters ended May 2, 2021, diluted net income per share excluded the potentially dilutive effect of 12 million shares of common stock issuable upon the conversion of Mandatory Convertible Preferred Stock as their effect was antidilutive. For each of the fiscal quarter and two fiscal quarters ended May 3, 2020, diluted net income per share excluded the potentially dilutive effect of 13 million shares of common stock issuable upon the conversion of Mandatory Convertible Preferred Stock as their effect was antidilutive.

The following is a reconciliation of the numerators and denominators of the basic and diluted net income per share computations for the periods presented:

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
(In millions, except per share data)				
Numerator:				
Income from continuing operations	\$ 1,493	\$ 568	\$ 2,871	\$ 948
Dividends on preferred stock	(76)	(75)	(150)	(149)
Income from continuing operations attributable to common stock	1,417	493	2,721	799
Loss from discontinued operations, net of income taxes, attributable to common stock	—	(5)	—	—
Net income attributable to common stock	<u>\$ 1,417</u>	<u>\$ 488</u>	<u>\$ 2,721</u>	<u>\$ 799</u>
Denominator:				
Weighted-average shares outstanding - basic	409	401	408	400
Dilutive effect of equity awards	20	16	21	19
Weighted-average shares outstanding - diluted	<u>429</u>	<u>417</u>	<u>429</u>	<u>419</u>
Basic income per share attributable to common stock:				
Income per share from continuing operations	\$ 3.46	\$ 1.23	\$ 6.67	\$ 2.00
Loss per share from discontinued operations	—	(0.01)	—	—
Net income per share	<u>\$ 3.46</u>	<u>\$ 1.22</u>	<u>\$ 6.67</u>	<u>\$ 2.00</u>
Diluted income per share attributable to common stock:				
Income per share from continuing operations	\$ 3.30	\$ 1.18	\$ 6.34	\$ 1.91
Loss per share from discontinued operations	—	(0.01)	—	—
Net income per share	<u>\$ 3.30</u>	<u>\$ 1.17</u>	<u>\$ 6.34</u>	<u>\$ 1.91</u>

7. Borrowings

	Effective Interest Rate	May 2, 2021	November 1, 2020
(In millions, except percentages)			
<u>March 2021 Senior Notes - fixed rate</u>			
3.419% notes due April 2033	4.66 %	\$ 2,250	\$ —
3.469% notes due April 2034	4.63 %	3,250	—
<u>January 2021 Senior Notes - fixed rate</u>			
1.950% notes due February 2028	2.10 %	750	—
2.450% notes due February 2031	2.56 %	2,750	—
2.600% notes due February 2033	2.70 %	1,750	—
3.500% notes due February 2041	3.60 %	3,000	—
3.750% notes due February 2051	3.84 %	1,750	—
<u>June 2020 Senior Notes - fixed rate</u>			
3.459% notes due September 2026	4.19 %	1,695	1,695
4.110% notes due September 2028	5.02 %	2,222	2,222
<u>May 2020 Senior Notes - fixed rate</u>			
2.250% notes due November 2023	2.40 %	105	1,000
3.150% notes due November 2025	3.29 %	1,418	2,250
4.150% notes due November 2030	4.27 %	2,750	2,750
4.300% notes due November 2032	4.39 %	2,000	2,000
<u>April 2020 Senior Notes - fixed rate</u>			
4.700% notes due April 2025	4.88 %	1,247	2,250
5.000% notes due April 2030	5.18 %	2,250	2,250
<u>November 2019 Term Loans - floating rate</u>			
LIBOR plus 1.125% term loan due November 2022	1.54 %	—	1,819
LIBOR plus 1.250% term loan due November 2024	1.56 %	—	4,069
<u>April 2019 Senior Notes - fixed rate</u>			
3.125% notes due April 2021	3.61 %	—	525
3.125% notes due October 2022	3.53 %	—	693
3.625% notes due October 2024	3.98 %	622	1,044
4.250% notes due April 2026	4.54 %	1,183	2,500
4.750% notes due April 2029	4.95 %	3,000	3,000
<u>2017 Senior Notes - fixed rate</u>			
2.200% notes due January 2021	2.41 %	—	282
3.000% notes due January 2022	3.21 %	255	842
2.650% notes due January 2023	2.78 %	260	1,000
3.625% notes due January 2024	3.74 %	829	1,352
3.125% notes due January 2025	3.23 %	585	1,000
3.875% notes due January 2027	4.02 %	3,813	4,800
3.500% notes due January 2028	3.60 %	1,250	1,250
<u>Assumed CA Senior Notes - fixed rate</u>			
3.600% notes due August 2022	4.07 %	—	283
4.500% notes due August 2023	4.10 %	143	250
4.700% notes due March 2027	5.15 %	350	350

	Effective Interest Rate	May 2, 2021	November 1, 2020
(In millions, except percentages)			
<u>Other borrowings</u>			
2.500% - 4.500% notes due August 2022 - August 2034	2.59% - 4.55%	22	22
Total principal amount outstanding		41,499	41,498
Less: Unamortized discount and issuance costs		(1,123)	(504)
Total debt		<u>\$ 40,376</u>	<u>\$ 40,994</u>

As of May 2, 2021 and November 1, 2020, short-term finance lease liabilities of \$23 million and \$20 million, respectively, were included in the current portion of long-term debt and long-term finance lease liabilities of \$39 million and \$48 million, respectively, were included in long-term debt.

March 2021 Senior Notes

In March 2021, we completed the settlement of our private offers to exchange \$5.5 billion of certain of our outstanding notes maturing between 2024 and 2027 (the "Exchange Offer") for \$2,250 million of 3.419% new senior unsecured notes due April 2033 and \$3,250 million of 3.469% new senior unsecured notes due April 2034 (collectively, the "March 2021 Senior Notes"). As a result of the Exchange Offer, we paid premiums of \$581 million, which were included in unamortized discount and issuance costs. At our option, we may redeem or purchase, in whole or in part, any of the March 2021 Senior Notes prior to their respective maturities, subject to a specified make-whole premium determined in accordance with the indenture governing the March 2021 Senior Notes, plus accrued and unpaid interest. In the event of a change in control, note holders will have the right to require us to repurchase their notes at a price equal to 101% of the principal amount of such notes, plus accrued and unpaid interest. As of May 2, 2021, the March 2021 Senior Notes were recorded as long-term debt, net of discount and issuance costs, which are amortized to interest expense over the respective terms of these borrowings.

In connection with the Exchange Offer, Broadcom Corporation and Broadcom Technologies Inc. were automatically and unconditionally released from their guarantees in accordance with the respective indentures governing the January 2021 Senior Notes, June 2020 Senior Notes, May 2020 Senior Notes, April 2020 Senior Notes, and April 2019 Senior Notes.

January 2021 Senior Notes

In January 2021, we issued \$10 billion of senior unsecured notes (the "January 2021 Senior Notes"). At our option, we may redeem or purchase, in whole or in part, any of the January 2021 Senior Notes prior to their respective maturities, subject to a specified make-whole premium determined in accordance with the indenture governing the January 2021 Senior Notes, plus accrued and unpaid interest. In the event of a change in control, note holders will have the right to require us to repurchase their notes at a price equal to 101% of the principal amount of such notes, plus accrued and unpaid interest. As of May 2, 2021, the January 2021 Senior Notes were recorded as long-term debt, net of discount and issuance costs, which are amortized to interest expense over the respective terms of these borrowings.

During the fiscal quarter ended January 31, 2021, we used the net proceeds from the January 2021 Senior Notes to repay an aggregate of \$5,888 million, or the outstanding balance, of our unsecured term A-3 facility and unsecured term A-5 facility under the credit agreement entered into on November 4, 2019 (the "November 2019 Credit Agreement"). Additionally, pursuant to a cash tender offer that we announced on January 4, 2021 (the "Tender Offer"), we early settled and repurchased \$2,902 million of certain of our outstanding notes maturing between 2021 and 2023. As a result of these transactions, we incurred premiums of \$128 million and wrote off \$44 million of unamortized discount and issuance costs, both of which were included in interest expense. We also repaid \$282 million of our 2.200% notes upon maturity in January 2021.

During the fiscal quarter ended May 2, 2021, we completed the Tender Offer and repurchased an additional \$9 million of certain outstanding notes maturing between 2021 and 2023. Using the remaining proceeds from the January 2021 Senior Notes, we repurchased \$606 million, or the outstanding balances, of our 3.125% notes due April 2021, 3.125% notes due October 2022, and 3.600% notes due August 2022 and repurchased \$314 million of our 3.000% notes due January 2022. As a result of these repurchases, we incurred premiums of \$23 million.

January 2021 Credit Agreement

In January 2021, we entered into a credit agreement (the "January 2021 Credit Agreement"), which provides for a five-year \$7.5 billion unsecured revolving credit facility (the "Revolving Facility"), of which \$500 million is available for the issuance of multi-currency letters of credit. The issuance of letters of credit and certain other instruments would reduce the aggregate amount otherwise available under the Revolving Facility for revolving loans. Subject to the terms of the January 2021 Credit Agreement, we are permitted to borrow, repay and reborrow revolving loans at any time prior to the earlier of (a) January 19, 2026 and (b) the date of termination in whole of the revolving lenders' commitments under the January 2021 Credit Agreement. In connection with the January 2021 Credit Agreement, we terminated the credit agreement entered into on May 7, 2019, which provided for a five-year \$5 billion unsecured revolving credit facility, and the November 2019 Credit Agreement. As of May 2, 2021, we had no borrowings outstanding under the Revolving Facility.

Commercial Paper

In February 2019, we established a commercial paper program pursuant to which we may issue unsecured commercial paper notes ("Commercial Paper") in principal amount of up to \$2 billion outstanding at any time with maturities of up to 397 days from the date of issue. Commercial Paper is sold under customary terms in the commercial paper market and may be issued at a discount from par or, alternatively, may be sold at par and bear interest at rates dictated by market conditions at the time of their issuance. The discount associated with the Commercial Paper is amortized to interest expense over its term. Outstanding Commercial Paper reduces the amount that would otherwise be available to borrow for general corporate purposes under the Revolving Facility. As our commercial paper program is supported by the Revolving Facility, we have the ability and intent to continuously refinance Commercial Paper. As of May 2, 2021 and November 1, 2020, we had no Commercial Paper outstanding.

Fair Value of Debt

As of May 2, 2021, the estimated aggregate fair value of debt was \$43,868 million. The fair value of our senior notes was determined using quoted prices from less active markets. All of our debt obligations are categorized as Level 2 instruments.

Future Principal Payments of Debt

The future scheduled principal payments of debt as of May 2, 2021 were as follows:

Fiscal Year:	Future Scheduled Principal Payments (In millions)
2021 (remainder)	\$ —
2022	264
2023	403
2024	1,563
2025	1,832
Thereafter	37,437
Total	<u>\$ 41,499</u>

As of May 2, 2021 and November 1, 2020, we accrued interest payable of \$335 million and \$304 million, respectively, and were in compliance with all debt covenants.

8. Stockholders' Equity

Mandatory Convertible Preferred Stock

On September 30, 2019, we completed an offering of approximately 4 million shares of 8.00% Mandatory Convertible Preferred Stock, Series A, \$0.001 par value per share ("Mandatory Convertible Preferred Stock").

On September 30, 2022, unless earlier converted, each outstanding share of Mandatory Convertible Preferred Stock will automatically convert into shares of our common stock at a rate between the then minimum and maximum conversion rates. At any time prior to September 30, 2022, holders may elect to convert each share of Mandatory Convertible Preferred Stock into shares of our common stock at the then minimum conversion rate. The conversion rates are subject to anti-dilution adjustments. As of May 2, 2021, the minimum conversion rate was 3.0700 and the maximum conversion rate was 3.5884.

As of each May 2, 2021 and November 1, 2020, we recognized \$27 million of accrued preferred stock dividends, which were presented as temporary equity on our condensed consolidated balance sheets.

Cash Dividends Declared and Paid

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
	(In millions, except per share data)			
Dividends per share to common stockholders	\$ 3.60	\$ 3.25	\$ 7.20	\$ 6.50
Dividends to common stockholders	\$ 1,477	\$ 1,306	\$ 2,945	\$ 2,603
Dividends per share to preferred stockholders	\$ 20.00	\$ 20.00	\$ 40.00	\$ 40.00
Dividends to preferred stockholders	\$ 75	\$ 75	\$ 150	\$ 150

Stock-Based Compensation Expense

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
	(In millions)			
Cost of products sold	\$ 21	\$ 27	\$ 41	\$ 58
Cost of subscriptions and services	17	14	29	26
Research and development	307	373	635	764
Selling, general and administrative	80	103	164	214
Total stock-based compensation expense	\$ 425	\$ 517	\$ 869	\$ 1,062

As of May 2, 2021, the total unrecognized compensation cost related to unvested stock-based awards was \$3,716 million, which is expected to be recognized over the remaining weighted-average service period of 3.2 years.

Equity Incentive Award Plans

During the fiscal quarter ended May 2, 2021, our stockholders approved the amendment and restatement of our 2012 stock incentive plan, now called Broadcom Inc. 2012 Stock Incentive Plan (the "Amended 2012 Plan"). Under the Amended 2012 Plan, we may grant to all employees stock options and stock appreciation rights with an exercise price that is no less than the fair market value on the date of grant, and time- and market-based RSUs. The Amended 2012 Plan reduced the number of shares available for new equity award grants to 20 million shares and removed the annual share replenishment provision. We will make no further equity award grants under our LSI Corporation 2003 Equity Incentive Plan.

A summary of time- and market-based RSU activity is as follows:

	Number of RSUs Outstanding	Weighted-Average Grant Date Fair Value Per Share
	(In millions, except per share data)	
Balance as of November 1, 2020	32	\$ 188.35
Granted	1	\$ 403.13
Vested	(4)	\$ 210.46
Forfeited	(1)	\$ 193.38
Balance as of May 2, 2021	28	\$ 198.05

The aggregate fair value of time- and market-based RSUs that vested during the two fiscal quarters ended May 2, 2021 was \$1,909 million, which represented the market value of our common stock on the date that the RSUs vested. The number of RSUs vested included shares of common stock that we withheld for settlement of employees' tax obligations due upon the vesting of RSUs.

9. Income Taxes

The benefit from income taxes was \$7 million and \$1 million for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, compared to \$159 million and \$235 million for the fiscal quarter and two fiscal quarters ended May 3, 2020, respectively.

The benefit from income taxes for the fiscal quarter and two fiscal quarters ended May 2, 2021 reflected excess tax benefits from stock-based awards and the recognition of gross unrecognized tax benefits as a result of lapses of statutes of limitations and audit settlements, substantially offset by higher taxes on income from continuing operations.

The benefit from income taxes for the fiscal quarter and two fiscal quarters ended May 3, 2020 resulted from significant discrete items related to the remeasurement of certain foreign deferred tax assets and liabilities and excess tax benefits from stock-based awards. These discrete items, together with the impact of the jurisdictional mix of income and expense, more than offset taxes on income from continuing operations.

Uncertain Tax Positions

The balance of gross unrecognized tax benefits was \$4,856 million and \$4,748 million as of May 2, 2021 and November 1, 2020, respectively.

Accrued interest and penalties are included in other long-term liabilities on the condensed consolidated balance sheets. As of May 2, 2021 and November 1, 2020, the combined amount of cumulative accrued interest and penalties was approximately \$349 million and \$340 million, respectively.

As of May 2, 2021 and November 1, 2020, approximately \$5,205 million and \$5,088 million, respectively, of the unrecognized tax benefits, including accrued interest and penalties, would affect our effective tax rate if favorably resolved.

We are subject to U.S. income tax examination for fiscal years 2013 and later. Certain of our acquired companies are subject to tax examinations in major jurisdictions outside of the U.S. for fiscal years 2008 and later. It is possible that our existing unrecognized tax benefits may change up to \$277 million as a result of lapses of the statute of limitations for certain audit periods and/or audit examinations expected to be completed within the next 12 months.

10. Segment Information

Reportable Segments

We have two reportable segments: semiconductor solutions and infrastructure software. Each segment represents components for which separate financial information is available that is utilized on a regular basis by the CODM in determining how to allocate resources and evaluate performance. The reportable segments are determined based on several factors including, but not limited to, customer base, homogeneity of products, technology, delivery channels and similar economic characteristics.

Semiconductor solutions. We provide semiconductor solutions for managing the movement of data in data center, telecom, enterprise and embedded networking applications. We provide a broad variety of radio frequency semiconductor devices, wireless connectivity solutions and custom touch controllers for mobile applications. We also provide semiconductor solutions for enabling the set-top box and broadband access markets and for enabling secure movement of digital data to and from host machines, such as servers, personal computers and storage systems, to the underlying storage devices, such as hard disk drives and solid state drives. We also provide a broad variety of products for the general industrial and automotive markets. Our semiconductor solutions segment also includes our IP licensing.

Infrastructure software. We provide a portfolio of software solutions that enables customers to plan, develop, automate, manage and secure applications across mainframe, distributed, mobile and cloud platforms. Our portfolio of mainframe and BizOps software solutions enables customers to leverage the benefits of agility, automation, insights, resiliency and security in managing business processes and technology investments. Our cyber security solutions portfolio includes endpoint, network, information and identity security solutions. We also offer mission critical FC SAN products and related software.

Our CODM assesses the performance of each segment and allocates resources to each segment based on net revenue and operating results and does not evaluate each segment using discrete asset information. Operating results by segment include items that are directly attributable to each segment and also include shared expenses such as global operations, including manufacturing support, logistics and quality control, expenses associated with selling, general and administrative activities, facilities and information technology ("IT") expenses. Shared expenses are primarily allocated based on revenue and headcount.

During the fourth quarter of fiscal year 2020, we refined our allocation methodology for certain selling, general and administrative expenses to more closely align these costs with the segment benefiting from the shared expenses. Prior period segment results have been recast to conform to the current presentation.

Unallocated Expenses

Unallocated expenses include amortization of acquisition-related intangible assets, stock-based compensation expense, restructuring, impairment and disposal charges, acquisition-related costs, charges related to inventory step-up to fair value, and other costs, which are not used in evaluating the results of, or in allocating resources to, our segments. Acquisition-related costs include transaction costs and any costs directly related to the acquisition and integration of acquired businesses.

Depreciation expense directly attributable to each reportable segment is included in the operating results of each segment. However, the CODM does not evaluate depreciation expense by operating segment and, therefore, it is not separately presented. There was no inter-segment revenue for any of the periods presented. The accounting policies of the segments are the same as those described in the "Summary of Significant Accounting Policies" included in the Annual Report on Form 10-K for fiscal year 2020.

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
	(In millions)			
Net revenue:				
Semiconductor solutions	\$ 4,820	\$ 4,027	\$ 9,728	\$ 8,218
Infrastructure software	1,790	1,715	3,537	3,382
Total net revenue	<u>\$ 6,610</u>	<u>\$ 5,742</u>	<u>\$ 13,265</u>	<u>\$ 11,600</u>
Operating income:				
Semiconductor solutions	\$ 2,547	\$ 1,891	\$ 5,108	\$ 3,934
Infrastructure software	1,255	1,140	2,474	2,181
Unallocated expenses	(1,827)	(2,265)	(3,770)	(4,635)
Total operating income	<u>\$ 1,975</u>	<u>\$ 766</u>	<u>\$ 3,812</u>	<u>\$ 1,480</u>

Significant Customer Information

We sell our products through our direct sales force and a select network of distributors and channel partners globally. No customer accounted for 10% or more of our net accounts receivable balance as of May 2, 2021 or November 1, 2020.

One customer accounted for 17% and 18% of our net revenue for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, and 14% of our net revenue for each of the fiscal quarter and two fiscal quarters ended May 3, 2020. Net revenue from this customer was included in our semiconductor solutions segment.

11. Commitments and Contingencies

Commitments

The following table summarizes contractual obligations and commitments as of May 2, 2021 that materially changed from the end of fiscal year 2020:

Fiscal Year:	Debt Principal, Interest and Fees	Purchase Commitments	Other Contractual Commitments
	(In millions)		
2021 (remainder)	\$ 811	\$ 1,106	\$ 89
2022	1,819	76	231
2023	1,950	38	220
2024	3,084	—	166
2025	3,276	—	73
Thereafter	46,048	—	245
Total	<u>\$ 56,988</u>	<u>\$ 1,220</u>	<u>\$ 1,024</u>

Debt Principal, Interest and Fees. Represents principal, interest and fees on our borrowings.

Purchase Commitments. Represents unconditional purchase obligations that include agreements to purchase goods or services, primarily inventory, that are enforceable and legally binding on us and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions, and the approximate timing of the transaction. Purchase obligations exclude agreements that are cancelable without penalty. Cancellation for outstanding purchase orders for capital expenditures in connection with construction of our new campuses is generally allowed but requires payment of all costs incurred through the date of cancellation and, therefore, cancelable purchase orders for these capital expenditures are included in the table above.

Other Contractual Commitments. Represents amounts payable pursuant to agreements related to IT, human resources, and other service agreements.

Due to the inherent uncertainty with respect to the timing of future cash outflows associated with our unrecognized tax benefits at May 2, 2021, we are unable to reliably estimate the timing of cash settlement with the respective taxing authorities. Therefore, \$3,188 million of unrecognized tax benefits and accrued interest classified within other long-term liabilities on our condensed consolidated balance sheet as of May 2, 2021 have been excluded from the table above.

Standby Letters of Credit

As of May 2, 2021 and November 1, 2020, we had standby letters of credit of \$59 million and \$65 million, respectively. Standby letters of credit are financial guarantees provided by third parties for leases, customs, taxes and certain self-insured risks. If the guarantees are called, we must reimburse the provider of the guarantees.

Contingencies

From time to time, we are involved in litigation that we believe is of the type common to companies engaged in our lines of business, including commercial disputes, employment issues, tax disputes and disputes involving claims by third parties that our activities infringe their patent, copyright, trademark or other IP rights, as well as regulatory investigations or inquiries. Legal proceedings and regulatory investigations or inquiries are often complex, may require the expenditure of significant funds and other resources, and the outcome of such proceedings is inherently uncertain, with material adverse outcomes possible. IP property claims generally involve the demand by a third-party that we cease the manufacture, use or sale of the allegedly infringing products, processes or technologies and/or pay substantial damages or royalties for past, present and future use of the allegedly infringing IP. Claims that our products or processes infringe or misappropriate any third-party IP rights (including claims arising through our contractual indemnification of our customers) often involve highly complex, technical issues, the outcome of which is inherently uncertain. Moreover, from time to time, we pursue litigation to assert our IP rights. Regardless of the merit or resolution of any such litigation, complex IP litigation is generally costly and diverts the efforts and attention of our management and technical personnel.

Lawsuits Relating to California Institute of Technology

California Institute of Technology ("Caltech") filed a complaint against Broadcom and Apple Inc. on May 26, 2016 in the United States District Court for the Central District of California (the "U.S. Central District Court"), and an amended complaint adding Cypress Semiconductor Corporation as a defendant on August 15, 2016. The amended complaint alleged that chips that support certain error correction codes as specified in IEEE Standards 802.11n and 802.11ac willfully infringed four patents related to error correction coding: U.S. Patent Nos. 7,116,710; 7,421,032; 7,916,781; and 8,284,833 ("833 patent"). Prior to trial, Caltech dismissed its claims against Cypress and withdrew its infringement allegations as to '833 patent. The complaint sought a preliminary and permanent injunction, damages, pre- and post-judgment interest, as well as attorneys' fees, costs, and expenses. The trial was held in January 2020, and on January 29, 2020, the jury issued its verdict finding infringement and awarding Caltech past damages of \$270.2 million from Broadcom and \$837.8 million from Apple, for which Apple is seeking indemnification from Broadcom. On August 3, 2020, the U.S. Central District Court issued its judgment, awarding Caltech past damages in the amounts awarded by the jury, as well as pre- and post-judgment interest. Additionally, the U.S. Central District Court awarded Caltech an unspecified amount of ongoing royalties to be determined after the anticipated appeals process is resolved. Neither the jury nor the U.S. Central District Court found willful infringement, which if it had, could have resulted in enhanced damages up to three times the amount awarded. Broadcom and Apple have appealed to the United States Court of Appeals for the Federal Circuit.

We believe that the evidence and the law do not support the U.S. Central District Court's findings of infringement or the award of damages, including ongoing royalties, and do not believe a material loss is probable at this time. We believe that there are strong grounds for appeal, and we intend to vigorously challenge the U.S. Central District Court's judgment and rulings. As a result, we have not recorded a reserve with respect to this litigation, in accordance with the applicable accounting standards. We believe the low end of the possible range of loss is zero, but we cannot reasonably estimate the

ultimate outcome, as a number of factors (including the appeal by Broadcom and Apple) could significantly change the assessment of damages.

Other Matters

In addition to the matters discussed above, we are currently engaged in a number of legal actions in the ordinary course of our business.

Contingency Assessment

We do not believe, based on currently available facts and circumstances, that the final outcome of any pending legal proceedings or ongoing regulatory investigations, taken individually or as a whole, will have a material adverse effect on our condensed consolidated financial statements. However, lawsuits may involve complex questions of fact and law and may require the expenditure of significant funds and other resources to defend. The results of litigation or regulatory investigations are inherently uncertain, and material adverse outcomes are possible. From time to time, we may enter into confidential discussions regarding the potential settlement of such lawsuits. Any settlement of pending litigation could require us to incur substantial costs and other ongoing expenses, such as future royalty payments in the case of an intellectual property dispute.

During the periods presented, no material amounts have been accrued or disclosed in the accompanying condensed consolidated financial statements with respect to loss contingencies associated with any other legal proceedings or regulatory investigations, as potential losses for such matters are not considered probable and ranges of losses are not reasonably estimable. These matters are subject to many uncertainties and the ultimate outcomes are not predictable. There can be no assurances that the actual amounts required to satisfy any liabilities arising from the matters described above will not have a material adverse effect on our condensed consolidated financial statements.

Other Indemnifications

As is customary in our industry and as provided for in local law in the U.S. and other jurisdictions, many of our standard contracts provide remedies to our customers and others with whom we enter into contracts, such as defense, settlement, or payment of judgment for IP claims related to the use of our products. From time to time, we indemnify customers, as well as our suppliers, contractors, lessors, lessees, companies that purchase our businesses or assets and others with whom we enter into contracts, against combinations of loss, expense, or liability arising from various triggering events related to the sale and the use of our products, the use of their goods and services, the use of facilities and state of our owned facilities, the state of the assets and businesses that we sell and other matters covered by such contracts, usually up to a specified maximum amount. In addition, from time to time we also provide protection to these parties against claims related to undiscovered liabilities, additional product liabilities or environmental obligations. In our experience, claims made under such indemnifications are rare and the associated estimated fair value of the liability is not material.

12. Restructuring Charges

The following is a summary of significant restructuring expense recognized primarily in operating expenses:

- During the first quarter of fiscal year 2021, we initiated cost reduction activities associated with plans to align our workforce with strategic business activities and to improve efficiencies in our operations. As a result, we recognized \$23 million and \$98 million of restructuring expense primarily related to employee termination costs during the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively.
- We recognized \$57 million and \$109 million of restructuring expense primarily related to employee termination costs during the fiscal quarter and two fiscal quarters ended May 3, 2020, respectively. The restructuring expense during the fiscal quarter ended May 3, 2020 was primarily related to cost reduction activities associated with the Symantec Asset Purchase. The restructuring expense during the two fiscal quarters ended May 3, 2020 was related to cost reduction activities related to the Symantec Asset Purchase of \$90 million and cost reduction activities related to our acquisition of CA, Inc. of \$19 million.

The following table summarizes the significant activities within, and components of, the restructuring liabilities during the two fiscal quarters ended May 2, 2021:

	Employee Termination Costs	Other Exit Costs	Total
	(In millions)		
Balance as of November 1, 2020	\$ 34	\$ —	\$ 34
Restructuring charges	72	9	81
Utilization	(72)	(9)	(81)
Balance as of May 2, 2021 ^(a)	\$ 34	\$ —	\$ 34

(a) We expect the majority of the employee termination costs balance to be paid within the next six months.

Restructuring, impairment and disposal charges in our condensed consolidated statement of operations for the two fiscal quarters ended May 2, 2021 included \$17 million for the write-down of certain lease-related right-of-use assets and other lease-related charges. As of May 2, 2021, short-term and long-term lease liabilities included \$76 million of liabilities related to restructuring activities.

13. Subsequent Events

Preferred Stock Cash Dividends Declared

On June 2, 2021, our Board of Directors declared a quarterly cash dividend of \$20.00 per share on our Mandatory Convertible Preferred Stock, payable on June 30, 2021 to stockholders of record on June 15, 2021.

Common Stock Cash Dividends Declared

On June 2, 2021, our Board of Directors declared a quarterly cash dividend of \$3.60 per share on our common stock, payable on June 30, 2021 to stockholders of record on June 22, 2021.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q ("Form 10-Q") and the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the fiscal year ended November 1, 2020 ("fiscal year 2020") included in our Annual Report on Form 10-K for fiscal year 2020 ("2020 Annual Report on Form 10-K"). References to "Broadcom," "we," "our" and "us" are to Broadcom Inc. and its consolidated subsidiaries, unless otherwise specified or the context otherwise requires. This Form 10-Q may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, which are made under the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements may include the potential impact of the COVID-19 pandemic; projections of financial information; statements about historical results that may suggest trends for our business; statements of the plans, strategies and objectives of management for future operations; and statements of expectation or belief regarding future events (including any acquisitions we may make), technology developments, our products, product sales, expenses, liquidity, cash flow and growth rates, customer concentration and relationships, or enforceability of our intellectual property ("IP") rights. Such statements are based on current expectations, estimates, forecasts and projections of our industry performance and macroeconomic conditions, based on management's judgment, beliefs, current trends and market conditions, and involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. We derive most of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Accordingly, we caution you not to place undue reliance on these statements. Important factors that could cause actual results to differ materially from our expectations are disclosed under "Risk Factors" in Part II, Item 1A of this Form 10-Q, and in other documents we file from time to time with the Securities and Exchange Commission (the "SEC"). All of the forward-looking statements in this Form 10-Q are qualified in their entirety by reference to the factors listed above and those discussed under the heading "Risk Factors" below. We undertake no intent or obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as otherwise required by law.

Overview

We are a global technology leader that designs, develops and supplies a broad range of semiconductor and infrastructure software solutions. We develop semiconductor devices with a focus on complex digital and mixed signal complementary metal oxide semiconductor based devices and analog III-V based products. We have a history of innovation in the semiconductor industry and offer thousands of products that are used in end products such as enterprise and data center networking, home connectivity, set-top boxes, broadband access, telecommunication equipment, smartphones and base stations, data center servers and storage systems, factory automation, power generation and alternative energy systems, and electronic displays. Our infrastructure software solutions enable customers to plan, develop, automate, manage and secure applications across mainframe, distributed, mobile and cloud platforms. Our portfolio of mainframe and BizOps software solutions enables customers to leverage the benefits of agility, automation, insights, resiliency and security in managing business processes and technology investments. We offer a cyber security solutions portfolio, including endpoint, network, information and identity security solutions. We also offer mission critical fibre channel storage area networking ("FC SAN") products and related software in the form of modules, switches and subsystems incorporating multiple semiconductor products.

We have two reportable segments: semiconductor solutions and infrastructure software. Our semiconductor solutions segment includes all of our product lines and IP licensing. Our infrastructure software segment includes our mainframe, BizOps and cyber security solutions, and our FC SAN business.

During the fourth quarter of our fiscal year 2020, we refined our allocation methodology for certain selling, general and administrative expenses to more closely align these costs with the segment benefiting from the shared expenses. Prior period segment results have been recast to conform to the current presentation.

Quarterly Highlights

Highlights during the fiscal quarter ended May 2, 2021 include the following:

- We generated \$3,569 million of cash from operations.
- We paid \$1,552 million in cash dividends.
- We repurchased \$929 million of certain of our outstanding notes.

COVID-19 Update

In response to the ongoing COVID-19 pandemic and the various resulting government directives, we have taken extensive measures to protect the health and safety of our employees and contractors at our facilities. We modified our workplace practices globally, which resulted in many of our employees working remotely for an extended period of time. While we have implemented a phased-in return of employees to many of our facilities, we may need to modify our business practices. We continue to monitor the implications of the COVID-19 pandemic on our business, as well as our customers' and suppliers' businesses.

The demand environment for our semiconductor products was consistent with our expectations for the second quarter of our fiscal year ending October 31, 2021 ("fiscal year 2021"), with continued demand for products and infrastructure to support a dramatic increase around the world in remote or tele-work and learning due to COVID-19. While we continue to see robust demand in this area, the macroeconomic environment remains uncertain and it may not be sustainable over the longer term. To date, the impact of COVID-19 on the demand environment for our software products has been limited. On the product supply side, we continue to experience various constraints in our supply chain due to the pandemic, including with respect to wafers and substrates. While supply lead times have stabilized, we continue to have difficulties in obtaining some necessary components and inputs in a timely manner to meet increased demand.

We have also taken various actions to de-risk our business in light of the ongoing uncertainty. For example, we are largely building semiconductor products to order, instead of based on customer forecasts. In addition, we have continued to strengthen our balance sheet, including closely managing working capital and our debt instruments.

Overall, in light of the changing nature and continuing uncertainty around the COVID-19 pandemic, our ability to predict the impact of COVID-19 on our business in future periods remains limited. The effects of the pandemic on our business are unlikely to be fully realized, or reflected in our financial results, until future periods.

Critical Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. Our actual financial results may differ materially and adversely from our estimates. Our critical accounting policies are those that affect our historical financial statements materially and involve difficult, subjective or complex judgments by management. Those policies include revenue recognition, business combinations, valuation of long-lived assets, intangible assets and goodwill, inventory valuation, income taxes, retirement and post-retirement benefit plan assumptions, stock-based compensation expense, and employee bonus programs.

There were no significant changes in our critical accounting policies during the two fiscal quarters ended May 2, 2021 compared to those previously disclosed in "Critical Accounting Estimates" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the 2020 Annual Report on Form 10-K.

Results of Operations

Fiscal Quarter and Two Fiscal Quarters Ended May 2, 2021 Compared to Fiscal Quarter and Two Fiscal Quarters Ended May 3, 2020

The following tables set forth our results of operations for the periods presented:

	Fiscal Quarter Ended			
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
	(In millions)		(As a percentage of net revenue)	
Statements of Operations Data:				
Net revenue:				
Products	\$ 4,983	\$ 4,253	75 %	74 %
Subscriptions and services	1,627	1,489	25	26
Total net revenue	6,610	5,742	100	100
Cost of revenue:				
Cost of products sold	1,548	1,448	24	25
Cost of subscriptions and services	151	144	2	3
Amortization of acquisition-related intangible assets	853	954	13	17
Restructuring charges	1	7	—	—
Total cost of revenue	2,553	2,553	39	45
Gross margin	4,057	3,189	61	55
Research and development	1,238	1,269	19	22
Selling, general and administrative	325	501	5	9
Amortization of acquisition-related intangible assets	494	599	7	10
Restructuring, impairment and disposal charges	25	54	—	1
Total operating expenses	2,082	2,423	31	42
Operating income	\$ 1,975	\$ 766	30 %	13 %

	Two Fiscal Quarters Ended			
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
	(In millions)		(As a percentage of net revenue)	
Statements of Operations Data:				
Net revenue:				
Products	\$ 10,064	\$ 8,457	76 %	73 %
Subscriptions and services	3,201	3,143	24	27
Total net revenue	13,265	11,600	100	100
Cost of revenue:				
Cost of products sold	3,220	2,907	25	25
Cost of subscriptions and services	293	321	2	3
Amortization of acquisition-related intangible assets	1,727	1,904	13	16
Restructuring charges	16	15	—	—
Total cost of revenue	5,256	5,147	40	44
Gross margin	8,009	6,453	60	56
Research and development	2,449	2,558	18	22
Selling, general and administrative	664	1,102	5	10
Amortization of acquisition-related intangible assets	988	1,202	7	10
Restructuring, impairment and disposal charges	96	111	1	1
Total operating expenses	4,197	4,973	31	43
Operating income	\$ 3,812	\$ 1,480	29 %	13 %

Net Revenue

Historically, a relatively small number of customers have accounted for a significant portion of our net revenue. Direct sales to WT Microelectronics, a distributor, accounted for 17% and 18% of our net revenue for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, and 14% of our net revenue for each of the fiscal quarter and two fiscal quarters ended May 3, 2020.

We believe aggregate sales to our top five end customers, through all channels, accounted for approximately 35% of our net revenue for each of the fiscal quarter and two fiscal quarters ended May 2, 2021 and approximately 30% of our net revenue for each of the fiscal quarter and two fiscal quarters ended May 3, 2020. We believe aggregate sales to Apple Inc., through all channels, accounted for less than 25% of our net revenue for each of the fiscal quarter and two fiscal quarters ended May 2, 2021 and less than 20% of our net revenue for each of the fiscal quarter and two fiscal quarters ended May 3, 2020. We expect to continue to experience significant customer concentration in future periods. The loss of, or significant decrease in demand from, any of our top five end customers could have a material adverse effect on our business, results of operations and financial condition.

From time to time, some of our key semiconductor customers place large orders or delay orders, causing our quarterly net revenue to fluctuate significantly. This is particularly true of our wireless products as fluctuations may be magnified by the timing of launches, and seasonal variations in sales, of mobile handsets. The ongoing COVID-19 pandemic and related challenges and uncertainties may also cause our net revenue to fluctuate significantly and adversely affect our results of operations, as discussed above. Additionally, export restrictions on one of our larger customers have had, and may continue to have, an adverse impact on our revenue.

The following tables set forth net revenue by segment for the periods presented:

Net Revenue by Segment	Fiscal Quarter Ended				Two Fiscal Quarters Ended			
	May 2, 2021	May 3, 2020	\$ Change	% Change	May 2, 2021	May 3, 2020	\$ Change	% Change
(In millions, except for percentages)								
Semiconductor solutions	\$ 4,820	\$ 4,027	\$ 793	20 %	\$ 9,728	\$ 8,218	\$ 1,510	18 %
Infrastructure software	1,790	1,715	75	4 %	3,537	3,382	155	5 %
Total net revenue	\$ 6,610	\$ 5,742	\$ 868	15 %	\$ 13,265	\$ 11,600	\$ 1,665	14 %

Net Revenue by Segment	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020	May 2, 2021	May 3, 2020
(As a percentage of net revenue)				
Semiconductor solutions	73 %	70 %	73 %	71 %
Infrastructure software	27	30	27	29
Total net revenue	100 %	100 %	100 %	100 %

Fiscal quarter ended May 2, 2021 compared to corresponding prior year period. Net revenue from our semiconductor solutions segment increased primarily due to higher demand for our wireless content in mobile handsets, as well as a later than typical new mobile handset ramp with a major customer, which resulted in higher shipments in the quarter, compared to the prior year fiscal period. Net revenue from our semiconductor solutions segment also increased due to higher demand for our broadband and networking products. Net revenue from our infrastructure software segment increased primarily due to higher demand for our mainframe solutions, FC SAN products and cyber security solutions.

Two fiscal quarters ended May 2, 2021 compared to corresponding prior year period. Net revenue from our semiconductor solutions segment increased primarily due to higher demand for our wireless content in mobile handsets, as well as a later than typical new mobile handset ramp with a major customer, which resulted in higher shipments in the current year period, compared to the prior year fiscal period. Net revenue from our semiconductor solutions segment also increased due to higher demand for our networking and broadband products, partially offset by lower demand for our server storage products. Net revenue from our infrastructure software segment increased primarily due to higher demand for our mainframe solutions, FC SAN products and cyber security solutions.

Gross Margin

Gross margin was \$4,057 million for the fiscal quarter ended May 2, 2021 compared to \$3,189 million for the fiscal quarter ended May 3, 2020 and \$8,009 million for the two fiscal quarters ended May 2, 2021 compared to \$6,453 million for the two fiscal quarters ended May 3, 2020. As a percentage of net revenue, gross margin was 61% and 60% of net revenue for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, and 55% and 56% of net revenue for the fiscal quarter and two fiscal quarters ended May 3, 2020, respectively.

The increases in gross margin were primarily due to lower amortization of acquisition-related intangible assets, as well as favorable product mix within our semiconductor solutions segment and improvements in our cost structure within our infrastructure software segment compared to the prior year fiscal periods.

Research and Development Expense

Research and development expense decreased \$31 million, or 2%, and \$109 million, or 4%, for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, compared to the prior year fiscal periods. The decreases were primarily due to lower stock-based compensation expense reflecting the full vesting of certain equity awards and the effects of forfeitures, partially offset by higher variable employee compensation expense.

Selling, General and Administrative Expense

Selling, general and administrative expense decreased \$176 million, or 35%, and \$438 million, or 40%, for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, compared to the prior year fiscal periods. The decreases were primarily due to higher acquisition-related costs incurred in the prior year fiscal periods as a result of our acquisition of the Symantec Corporation Enterprise Security business (the "Symantec Business"). The decreases were also due to lower compensation expense reflecting the full benefit of the completed Symantec Business integration, as well as lower stock-based compensation expense. In addition, fiscal year 2020 included non-recurring litigation settlements.

Amortization of Acquisition-Related Intangible Assets

Amortization of acquisition-related intangible assets recognized in operating expenses decreased \$105 million and \$214 million for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, compared to the prior year fiscal periods. The decreases were primarily due to lower amortization of certain intangible assets from our acquisition of CA, Inc.

Restructuring, Impairment and Disposal Charges

Restructuring, impairment and disposal charges recognized in operating expenses decreased \$29 million and \$15 million for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, compared to the prior year fiscal periods. The decreases were primarily due to higher employee termination costs in the prior year fiscal periods from our acquisition of the Symantec Business.

Stock-Based Compensation Expense

Total stock-based compensation expense was \$425 million and \$869 million for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, compared to \$517 million and \$1,062 million for the fiscal quarter and two fiscal quarters ended May 3, 2020, respectively. The decreases primarily reflect the full vesting of certain equity awards and the effect of forfeitures.

The following table sets forth the total unrecognized compensation cost related to unvested stock-based awards outstanding and expected to vest as of May 2, 2021.

Fiscal Year:	Unrecognized Compensation Cost, Net of Expected Forfeiture (In millions)
2021 (remainder)	\$ 837
2022	1,274
2023	887
2024	507
2025	188
Thereafter	23
Total	\$ 3,716

During the first quarter of fiscal year ended November 3, 2019 ("fiscal year 2019"), the Compensation Committee of our Board of Directors approved a broad-based program of multi-year equity grants of time- and market-based restricted stock units (the "Multi-Year Equity Awards") in lieu of our annual employee equity awards historically granted on March 15 of each year. Each Multi-Year Equity Award vests on the same basis as four annual grants made March 15 of each year, beginning in fiscal year 2019, with successive four-year vesting periods. We recognize stock-based compensation expense related to the Multi-Year Equity Awards from the grant date through their respective vesting date, ranging from 4 years to 7 years.

Segment Operating Results

Operating Income by Segment	Fiscal Quarter Ended				Two Fiscal Quarters Ended			
	May 2, 2021	May 3, 2020	\$ Change	% Change	May 2, 2021	May 3, 2020	\$ Change	% Change
(In millions, except for percentages)								
Semiconductor solutions	\$ 2,547	\$ 1,891	\$ 656	35 %	\$ 5,108	\$ 3,934	\$ 1,174	30 %
Infrastructure software	1,255	1,140	115	10 %	2,474	2,181	293	13 %
Unallocated expenses	(1,827)	(2,265)	438	(19)%	(3,770)	(4,635)	865	(19)%
Total operating income	\$ 1,975	\$ 766	\$ 1,209	158 %	\$ 3,812	\$ 1,480	\$ 2,332	158 %

Fiscal quarter ended May 2, 2021 compared to corresponding prior year period. Operating income from our semiconductor solutions segment increased primarily due to higher demand for our wireless content in mobile handsets, as well as a later than typical new mobile handset ramp with a major customer, which resulted in higher shipments in the quarter, compared to the prior year fiscal period. Operating income from our semiconductor solutions segment also increased due to higher demand for our networking and broadband products. Operating income from our infrastructure software segment increased primarily due to higher demand for our cyber security and mainframe solutions, as well as higher demand for our FC SAN products.

Two fiscal quarters ended May 2, 2021 compared to corresponding prior year period. Operating income from our semiconductor solutions segment increased primarily due to higher demand for our wireless content in mobile handsets, as well as a later than typical new mobile handset ramp with a major customer, which resulted in higher shipments in the current year period, compared to the prior year fiscal period. Operating income from our semiconductor solutions segment also increased due to higher demand for our networking and broadband products, partially offset by lower demand for our server storage products. Operating income from our infrastructure software segment increased primarily due to higher demand for our mainframe and cyber security solutions, as well as higher demand for our FC SAN products.

Unallocated expenses include amortization of acquisition-related intangible assets; stock-based compensation expense; restructuring, impairment and disposal charges; acquisition-related costs; and other costs that are not used in evaluating the results of, or in allocating resources to, our segments. Unallocated expenses decreased 19% for each of the fiscal quarter and two fiscal quarters ended May 2, 2021 compared to prior year fiscal periods. The decreases were primarily due to amortization of acquisition-related intangible assets, acquisition-related costs and stock-based compensation expense.

Non-Operating Income and Expenses

Interest expense. Interest expense was \$466 million and \$1,036 million for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, and \$487 million and \$893 million for the fiscal quarter and two fiscal quarters ended May 3, 2020, respectively. The decrease for the fiscal quarter ended May 2, 2021 was primarily due to lower losses on extinguishment of debt related to refinancing activities, offset by higher interest expense. The increase for the two fiscal quarters ended May 2, 2021 was primarily due to higher losses on extinguishment of debt related to refinancing activities and higher interest expense.

Other income (expense), net. Other income (expense), net, includes interest income, gains or losses on investments, foreign currency remeasurement and other miscellaneous items. Other expense, net, was \$23 million for the fiscal quarter ended May 2, 2021 compared to other income, net, of \$130 million for the fiscal quarter ended May 3, 2020. The change was primarily due to a \$116 million non-recurring gain from the lapse of a tax indemnification arrangement for the fiscal quarter ended May 3, 2020 and changes in investment gains or losses.

Other income, net, was \$94 million and \$126 million for the two fiscal quarters ended May 2, 2021 and May 3, 2020, respectively. The change was primarily due to the tax indemnification gain mentioned above which was substantially offset by changes in investment gains or losses.

Benefit from income taxes. The benefit from income taxes was \$7 million and \$1 million for the fiscal quarter and two fiscal quarters ended May 2, 2021, respectively, and \$159 million and \$235 million for the fiscal quarter and two fiscal quarters ended May 3, 2020, respectively. The benefit from income taxes for the fiscal quarter and two fiscal quarters ended May 2, 2021 reflected excess tax benefits from stock-based awards and the recognition of gross unrecognized tax benefits as a result of lapses of statutes of limitations and audit settlements, substantially offset by higher taxes on income from continuing operations. The benefit from income taxes for the fiscal quarter and two fiscal quarters ended May 3, 2020 resulted from significant discrete items related to the remeasurement of certain foreign deferred tax assets and liabilities and excess tax benefits from stock-based awards. These discrete items, together with the impact of the jurisdictional mix of income and expense, more than offset taxes on income from continuing operations.

Liquidity and Capital Resources

The following section discusses our principal liquidity and capital resources as well as our principal liquidity requirements and uses of cash. Our cash and cash equivalents are maintained in highly liquid investments with remaining maturities of 90 days or less at the time of purchase. We believe our cash equivalents are liquid and accessible.

Our primary sources of liquidity as of May 2, 2021 consisted of: (i) \$9,518 million in cash and cash equivalents, (ii) cash we expect to generate from operations and (iii) available capacity under our \$7.5 billion unsecured revolving credit facility (the "Revolving Facility"). In addition, we may also generate cash from the sale of assets and debt or equity financing from time to time.

Our short-term and long-term liquidity requirements primarily arise from: (i) business acquisitions and investments we may make from time to time, (ii) working capital requirements, (iii) research and development and capital expenditure needs, (iv) cash dividend payments (if and when declared by our Board of Directors), (v) interest and principal payments related to our \$41,499 million of outstanding indebtedness and (vi) payment of income taxes. Our ability to fund these requirements will depend, in part, on our future cash flows, which are determined by our future operating performance and, therefore, subject to prevailing global macroeconomic conditions and financial, business and other factors, some of which are beyond our control. We expect our capital expenditures for fiscal year 2021 to be slightly higher than fiscal year 2020.

We believe that our cash and cash equivalents on hand, cash flows from operations, and the Revolving Facility will provide sufficient liquidity to operate our business and fund our current and assumed obligations for at least the next 12 months.

From time to time, we engage in discussions with third parties regarding potential acquisitions of, or investments in, businesses, technologies and product lines. Any such transaction, or evaluation of potential transactions, could require significant use of our cash and cash equivalents, or require us to increase our borrowings to fund such transactions. If we do not have sufficient cash to fund our operations or finance growth opportunities, including acquisitions, or unanticipated capital expenditures, our business and financial condition could suffer. In such circumstances, we may also seek to obtain new debt or equity financing. However, we cannot assure you that such additional financing will be available on terms acceptable to us or at all. Our ability to service our senior unsecured notes and any other indebtedness we may incur will depend on our ability to generate cash in the future. We may also elect to sell additional debt or equity securities for reasons other than those specified above.

In addition, we may, at any time and from time to time, seek to retire or purchase our outstanding debt through cash tenders and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such tenders, exchanges or purchases, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Working Capital

Working capital increased to \$7,809 million at May 2, 2021 from \$5,524 million at November 1, 2020. The increase was primarily attributable to the following:

- Cash and cash equivalents increased to \$9,518 million at May 2, 2021 from \$7,618 million at November 1, 2020, primarily due to \$9,904 million in proceeds from long-term borrowings and \$6,682 million in net cash provided by operating activities. These increases were partially offset by \$10,733 million of debt payments and \$3,095 million of dividend payments.
- Current portion of long-term debt decreased to \$278 million at May 2, 2021 from \$827 million at November 1, 2020 due to repayments of certain debt instruments.
- Other current assets increased to \$1,298 million at May 2, 2021 from \$977 million at November 1, 2020, primarily due to increases in prepaid taxes and short-term investments.
- Employee compensation and benefits decreased to \$639 million at May 2, 2021 from \$877 million at November 1, 2020, primarily due to the timing of employee bonus plan payments.
- Accounts receivable increased to \$2,425 million at May 2, 2021 from \$2,297 million at November 1, 2020, primarily due to revenue linearity.

These increases in working capital were offset in part by the following:

- Other current liabilities increased to \$4,689 million at May 2, 2021 from \$3,831 million at November 1, 2020, primarily due to increases in contract liabilities and taxes payable.

Working capital increased to \$7,621 million at May 3, 2020 from \$3,018 million at November 3, 2019. The increase was attributable to the following:

- Cash and cash equivalents increased to \$9,207 million at May 3, 2020 from \$5,055 million at November 3, 2019, primarily due to \$21,592 million in proceeds from borrowings and \$5,535 million in net cash provided by operating activities. These increases were partially offset by our \$10.7 billion acquisition of the Symantec Business (the "Symantec Asset Purchase"), \$8,989 million of debt repayments, and \$2,753 million of dividend payments.
- Other current assets increased to \$851 million at May 3, 2020 from \$729 million at November 3, 2019, primarily due to increases in prepaid taxes and other receivables.

- Employee compensation and benefits decreased to \$494 million at May 3, 2020 from \$641 million at November 3, 2019, primarily due to the timing of employee bonus plan payments.
- Current portion of long-term debt decreased to \$819 million at May 3, 2020 from \$2,787 million at November 3, 2019 due to repayment of certain debt instruments, partially offset by certain debt instruments becoming due within the next twelve months.

These increases in working capital were offset in part by the following:

- Accounts payable increased to \$1,230 million at May 3, 2020 from \$855 million at November 3, 2019, primarily due to the timing of vendor payments.
- Other current liabilities increased to \$4,058 million at May 3, 2020 from \$2,616 million at November 3, 2019, primarily due to the Symantec Asset Purchase, increases in contract liabilities, increases in lease liabilities resulting from the adoption of the new lease standard, and higher taxes payable, partially offset by repayments of notional pooling liabilities.

Capital Returns

Cash Dividends Declared and Paid	Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020
	(In millions, except per share data)	
Dividends per share to common stockholders	\$ 7.20	\$ 6.50
Dividends to common stockholders	\$ 2,945	\$ 2,603
Dividends per share to preferred stockholders	\$ 40.00	\$ 40.00
Dividends to preferred stockholders	\$ 150	\$ 150

During the two fiscal quarters ended May 2, 2021 and May 3, 2020, we paid approximately \$686 million and \$388 million, respectively, in employee withholding taxes due upon the vesting of net settled equity awards. We withheld approximately 2 million shares of common stock from employees in connection with such net share settlements during each of the two fiscal quarters ended May 2, 2021 and May 3, 2020.

Cash Flows

	Two Fiscal Quarters Ended	
	May 2, 2021	May 3, 2020
	(In millions)	
Net cash provided by operating activities	\$ 6,682	\$ 5,535
Net cash used in investing activities	(248)	(10,963)
Net cash provided by (used in) financing activities	(4,534)	9,580
Net change in cash and cash equivalents	\$ 1,900	\$ 4,152

Operating Activities

Cash provided by operating activities consisted of net income adjusted for certain non-cash and other items and changes in assets and liabilities. The \$1,147 million increase in cash provided by operations during the two fiscal quarters ended May 2, 2021 compared to the prior year fiscal period was due to higher net income adjusted for non-cash items.

Investing Activities

Cash flows from investing activities primarily consisted of cash used for acquisitions and capital expenditures. The \$10,715 million decrease in cash used in investing activities during the two fiscal quarters ended May 2, 2021 compared to the prior year fiscal period was primarily related to a \$10,862 million decrease in cash paid for acquisitions.

Financing Activities

Cash flows from financing activities primarily consisted of proceeds and payments related to our long-term borrowings, dividend payments and employee withholding tax payments related to net settled equity awards. The \$14,114 million change in cash related to financing activities during the two fiscal quarters ended May 2, 2021 compared to the prior year fiscal period was primarily due to a \$13,432 million change in net borrowing activities, a \$342 million increase in dividend payments and a \$298 million increase in employee withholding tax payments related to net settled equity awards.

Indebtedness

See Note 7. "Borrowings" in Part I, Item 1 of this Form 10-Q for additional information related to our indebtedness.

Summarized Obligor Group Financial Information

Pursuant to indentures dated January 19, 2017 and October 17, 2017 (collectively, the "2017 Indentures"), Broadcom Cayman Finance Limited (subsequently merged into Broadcom Technologies Inc. ("BTI") during fiscal year 2019 with BTI remaining as the surviving entity) and Broadcom Corporation ("BRCM" and with BTI, collectively, the "2017 Senior Notes Co-Issuers") issued \$13,550 million and \$4,000 million aggregate principal amount of notes, respectively (collectively, the "2017 Senior Notes"). Substantially all of the 2017 Senior Notes have been registered with the SEC.

We may redeem all or a portion of our 2017 Senior Notes at any time prior to their maturity, subject to a specified make-whole premium as set forth in the 2017 Indentures. In the event of a change of control triggering event, holders of our 2017 Senior Notes will have the right to require us to purchase for cash, all or a portion of their 2017 Senior Notes at a redemption price of 101% of the aggregate principal amount plus accrued and unpaid interest. The 2017 Indentures also contain covenants that restrict, among other things, the ability of Broadcom and its subsidiaries to incur certain secured debt and to consummate certain sale and leaseback transactions and restrict the ability of Broadcom, BRCM and BTI (collectively, the "Obligor Group") to merge, consolidate or sell all or substantially all of their assets.

Broadcom and BTI fully and unconditionally guarantee, jointly and severally, on an unsecured, unsubordinated basis, the 2017 Senior Notes. Because the guarantees are not secured, they are effectively subordinated to any existing and future secured indebtedness of the guarantors to the extent of the value of the collateral securing that indebtedness. The guarantee by Broadcom and BTI will be automatically and unconditionally released upon the sale, exchange, disposition or other transfer of all or substantially all of the assets of such guarantor if any of these events occurs in compliance with the 2017 Indentures. The guarantee by Broadcom (1) will also be automatically and unconditionally released at such time as: (A) the 2017 Senior Notes Co-Issuers, in their sole discretion, determine that such guarantee is no longer required by Rule 3-10(a), as applicable, of Regulation S-X to except the 2017 Senior Notes Co-Issuers' financial statements from being required to be filed pursuant to Rule 3-10(a) of Regulation S-X or otherwise facilitate a reduction in its financial reporting obligations or (B) either of the 2017 Senior Notes Co-Issuers becomes subject to Section 13 or 15(d) of the Exchange Act and (2) may, at the election of the 2017 Senior Notes Co-Issuers, be unconditionally released at such time as Broadcom is eligible to suspend its reporting obligation under the Exchange Act.

In March 2021, we completed the settlement of our private offers to exchange \$5.5 billion of certain of our outstanding notes maturing between 2024 and 2027 (the "Exchange Offer") for \$2,250 million of 3.419% new senior unsecured notes due April 2033 and \$3,250 million of 3.469% new senior unsecured notes due April 2034. In connection with the Exchange Offer, BRCM and BTI were automatically and unconditionally released from their guarantees in accordance with the respective indentures governing the January 2021 Senior Notes, June 2020 Senior Notes, May 2020 Senior Notes, April 2020 Senior Notes, and April 2019 Senior Notes.

The following tables set forth the summarized financial information of the Obligor Group on a combined basis. This summarized financial information excludes any subsidiaries that are not issuers or guarantors (the "Non-Obligor Group"). Intercompany balances and transactions between members of the Obligor Group have been eliminated.

Summarized Balance Sheet Information	May 2, 2021	November 1, 2020
	(In millions)	
ASSETS		
Current assets:		
Amount due from Non-Obligor Group	\$ 1,948	\$ 1,889
Other current assets	6,178	4,091
Total current assets	<u>\$ 8,126</u>	<u>\$ 5,980</u>
Long-term assets:		
Amount due from Non-Obligor Group, long-term	\$ 8,220	\$ 8,220
Goodwill	1,360	1,360
Other long-term assets	1,295	1,318
Total long-term assets	<u>\$ 10,875</u>	<u>\$ 10,898</u>
LIABILITIES		
Current liabilities:		
Amount due to Non-Obligor Group	\$ 8,093	\$ 7,147
Current portion of long-term debt	255	807
Other current liabilities	667	601
Total current liabilities	<u>\$ 9,015</u>	<u>\$ 8,555</u>
Long-term liabilities:		
Long-term debt	\$ 39,635	\$ 39,311
Other long-term liabilities	2,273	2,477
Total long-term liabilities	<u>\$ 41,908</u>	<u>\$ 41,788</u>

Summarized Statement of Operations Information	Two Fiscal Quarters Ended May 2, 2021
	(In millions)
Intercompany revenue with Non-Obligor Group	\$ 855
Intercompany gross margin	\$ 774
Net loss ^(a)	\$ (666)

(a) In addition to intercompany gross margin, there were \$519 million of intercompany transactions included in net loss.

Contractual Commitments

See Note 11. "Commitments and Contingencies" in Part I, Item 1 of this Form 10-Q.

Off-Balance Sheet Arrangements

We had no material off-balance sheet arrangements at May 2, 2021 as defined in Item 303(a)(4)(ii) of Regulation S-K under the Exchange Act.

Indemnifications

See Note 11. "Commitments and Contingencies" in Part I, Item 1 of this Form 10-Q.

Accounting Changes and Recent Accounting Standards

For a description of accounting changes and recent accounting standards, including the expected dates of adoption and estimated effects, if any, in our condensed consolidated financial statements, see Note 1. "Overview, Basis of Presentation and Significant Accounting Policies" in Part I, Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in market risk from the information presented in Part II, Item 7A. “Quantitative and Qualitative Disclosures About Market Risk,” in the 2020 Annual Report on Form 10-K other than those noted below.

Interest Rate Risk

As of May 2, 2021, we do not have any outstanding debt that is subject to floating interest rates.

Item 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures.* Our management, with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), evaluated the effectiveness of our disclosure controls and procedures as of May 2, 2021. We maintain disclosure controls and procedures that are intended to ensure that the information required to be disclosed in our Exchange Act filings is properly and timely recorded, processed, summarized and reported. These disclosure controls and procedures are also intended to ensure that information is accumulated and communicated to management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures. Based on this evaluation, our CEO and CFO concluded that, as of May 2, 2021, our disclosure controls and procedures were effective at the reasonable assurance level.

In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

(b) *Changes in Internal Control over Financial Reporting.* There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Although we have modified our workplace practices globally due to the COVID-19 pandemic, resulting in many of our employees working remotely, this has not materially affected our internal controls over financial reporting. We are continually monitoring and assessing the COVID-19 situation on our internal controls to minimize the impact on their design and operating effectiveness.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth under Note 11. “Commitments and Contingencies” included in Part I, Item 1 of this Form 10-Q, is incorporated herein by reference. For an additional discussion of certain risks associated with legal proceedings, see “Risk Factors” immediately below.

Item 1A. Risk Factors

Our business, operations and financial results are subject to various risks and uncertainties, including those described below, that could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our common stock and preferred stock. Many of the following risks and uncertainties are, and will continue to be, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result. The following material factors, among others, could cause our actual results to differ materially from historical results and those expressed in forward-looking statements made by us or on our behalf in filings with the SEC, press releases, communications with investors and oral statements.

Risk Factors Summary

The following is a summary of the principal risks that could adversely affect our business, operations and financial results.

Risks Related to Our Business

- The ongoing COVID-19 pandemic has disrupted and will likely continue to disrupt normal business activity.
- The majority of our sales come from a small number of customers and a reduction in demand or loss of one or more of our significant customers may adversely affect our business.
- Dependence on contract manufacturing and suppliers of critical components within our supply chain may adversely affect our ability to bring products to market.
- We purchase a significant amount of the materials used in our products from a limited number of suppliers.

- Our business is subject to various governmental regulations and trade restrictions. Compliance with these regulations may cause us to incur significant expense and, if we fail to maintain compliance, we may be forced to cease manufacture and distribution of certain products or subjected to civil or criminal penalties.
- Adverse global economic conditions could have a negative effect on us.
- Global political and economic conditions and other factors related to our international operations could adversely affect us.
- We are subject to risks associated with our distributors and other channel partners, including product inventory levels and product sell-through.
- Our dependence on senior management and if we are unable to attract and retain qualified personnel, we may not be able to execute our business strategy effectively.
- We may pursue acquisitions, investments, joint ventures and dispositions, which could adversely affect our results of operations.
- We may be involved in legal proceedings, including IP, anti-competition and securities litigation, employee-related claims and regulatory investigations.
- Our operating results are subject to substantial quarterly and annual fluctuations.
- Failure to adjust our manufacturing and supply chain to accurately meet customer demand could adversely affect our results of operations.
- We operate in the highly cyclical semiconductor industry, which is subject to significant downturns.
- Winning business in the semiconductor solutions industry is subject to a lengthy process that often requires us to incur significant expense, from which we may ultimately generate no revenue.
- Competition in our industries could prevent us from growing our revenue.
- A prolonged disruption of our manufacturing facilities, research and development facilities, warehouses or other significant operations, or those of our suppliers, could have a material adverse effect on us.
- We may be unable to maintain appropriate manufacturing capacity or product yields at our own manufacturing facilities.
- Any failure of our information technology (“IT”) systems or one or more of our corporate infrastructure vendors to provide necessary services could have a material adverse effect on our business.
- Our ability to maintain or improve gross margin.
- Our ability to protect the significant amount of IP in our business.
- Incompatibility of our software products with operating environments, platforms, or third-party products, demand for our products and services could decrease.
- Failure to enter into software license agreements on a satisfactory basis could adversely affect us.
- Licensed third party software used in our products may not be available to us in the future, which may delay product development and production or cause us to incur additional expense.
- Use of open source code sources, which, under certain circumstances could materially adversely affect us.
- We are subject to warranty claims, product recalls and product liability.
- The complexity of our products could result in unforeseen delays or expense or undetected defects or bugs.
- We make substantial investments in research and development and unsuccessful investments could materially adversely affect our business, financial condition and results of operations.
- We collect, use, store, or otherwise process personal information, which subjects us to privacy and data security laws and contractual commitments, and our actual or perceived failure to comply with such laws and commitments could harm our business.
- We are subject to environmental, health and safety laws, which could increase our costs, restrict our operations and require expenditures.
- Social and environmental responsibility regulations, policies and provisions, as well as customer and investor demands, may make our supply chain more complex and may adversely affect our relationships with customers and investors.
- The average selling prices of semiconductor products in our markets have often decreased rapidly and may do so in the future.
- A breach of our security systems may have a material adverse effect on our business.
- Fluctuations in foreign exchange rates could result in losses.

Risks Relating to Taxes

- Changes in tax legislation or policies could materially impact our financial position and results of operations.
- Our corporate income taxes could significantly increase if we are unable to maintain our tax concessions or if our assumptions and interpretations regarding tax laws and concessions prove to be incorrect.
- Our income taxes and overall cash tax costs are affected by a number of factors that could materially, adversely affect financial results.

Risks Relating to Our Indebtedness

- Our substantial indebtedness could adversely affect our financial health and our ability to execute our business strategy.
- The instruments governing our indebtedness impose certain restrictions on our business.
- Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flows from our business to pay our substantial debt.

Risks Relating to Owning Our Common Stock

- Volatility of our stock price could result in substantial losses for our investors as well as class action litigation against us and our management.
- A substantial amount of our stock is held by a small number of large investors.
- There can be no assurance that we will continue to declare cash dividends.

For a more complete discussion of the material risks facing our business, see below.

Risks Related to Our Business

The ongoing COVID-19 pandemic has disrupted and will likely continue to disrupt normal business activity, which may have an adverse effect on our results of operations.

The global spread of COVID-19 and the efforts to control it have disrupted, and reduced the efficiency of, normal business activities in much of the world. The pandemic has resulted in authorities around the world implementing numerous unprecedented measures such as travel restrictions, quarantines, shelter in place orders, and factory and office shutdowns. These measures have impacted, and will likely continue to impact, our workforce and operations, and those of our customers, contract manufacturers (“CMs”), suppliers and logistics providers.

We have been, and expect to continue, experiencing some disruption to parts of our global semiconductor supply chain, including procuring necessary components and inputs, such as wafers and substrates, in a timely fashion, with suppliers increasing lead times or placing products on allocation and raising prices. In addition, our primary warehouse and a number of our key suppliers, particularly assembly and test service providers, are in Malaysia. While our Malaysia warehouse has remained fully operational, many of the facilities of our key suppliers and other service providers were shut down or operated at reduced capacity for extended periods. This resulted in significant logistical challenges and product delays, which could recur in the event of any future closures of, or periods of reduced operations at, our warehouse or the facilities of our suppliers and providers. Any similar disruption at our Fort Collins, Colorado manufacturing facility would severely impact our ability to manufacture our film bulk acoustic resonator (“FBAR”) products and adversely affect our wireless business. In addition, disruptions to commercial transportation infrastructure have increased delivery times for materials and components to our facilities, transfers of our products to our key suppliers and, in some cases, our ability to timely ship our products to customers. As a result of these supply chain disruptions, we have increased customer order lead times and placed some products on allocation. We are also largely building semiconductor products to order, instead of based on customer forecasts, in light of the ongoing uncertainty. This may limit our ability to fulfill orders and we may be unable to satisfy all of the demand for our products, which may adversely affect our relationships with our customers.

In response to governmental directives and recommended safety measures, we modified our workplace practices globally, which has resulted in many of our employees working remotely for extended periods of time. Working remotely for extended periods may reduce our employees’ efficiency and productivity, which may cause product development delays, hamper new product innovation and have other unforeseen adverse effects on our business. While we have implemented a phased-in return of employees to many of our facilities, we may need to modify our business practices in a manner that may adversely impact our business. In addition, if a significant number of our employees, or employees and third parties performing key functions, including our CEO and members of our board of directors, become ill, our business may be further adversely impacted. While we have implemented personal safety measures at all of our facilities where our employees are working onsite, any actions we take may not be sufficient to mitigate the risk of infection and could result in a significant number of COVID-19-related claims. Changes to state workers’ compensation laws, such as those in California, may increase our potential liability for such claims.

While we continue to see robust demand in our semiconductor solutions segment and enhanced profitability, and have seen little impact to our software business from the COVID-19 pandemic, the environment remains uncertain with limited visibility and it may not be sustainable over the longer term. The degree to which the pandemic ultimately impacts our business and results of operations will depend on future developments beyond our control, including the extent of actions to contain the virus, availability and efficacy of the vaccines or other treatments, and how quickly and to what extent normal economic and operating conditions can resume.

The majority of our sales come from a small number of customers and a reduction in demand or loss of one or more of our significant customers may adversely affect our business.

We are dependent on a small number of end customers, original equipment manufacturer (“OEMs”), their respective CMs, and certain distributors for a majority of our business, revenue and results of operations. For the two fiscal quarters ended May 2, 2021, sales to distributors accounted for 53% of our net revenue. We believe aggregate sales, through all channels, to Apple and our top five end customers, accounted for less than 25% and approximately 35% of our net revenue for the two fiscal quarters ended May 2, 2021, respectively. This customer concentration increases the risk of quarterly fluctuations in our operating results and our sensitivity to any material, adverse developments experienced by our significant customers.

The terms and conditions under which we do business with most of our semiconductor customers generally do not include commitments by those customers to purchase any specific quantities of products from us. Even in those instances where we enter into an arrangement under which a customer agrees to source an agreed portion of its product needs from us (provided we meet our contractual obligations), the arrangement often includes pricing schedules or methodologies that apply regardless of the volume of products purchased, and those customers may not purchase the amount of product we expect. As a result, we may not generate the amount of revenue or achieve the level of profitability we expect under such arrangements. Moreover, our top customers’ purchasing power has, in some cases, given them the ability to make greater demands on us with regard to pricing and contractual terms in general. We expect this trend to continue, which may adversely affect our gross margin on certain products and, should we fail to perform under these arrangements, we could also be liable for significant monetary damages.

The loss of, or any substantial reduction in sales to, any of our major customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Dependence on contract manufacturing and suppliers of critical components within our supply chain may adversely affect our ability to bring products to market, damage our reputation and adversely affect our results of operations.

We operate a primarily outsourced manufacturing business model that principally utilizes CMs, such as third-party wafer foundries and module assembly and test capabilities. Our semiconductor products require wafer manufacturers with state-of-the-art fabrication equipment and techniques, and most of our products are designed to be manufactured in a specific process, typically at one particular fab or foundry, either our own or with a particular CM.

We depend on our CMs to allocate sufficient manufacturing capacity to meet our needs, to produce products of acceptable quality at acceptable yields, and to deliver those products to us on a timely basis. We do not generally have long-term capacity commitments with our CMs and substantially all of our manufacturing services are on a purchase order basis with no obligation to provide us with any specified minimum quantities of product. Further, from time to time, our CMs will cease to, or will become unable to, manufacture a component for us. As the lead time needed to identify, qualify and establish reliable production at acceptable yields, with a new CM is typically lengthy, there is often no readily available alternative source and there may be other constraints on our ability to change CMs. In addition, qualifying such CMs is often expensive, and they may not produce products as cost-effectively as our current suppliers. In any such circumstances, we may be unable to meet our customer demand and may fail to meet our contractual obligations. This could result in the payment of significant damages by us to our customers, and our net revenue could decline, adversely affecting our business, financial condition and results of operations.

We utilize Taiwan Semiconductor Manufacturing Company Limited (“TSMC”) to produce the substantial majority of our semiconductor wafers. TSMC manufactured approximately 89% of the wafers manufactured by our CMs during the two fiscal quarters ended May 2, 2021. Our wafer requirements represent a significant portion of the total production capacity of TSMC. However, TSMC also fabricates wafers for other companies, including certain of our competitors, and could choose or be required to prioritize capacity for other customers or reduce or eliminate deliveries to us on short notice, or raise their prices to us, all of which could result in loss of revenue opportunities, damage our relationships with our customers, and harm our results of operations and gross margin.

Any substantial disruption in TSMC's supply of wafers to us, or in the other contract manufacturing services that we utilize, as a result of a natural disaster, climate change, water shortages, political unrest, military conflict, geopolitical turmoil, trade tensions, government orders, medical epidemics, such as the COVID-19 pandemic, economic instability, equipment failure or other cause, could materially harm our business, customer relationships and results of operations.

We also depend on our CMs to timely develop new, advanced manufacturing processes, including, in the case of wafer fabrication, transitions to smaller geometry process technologies. If these new processes are not timely developed or we do not have sufficient access to them, we may be unable to maintain or increase our manufacturing efficiency to the same extent as our competitors or to deliver products to our customers, which could result in loss of revenue opportunities and damage our relationships with our customers.

We purchase a significant amount of the materials used in our products from a limited number of suppliers.

Our manufacturing processes and those of our CMs rely on many materials, including silicon, gallium arsenide and indium phosphide ("InP") wafers, copper lead frames, precious and rare earth metals, mold compound, ceramic packages and various chemicals and gases. We purchase a significant portion of our materials, components and finished goods used in our products from a few materials providers, some of which are single source suppliers. As certain materials are highly specialized, the lead time needed to identify and qualify a new supplier is typically lengthy and there is often no readily available alternative source. During the two fiscal quarters ended May 2, 2021, we purchased approximately two-thirds of the materials for our manufacturing processes from five materials providers. We do not generally have long-term contracts with our materials providers and substantially all of our purchases are on a purchase order basis. Suppliers may extend lead times, limit supplies, place products on allocation or increase prices due to commodity price increases, capacity constraints or other factors and could lead to interruption of supply or increased demand in the industry. For example, due to the COVID-19 pandemic, we have experienced some supply constraints, including with respect to wafers and substrates. Additionally, the supply of these materials may be negatively impacted by increased trade tensions between the U.S. and its trading partners, particularly China. In the event that we cannot timely obtain sufficient quantities of materials or at reasonable prices, the quality of the material deteriorates or we are not able to pass on higher materials or energy costs to our customers, our business, financial condition and results of operations could be adversely impacted.

Our business is subject to various governmental regulations, and compliance with these regulations may cause us to incur significant expense. If we fail to maintain compliance with applicable regulations, we may be forced to cease the manufacture and distribution of certain products, and we could be subject to civil or criminal penalties.

Our business is subject to various domestic and international laws and other legal requirements, including packaging, product content, labor and import/export regulations, such as the U.S. Export Administration Regulations, and applicable executive orders. These laws, regulations and orders are complex, may change frequently and with limited notice, have generally become more stringent and have intensified over time, especially in light of ongoing trade tensions with China. We may be required to incur significant expense to comply with, or to remedy violations of, these regulations. In addition, if our customers fail to comply with these regulations, we may be required to suspend sales to these customers, which could damage our reputation and negatively impact our results of operations. For example, Huawei, one of our customers, is subject to certain U.S. export restrictions, which has required us to suspend sales to Huawei until we obtain licenses from the U.S. Department of Commerce, which we may be unable to do so in a timely manner or at all. The U.S. government may also add additional Chinese companies to its restricted entity list and/or technologies to its list of prohibited exports to China, all of which have and will adversely affect our ability to sell our products and our revenue. These restrictive governmental actions and any similar measures that may be imposed on U.S. companies by the Chinese or other governments will likely limit or prevent us from doing business with certain of our customers or suppliers and harm our ability to compete effectively or otherwise negatively affect our ability to sell our products, and adversely affect our business and results of operations.

In addition, the manufacture and distribution of our semiconductors must comply with various laws and adapt to changes in regulatory requirements as they occur. For example, if a country in which our products are manufactured or sold sets technical standards that are not widely shared, it may require us to stop distributing our products commercially until they comply with such new standards, lead certain of our customers to suspend imports of their products into that country, require manufacturers in that country to manufacture products with different technical standards and disrupt cross-border manufacturing relationships, any of which could have a material adverse effect on our business, financial condition and results of operations. If we fail to comply with these requirements, we could also be required to pay civil penalties or face criminal prosecution.

Our products and operations are also subject to the rules of industrial standards bodies, like the International Standards Organization, as well as regulation by other agencies, such as the U.S. Federal Trade Commission ("FTC"). If we fail to adequately address any of these rules or regulations, our business could be harmed.

Adverse global economic conditions could have a negative effect on our business, results of operations and financial condition and liquidity.

A general slowdown in the global economy or in a particular region or industry, an increase in trade tensions with U.S. trading partners or a tightening of the credit markets could negatively impact our business, financial condition and liquidity. Adverse global economic conditions have from time to time caused or exacerbated significant slowdowns in the industries and markets in which we operate, which have adversely affected our business and results of operations. In recent periods, investor and customer concerns about the global economic outlook have adversely affected market and business conditions in general. Macroeconomic weakness and uncertainty also make it more difficult for us to accurately forecast revenue, gross margin and expenses, and may make it more difficult to raise or refinance debt. An escalation of trade tensions between the U.S. and China has resulted in trade restrictions and increased tariffs that harm our ability to participate in Chinese markets or compete effectively with Chinese companies. Sustained uncertainty about, or worsening of, current global economic conditions and further escalation of trade tensions between the U.S. and its trading partners, especially China, and possible decoupling of the U.S. and China economies, could result in a global economic slowdown and long-term changes to global trade. Such events may also (i) cause our customers and consumers to reduce, delay or forgo technology spending, (ii) result in customers sourcing products from other suppliers not subject to such restrictions or tariffs, (iii) lead to the insolvency or consolidation of key suppliers and customers, and (iv) intensify pricing pressures. Any or all of these factors could negatively affect demand for our products and our business, financial condition and results of operations.

Global political and economic conditions and other factors related to our international operations could adversely affect our business, financial condition and results of operations.

A majority of our products are produced, sourced and sold internationally and our international revenue represents a significant percentage of our overall revenue. In addition, as of May 2, 2021, approximately 48% of our employees were located outside the U.S. Multiple factors relating to our international operations and to particular countries in which we operate could have a material adverse effect on our business, financial condition and results of operations. These factors include:

- changes in political, regulatory, legal or economic conditions or geopolitical turmoil, including terrorism, war or political or military coups, or civil disturbances or political instability foreign and domestic;
- restrictive governmental actions, such as restrictions on the transfer or repatriation of funds and foreign investments, data privacy regulations and trade protection measures, including increasing protectionism, import/export restrictions, import/export duties and quotas, trade sanctions and customs duties and tariffs, all of which have increased in recent years;
- difficulty in obtaining product distribution and support, and transportation delays;
- potential inability to localize software products for a significant number of international markets;
- difficulty in conducting due diligence with respect to business partners in certain international markets;
- public health or safety concerns, medical epidemics or pandemics, such as COVID-19, and other natural- or man-made disasters;
- nationalization of businesses and expropriation of assets; and
- changes in U.S. and foreign tax laws.

A significant legal risk associated with conducting business internationally is compliance with the various and differing laws and regulations of the many countries in which we do business. In addition, the laws in various countries are constantly evolving and may, in some cases, conflict with each other. Although our policies prohibit us, our employees and our agents from engaging in unethical business practices, there can be no assurance that all of our employees, distributors or other agents will refrain from acting in violation of our related anti-corruption or other policies and procedures. Any such violation could have a material adverse effect on our business.

We are subject to risks associated with our distributors and other channel partners, including product inventory levels and product sell-through.

We sell our products through a direct sales force and a select network of distributors and other channel partners globally. Sales to distributors accounted for 53% of our net revenue in the two fiscal quarters ended May 2, 2021 and are subject to a number of risks, including:

- fluctuations in demand based on our distributors' product inventory levels and end customer demand in a given quarter;
- our distributors and other channel partners are generally not subject to minimum sales requirements or any obligation to market our products to their customers;

- our distributors and other channel partners agreements are generally nonexclusive and may be terminated at any time without cause;
- our lack of control over the timing of delivery of our products to end customers; and
- our distributors and other channel partners may market and distribute competing products and may place greater emphasis on the sale of these products.

In addition, we are selling our semiconductor products through an increasingly limited number of distributors, which exposes us to additional customer concentration and related credit risks.

We do not always have a direct relationship with the end customers of our products. As a result, our semiconductor products may be used in applications for which they were not necessarily designed or tested, including, for example, medical devices, and they may not perform as anticipated in such applications. In such event, failure of even a small number of parts could result in significant liabilities to us, damage our reputation and harm our business and results of operations.

Our business would be adversely affected by the departure of existing members of our senior management team.

Our success depends, in large part, on the continued contributions of our senior management team, and in particular, the services of Mr. Hock E. Tan, our President and Chief Executive Officer. Effective succession planning is also important for our long-term success. Failure to ensure effective transfers of knowledge and smooth transitions involving senior management could hinder our strategic planning and execution. None of our senior management is bound by written employment contracts. In addition, we do not currently maintain key person life insurance covering our senior management. The loss of any of our senior management could harm our ability to implement our business strategy and respond to the rapidly changing market conditions in which we operate.

If we are unable to attract and retain qualified personnel, especially our engineering and technical personnel, we may not be able to execute our business strategy effectively.

Our future success depends on our ability to attract, retain and motivate qualified personnel. We also seek to employ talented engineering and technical personnel (including cyber security experts), as well as effective sales professionals, through acquisitions we may make from time to time or otherwise. As the source of our technological and product innovations, our engineering and technical personnel are a significant asset. Competition for these employees is significant in many areas of the world in which we operate, particularly in Silicon Valley and Southeast Asia where qualified engineers are in high demand. In addition, current or future immigration laws may make it more difficult to hire or retain qualified engineers, further limiting the pool of available talent. Further, our employees may decide not to continue working for us and may leave with little or no notice. We believe equity awards provide a powerful long-term retention incentive and have historically granted these awards to the substantial majority of our employees. However, the amendments to our 2012 Stock Incentive Plan approved by our stockholders at our 2021 Annual Meeting of Stockholders significantly reduced the number of shares available for equity awards. As a result, we may need to change our current equity granting philosophy, which could impair our efforts to attract and retain necessary personnel. Any inability to retain, attract or motivate such personnel could have a material adverse effect on our business, financial condition and results of operations.

We may pursue acquisitions, investments, joint ventures and dispositions, which could adversely affect our results of operations.

Our growth strategy includes acquiring or investing in businesses that offer complementary products, services and technologies, or enhance our market coverage or technological capabilities.

Any acquisitions we may undertake and their integration involve risks and uncertainties, such as:

- unexpected delays, challenges and related expenses, and disruption of our business;
- diversion of management's attention from daily operations and the pursuit of other opportunities;
- incurring significant restructuring charges and amortization expense, assuming liabilities (some of which may be unexpected) and ongoing or new lawsuits related to the transaction or otherwise, potential impairment of acquired goodwill and other intangible assets, and increasing our expenses and working capital requirements;
- the potential for deficiencies in internal controls at the acquired business, as well as implementing our own management information systems, operating systems and internal controls for the acquired operations;
- our due diligence process may fail to identify significant issues with the acquired company's products, financial disclosures, accounting practices, legal, tax and other contingencies, compliance with local laws and regulations (and interpretations thereof) in the U.S. and multiple international jurisdictions;

- additional acquisition-related debt, which could increase our leverage and potentially negatively affect our credit ratings resulting in more restrictive borrowing terms or increased borrowing costs thereby limiting our ability to borrow;
- dilution of stock ownership of existing stockholders;
- difficulties integrating the acquired business or company and in managing and retaining acquired employees, vendors and customers; and
- inaccuracies in our original estimates and assumptions used to assess a transaction, which may result in us not realizing the expected financial or strategic benefits of any such transaction.

In addition, the current and the proposed changes to the U.S. and foreign regulatory approval process and requirements in connection with an acquisition may cause approvals to take longer than anticipated to obtain, not be forthcoming or contain burdensome conditions, which may jeopardize, delay or reduce the anticipated benefits of the transaction to us and could impede the execution of our business strategy.

From time to time, we may also seek to divest or wind down portions of our business, either acquired or otherwise, or we may exit minority investments, any of which could materially affect our cash flows and results of operations. Such dispositions involve risks and uncertainties, including our ability to sell such businesses on terms acceptable to us, or at all, disruption to other parts of our business, potential loss of employees or customers, or exposure to unanticipated liabilities or ongoing obligations to us following any such dispositions. In addition, dispositions may include the transfer of technology and/or the licensing of certain IP rights to third-party purchasers, which could limit our ability to utilize such IP rights or assert these rights against such third-party purchasers or other third parties.

We may be involved in legal proceedings, including IP, anti-competition and securities litigation, employee-related claims and regulatory investigations, which could, among other things, divert efforts of management and result in significant expense and loss of our IP rights.

We are often involved in legal proceedings, including cases involving our IP rights and those of others, anti-competition and commercial matters, acquisition-related suits, securities class action suits, employee-related claims and other actions. From time to time, we may also be involved or required to participate in regulatory investigations or inquiries, such as the ongoing investigation by the FTC into certain of our contracting and business practices, which may evolve into legal or other administrative proceedings. Growing public concern over concentration of economic power in corporations is likely to result in increased anti-competition legislation, regulation and enforcement activity. Litigation or settlement of such actions, regardless of their merit, or involvement in regulatory investigations or inquiries, can be costly, lengthy, complex and time consuming, diverting the attention and energies of our management and technical personnel.

The industries in which we operate are characterized by companies holding large numbers of patents, copyrights, trademarks and trade secrets and by the vigorous pursuit, protection and enforcement of IP rights, including actions by patent-holding companies that do not make or sell products. From time to time, third parties assert against us and our customers and distributors their IP rights to technologies that are important to our business. For example, in August 2020 judgment was entered against Broadcom and Apple for infringement of certain patents pursuant to which California Institute of Technology was awarded past damages of \$270.2 million from Broadcom and \$837.8 million from Apple, for which Apple is seeking indemnification from Broadcom. Although we are appealing this judgment, there are no assurances that we will be successful.

Many of our customer agreements, and in some cases our asset sale agreements, and/or the laws of certain jurisdictions may require us to indemnify our customers or purchasers for third-party IP infringement claims, including costs to defend those claims, and payment of damages in the case of adverse rulings. However, our CMs and suppliers may or may not be required to indemnify us should we or our customers be subject to such third-party claims. Claims of this sort could also harm our relationships with our customers and might deter future customers from doing business with us. If any pending or future proceedings result in an adverse outcome, we could be required to:

- cease the manufacture, use or sale of the infringing products, processes or technology and/or make changes to our processes or products;
- pay substantial damages for past, present and future use of the infringing technology, including up to treble damages if willful infringement is found;
- pay fines or disgorge profits or other payments, and/or cease certain conduct and/or modify our contracting or business practices, in connection with any unfavorable resolution of a governmental investigation;
- expend significant resources to develop non-infringing technology;

- license technology from the third-party claiming infringement, which license may not be available on commercially reasonable terms, or at all;
- enter into cross-licenses with our competitors, which could weaken our overall IP portfolio and our ability to compete in particular product categories;
- pay substantial damages to our direct or end customers to discontinue use or replace infringing technology with non-infringing technology; or
- relinquish IP rights associated with one or more of our patent claims.

Any of the foregoing results could have a material adverse effect on our business, financial condition and results of operations.

In addition, we may be obligated to indemnify our current or former directors or employees, or former directors or employees of companies that we have acquired, in connection with litigation or regulatory investigations. These liabilities could be substantial and may include, among other things, the cost of defending lawsuits against these individuals, as well as stockholder derivative suits; the cost of government, law enforcement or regulatory investigations; civil or criminal fines and penalties; legal and other expenses; and expenses associated with the remedial measure, if any, which may be imposed.

Our operating results are subject to substantial quarterly and annual fluctuations.

Our operating results have fluctuated in the past and are likely to fluctuate in the future. These fluctuations may occur on a quarterly and annual basis and are due to a number of factors, many of which are beyond our control. In addition to many of the risks described elsewhere in this “Risk Factors” section, these factors include, among others:

- the timing of launches by our customers of new product in which our products are included and changes in end-user demand for our customers’ the products;
- fluctuations in the levels of component or product inventories held by our customers;
- the shift to cloud-based IT solutions and services, such as hyperscale computing, which may adversely affect the timing and volume of sales of our products for use in traditional enterprise data centers;
- the timing of new software contracts and renewals, as well as the timing of any terminations of software contracts that require us to refund to customers any pre-paid amounts under the contract;
- our ability to timely develop, introduce and market new products and technologies;
- the timing and extent of our software license and subscription revenue, and other non-product revenue;
- new product announcements and introductions by us or our competitors;
- seasonality or other fluctuations in demand in our markets;
- timing and amount of research and development and related new product expenditures, and the timing of receipt of any research and development grant monies; and
- timing of any regulatory changes, particularly with respect to trade sanctions and customs duties and tariffs, and tax reform.

The foregoing factors are often difficult to predict, and these, as well as other factors, could materially adversely affect our quarterly or annual operating results. In addition, a significant amount of our operating expenses are relatively fixed in nature. Any failure to adjust spending quickly enough to compensate for a revenue shortfall could magnify the adverse impact of such revenue shortfall on our results of operations. As a result, we believe that quarter-to-quarter comparisons of our revenue and operating results may not be meaningful or a reliable indicator of our future performance. If our operating results in one or more future quarters fail to meet the expectations of securities analysts or investors, a significant decline in the trading price of our common stock may occur, which may happen immediately or over time.

Failure to adjust our manufacturing and supply chain to accurately meet customer demand could adversely affect our results of operations.

We make significant decisions, including determining the levels of business that we will seek and accept, production schedules, levels of reliance on contract manufacturing and outsourcing, internal fabrication utilization and other resource requirements, based on our estimates of customer requirements, which may not be accurate.

During the COVID-19 pandemic, we have moved largely to a build to order model and have extended customer lead times substantially in light of global economic uncertainty and supply chain challenges. More typically, however, to ensure the availability of our semiconductor products we start manufacturing based on customer forecasts, which are not binding. As a

result, we incur inventory and manufacturing costs in advance of anticipated sales that may be substantially lower than expected. If actual demand for our products is lower than forecast, we may also experience higher inventory carrying and operating costs and product obsolescence. Because certain of our sales, research and development, and internal manufacturing overhead expenses are relatively fixed, a reduction in customer demand may also decrease our gross margin and operating income.

Conversely, customers often require rapid increases in production on short notice. We may be unable to secure sufficient materials or contract manufacturing or test capacity to meet such increases in demand. This could damage our customer relationships, reduce revenue growth and margins, subject us to additional liabilities, harm our reputation, and prevent us from taking advantage of opportunities.

We operate in the highly cyclical semiconductor industry, which is subject to significant downturns.

The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change and price erosion, evolving technical standards, frequent new product introductions, short product life cycles (for semiconductors and for many of the end products in which they are used) and wide fluctuations in product supply and demand. From time to time, these factors, together with changes in general economic conditions, cause significant upturns and downturns in the industry in general, and in our business in particular. Periods of industry downturns have been characterized by diminished demand for end-user products, high inventory levels and periods of inventory adjustment, under-utilization of manufacturing capacity, changes in revenue mix and accelerated erosion of average selling prices. We expect our business to continue to be subject to cyclical downturns even when overall economic conditions are relatively stable. If we cannot offset industry or market downturns, our net revenue may decline and our financial condition and results of operations may suffer.

Winning business in the semiconductor solutions industry is subject to a lengthy process that often requires us to incur significant expense, from which we may ultimately generate no revenue.

Our semiconductor business is dependent on us winning competitive bid selection processes, known as “design wins”. These selection processes are typically lengthy and can require us to dedicate significant development expenditures and scarce engineering resources in pursuit of a single customer opportunity. Failure to obtain a particular design win may prevent us from obtaining design wins in subsequent generations of a particular product. This can result in lost revenue and can weaken our position in future selection processes.

Winning a product design does not guarantee sales to a customer. A delay or cancellation of a customer’s plans could materially and adversely affect our financial results, as we incur significant expense in the design process and may generate little or no revenue from it. In addition, the timing of design wins is unpredictable and implementing production for a major design win, or multiple design wins at the same time, may strain our resources and those of our CMs. In such event, we may be forced to dedicate significant additional resources and incur additional costs and expenses. Further, often customers will only purchase limited numbers of evaluation units until they qualify the products and/or the manufacturing line for those products. The qualification process can take significant time and resources. Delays in qualification or failure to qualify our products may cause a customer to discontinue use of our products and result in a significant loss of revenue. Finally, customers could choose at any time to stop using our products or could fail to successfully market and sell their products, which could reduce demand for our products, and cause us to hold excess inventory, materially adversely affecting our business, financial condition and results of operations. These risks are exacerbated by the fact that many of our products, and the end products into which our products are incorporated, often have very short life cycles.

Competition in our industries could prevent us from growing our revenue.

The industries in which we operate are highly competitive and characterized by rapid technological changes, evolving industry standards, changes in customer requirements, often aggressive pricing practices and, in some cases, new delivery methods. We expect competition in these industries to continue to increase as existing competitors improve or expand their product offerings or as new competitors enter our markets.

Some of our competitors have longer operating histories, greater name recognition, a larger installed customer base, larger technical staffs, more established relationships with vendors or suppliers, or greater manufacturing, distribution, financial, research and development, technical and marketing resources than us. We also face competition from numerous smaller companies that specialize in specific aspects of the highly fragmented software industry, open source authors who may provide software and IP for free, competitors who may offer their products through try-and-buy or freemium models, and customers who may develop competing products.

In addition, the trend toward consolidation is changing the competitive landscape. We expect this trend to continue, which may result in combined competitors having greater resources than us. Some of our competitors may also receive financial and other support from their home country government or may have a greater presence in key markets, a larger customer base, a more comprehensive IP portfolio or better patent protection than us.

The actions of our competitors, in the areas of pricing and product bundling in particular, could have a substantial adverse impact on us. Further, competitors may leverage their superior market position, as well as IP or other proprietary information, including interface, interoperability or technical information, in new and emerging technologies and platforms that may inhibit our ability to compete effectively. If we are unable to compete successfully, we may lose market share for our products or incur significant reduction in our gross margins, either of which could have a material adverse effect on our business and results of operations.

A prolonged disruption of our manufacturing facilities, research and development facilities, warehouses or other significant operations, or those of our suppliers, could have a material adverse effect on our business, financial condition and results of operations.

Although we operate a primarily outsourced manufacturing business model, we also rely on our own manufacturing facilities, in particular in Fort Collins, Colorado, Singapore, and Breinigsville, Pennsylvania. We use these internal fabrication facilities for products utilizing our innovative and proprietary processes. Our Fort Collins and Breinigsville facilities are the sole sources for the FBAR components used in many of our wireless devices and for the InP-based wafers used in our fibre optics products, respectively. Many of our facilities, and those of our CMs and suppliers, are located in California and the Pacific Rim region, which have above average seismic activity and severe weather activity. In addition, a significant majority of our research and development personnel are located the Czech Republic, India, Israel, Singapore and the U.S., with the expertise of the personnel at each such location tending to be focused on one or two specific areas, and our primary warehouse is in Malaysia.

A prolonged disruption at or shut-down of one or more of our manufacturing facilities or warehouses for any reason, especially our Colorado, Singapore, Malaysia and Pennsylvania facilities, or those of our CMs or suppliers, due to natural- or man-made disasters or other events outside of our control, such as equipment malfunction or widespread outbreaks of acute illness, including COVID-19, would limit our capacity to meet customer demands and delay new product development until a replacement facility and equipment, if necessary, were found. Any such event would likely disrupt our operations, delay production, shipments and revenue, result in us being unable to timely satisfy customer demand, expose us to claims by our customers, result in significant expense to repair or replace our affected facilities, and, in some instances, could significantly curtail our research and development efforts in a particular product area or target market. As a result, we could forgo revenue opportunities, potentially lose market share, damage our customer relationships and be subject to litigation and additional liabilities, all of which could materially and adversely affect our business. Although we purchase insurance to mitigate certain losses, such insurance often carries a high deductible amount and any uninsured losses could negatively affect our operating results. In addition, even if we were able to promptly resume production of our affected products, if our customers cannot timely resume their own manufacturing following such an event, they may cancel or scale back their orders from us and this may in turn adversely affect our results of operations. Such events could also result in increased fixed costs relative to the revenue we generate and adversely affect our results of operations.

We may be unable to maintain appropriate manufacturing capacity or product yields at our own manufacturing facilities, which could adversely affect our relationships with our customers, and our business, financial condition and results of operations.

We must maintain appropriate capacity and product yields at our own manufacturing facilities to meet anticipated customer demand. From time to time, this requires us to invest in expansion or improvements of those facilities, which often involves substantial cost and other risks. Such expanded manufacturing capacity may still be insufficient, or may not come online soon enough, to meet customer demand and we may have to put customers on product allocation, forgo sales or lose customers as a result. Conversely, if we overestimate customer demand, we would experience excess capacity and fixed costs at these facilities will not be fully absorbed, all of which could adversely affect our results of operations. Similarly, reduced product yields, due to design or manufacturing issues or otherwise, may involve significant time and cost to remedy and cause delays in our ability to supply product to our customers, all of which could cause us to forgo sales, incur liabilities or lose customers, and harm our results of operations.

In addition, future government restrictions imposed as a result of the COVID-19 pandemic that limit our manufacturing capabilities could severely impact our ability to manufacture our proprietary products, adversely affecting our wireless business.

Any failure of our IT systems or one or more of our corporate infrastructure vendors to provide necessary services could have a material adverse effect on our business.

Our business depends on various IT systems and outsourced IT services. We rely on third-party vendors to provide critical corporate infrastructure services and to adequately address cyber security threats to their own systems. Services provided by these third parties include services related to financial reporting, product orders and shipping, human resources, benefit plan administration, IT network development and network monitoring. While we may be entitled to damages if our vendors fail to

perform under their agreements with us, any award may be insufficient to cover the actual costs incurred by us and, as a result of a vendor's failure to perform, we may be unable to collect any damages.

Any failure of these internal or third-party systems and services to operate effectively could disrupt our operations and could have a material adverse effect on our business, financial condition and results of operations.

Our gross margin is dependent on a number of factors, including our product mix, price erosion, acquisitions we may make, level of capacity utilization and commodity prices.

Our gross margin is highly dependent on product mix, which is susceptible to seasonal and other fluctuations in our markets. A shift in sales mix away from our higher margin products, as well as the timing and amount of our software licensing and non-product revenue, could adversely affect our future gross margin percentages. In addition, increased competition and the existence of product alternatives, more complex engineering requirements, lower demand or reductions in our technological lead compared to our competitors, and other factors may lead to further price erosion, lower revenue and lower margin.

In addition, semiconductor manufacturing requires significant capital investment, leading to high fixed costs, including depreciation expense. If we are unable to utilize our owned manufacturing facilities at a high level, the fixed costs associated with these facilities will not be fully absorbed, resulting in higher average unit costs and a lower gross margin. Furthermore, fluctuations in commodity prices could negatively impact our margins. We do not hedge our exposure to commodity prices, some of which are very volatile, and sudden or prolonged increases in commodities prices may adversely affect our gross margin.

Our gross margin may also be adversely affected if businesses or companies that we acquire have different gross margin profiles and by expenses related to such acquisitions.

We utilize a significant amount of IP in our business. If we are unable or fail to protect our IP, our business could be adversely affected.

Our success depends in part upon protecting our IP. To accomplish this, we rely on a combination of IP rights, including patents, copyrights, trademarks and trade secrets, as well as customary contractual protections with our customers, suppliers, employees and consultants. We may be required to spend significant resources to monitor and protect our IP rights, including the unauthorized use of our products, usage rates of the software seat licenses and subscriptions that we sell, and even with significant expenditures, we may not be able to protect the IP rights that are valuable to our business. We are unable to predict or assure that:

- our IP rights will not lapse or be invalidated, circumvented, challenged, or, in the case of third-party IP rights licensed to us, be licensed to others;
- our IP rights will provide competitive advantages to us;
- rights previously granted by third parties to IP licensed or assigned to us, including portfolio cross-licenses, will not hamper our ability to assert our IP rights or hinder the settlement of currently pending or future disputes;
- any of our pending or future patent, trademark or copyright applications will be issued or have the coverage originally sought;
- our IP rights will be enforced in certain jurisdictions where competition may be intense or where legal protection may be weak; or
- we have sufficient IP rights to protect our products or our business.

Effective IP protection may be unavailable or more limited in other jurisdictions, relative to those protections available in the U.S., and may not be applied for or may be abandoned in one or more relevant jurisdictions. In addition, when patents expire, we lose the protection and competitive advantages they provided to us.

We also generate revenue from licensing royalty payments and from technology claim settlements relating to certain of our IP. Licensing of our IP rights, particularly exclusive licenses, may limit our ability to assert those IP rights against third parties, including the licensee of those rights. In addition, we may acquire companies with IP that is subject to licensing obligations to other third parties. These licensing obligations may extend to our own IP following any such acquisition and may limit our ability to assert our IP rights. From time to time, we pursue litigation to assert our IP rights, including, in some cases, against our customers and suppliers. Claims of this sort could also harm our relationships with our customers and might deter future customers from doing business with us. Conversely, third parties may pursue IP litigation against us, including as a result of our IP licensing business. An adverse decision in such types of legal action could limit our ability to assert our IP rights and limit the value of our technology, including the loss of opportunities to sell or license our technology to others or to collect royalty payments, which could otherwise negatively impact our business, financial condition and results of operations.

From time to time, we may need to obtain additional IP licenses or renew existing license agreements. We are unable to predict whether these license agreements can be obtained or renewed on acceptable terms or at all.

If our software products do not remain compatible with ever-changing operating environments, platforms, or third-party products, demand for our products and services could decrease, which could materially adversely affect our business.

We may be required to make substantial modification of our products to maintain compatibility with operating systems, systems software and computer hardware used by our customers or to provide our customers with desired features or capabilities. We must also continually address the challenges of dynamic and accelerating market trends and competitive developments, such as the emergence of advanced persistent threats in the security space to compete effectively. There can be no assurance that we will be able to adapt our products in response to these developments.

Further, our software solutions interact with a variety of software and hardware developed by third parties. If we lose access to third-party code and specifications for the development of code, this could negatively impact our ability to develop compatible software. In addition, if software providers and hardware manufacturers, including some of our largest vendors, adopt new policies restricting the use or availability of their code or technical documentation for their operating systems, applications, or hardware, or otherwise impose unfavorable terms and conditions for such access, this could result in higher research and development costs for the enhancement and modification of our existing products or development of new products. Any additional restrictions could materially adversely affect our business, financial condition and operating results and cash flow.

Failure to enter into software license agreements on a satisfactory basis could materially adversely affect our business.

Many of our existing customers have multi-year enterprise software license agreements, some of which involve substantial aggregate fee amounts. Customer renewal rates may decline or fluctuate as a result of a number of factors, including the level of customer satisfaction with our solutions or customer support, customer budgets and the pricing of our solutions as compared with the solutions offered by our competitors, any of which may cause our revenue to grow more slowly than expected, if at all. The failure to renew customer agreements of similar scope, on terms that are commercially attractive to us, could materially adversely affect our business, financial condition and operating results and cash flow.

Certain software that we use in our products is licensed from third parties and may not be available to us in the future, which may delay product development and production or cause us to incur additional expense.

Some of our solutions contain software licensed from third parties, some of which may not be available to us in the future on terms that are acceptable to us or allow our products to remain competitive. The loss of these licenses or the inability to maintain any of them on commercially acceptable terms could delay development of future products or the enhancement of existing products.

Certain software we use is from open source code sources, which, under certain circumstances could materially adversely affect our business, financial condition, operating results and cash flow.

Some of our products contain software from open source code sources, the use of which may subject us to certain conditions, including the obligation to offer such products for no cost or to make the proprietary source code of those products publicly available. Further, although some open source vendors provide warranty and support agreements, it is common for such software to be available "as-is" with no warranty, indemnity or support. Although we monitor our use of such open source code to avoid subjecting our products to unintended conditions, such use, under certain circumstances, could materially adversely affect our business, financial condition and operating results and cash flow, including if we are required to take remedial action that may divert resources away from our development efforts.

We are subject to warranty claims, product recalls and product liability.

From time to time, we may be subject to warranty or product liability claims that may lead to significant expense. Our customer contracts typically contain warranty and indemnification provisions, and in certain cases may also contain liquidated damages provisions, relating to product quality issues. The potential liabilities associated with such provisions are significant, and in some cases, including in agreements with some of our largest customers, are potentially unlimited. Any such liabilities may greatly exceed any revenue we receive from the relevant products. Costs, payments or damages incurred or paid by us in connection with warranty and product liability claims and product recalls could materially adversely affect our financial condition and results of operations. We may also be exposed to such claims as a result of any acquisition we may undertake in the future.

Product liability insurance is subject to significant deductibles and there is no guarantee that such insurance will be available or adequate to protect against all such claims, or we may elect to self-insure with respect to certain matters. For example, it is possible for one of our customers to recall a product containing one of our semiconductor devices. In such an event, we may incur significant costs and expenses, including among others, replacement costs, contract damage claims from

our customers and reputational harm. Although we maintain reserves for reasonably estimable liabilities and purchase product liability insurance, our reserves may be inadequate to cover the uninsured portion of such claims. Conversely, in some cases, amounts we reserve may ultimately exceed our actual liability for particular claims and may need to be reversed.

The complexity of our products could result in unforeseen delays or expense or undetected defects or bugs, which could adversely affect the market acceptance of new products, damage our reputation with current or prospective customers, and materially and adversely affect our operating costs.

Highly complex products, such as those we offer, may contain defects and bugs when they are first introduced or as new versions, software documentation or enhancements are released, or their release may be delayed due to unforeseen difficulties during product development. If any of our products or third-party components used in our products, contain defects or bugs, or have reliability, quality or compatibility problems, we may not be able to successfully design workarounds. Furthermore, if any of these problems are not discovered until after we have commenced commercial production or deployment of a new product, we may be required to incur additional development costs and product recall, repair or replacement costs. Significant technical challenges also arise with our software products because our customers license and deploy our products across a variety of computer platforms and integrate them with a number of third-party software applications and databases. As a result, if there is system-wide failure or an actual or perceived breach of information integrity, security or availability occurs in one of our end-user customer's system, it may be difficult to determine which product is at fault and we could ultimately be harmed by the failure of another supplier's product. Consequently, our reputation may be damaged and customers may be reluctant to buy our products, which could materially and adversely affect our ability to retain existing customers and attract new customers. To resolve these problems, we may have to invest significant capital and other resources and we would likely lose, or experience a delay in, market acceptance of the affected product or products. These problems may also result in claims against us by our customers or others. For example, if a delay in the manufacture and delivery of our products causes the delay of a customer's end-product delivery, we may be required, under the terms of our agreement with that customer, to compensate the customer for the adverse effects of such delays. As a result, our financial results could be materially adversely affected.

We make substantial investments in research and development and unsuccessful investments could materially adversely affect our business, financial condition and results of operations.

The industries in which we compete are characterized by rapid technological change, changes in customer requirements, frequent new product introductions and enhancements, short product cycles and evolving industry standards, and new delivery methods. In addition, semiconductor products transition over time to increasingly smaller line width geometries and failure to successfully transition to smaller geometry process technologies could impair our competitive position. In order to remain competitive, we have made, and expect to continue to make, significant investments in research and development. If we fail to develop new and enhanced products and technologies, if we focus on technologies that do not become widely adopted, or if new competitive technologies that we do not support become widely accepted, demand for our products may be reduced. Increased investments in research and development or unsuccessful research and development efforts could cause our cost structure to fall out of alignment with demand for our products, which would have a negative impact on our financial results.

We collect, use, store, or otherwise process personal information, which subjects us to privacy and data security laws and contractual commitments, and our actual or perceived failure to comply with such laws and commitments could harm our business.

We collect, use and store (collectively, "process") a high volume, variety and velocity of certain personal information in connection with the operation of our business. This creates various levels of privacy risks across different parts of our business, depending on the type of personal information, the jurisdiction in question and the purpose of their processing. The personal information we process is subject to an increasing number of federal, state, local, and foreign laws and regulations regarding privacy and data security, as well as contractual commitments. Privacy legislation and other data protection regulations, enforcement and policy activity in this area are expanding rapidly in many jurisdictions and creating a complex regulatory compliance environment. Sectoral legislation, certification requirements and technical standards applying to certain categories of our customers, such as those in the financial services or public sector, are likely to further exacerbate this trend. The cost of complying with and implementing these privacy-related and data governance measures could be significant as they may create additional burdensome security, business process, business record or data localization requirements. Concerns about government interference, sovereignty, expanding privacy, cyber security and data governance legislation could adversely affect our customers and our products and services, particularly in cloud computing, artificial intelligence and our own data management practices. The theft, loss or misuse of personal data collected, used, stored or transferred by us to run our business could result in significantly increased business and security costs or costs related to defending legal claims. Any inadvertent failure or perceived failure by us to comply with privacy, data governance or cyber security obligations may result in governmental enforcement actions, litigation, substantial fines and damages, and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business.

We are subject to environmental, health and safety laws, which could increase our costs, restrict our operations and require expenditures that could have a material adverse effect on our results of operations and financial condition.

We are subject to a variety of international laws and regulations relating to the use, disposal, clean-up of and human exposure to hazardous materials. Compliance with environmental, health and safety requirements could, among other things, require us to modify our manufacturing processes, restrict our ability to expand our facilities, or require us to acquire pollution control equipment, all of which can be very costly. Any failure by us to comply with such requirements could result in the limitation or suspension of the manufacture of our products and could result in litigation against us and the payment of significant fines and damages by us in the event of a significant adverse judgment. In addition, complying with any cleanup or remediation obligations for which we are or become responsible could be costly and have a material adverse effect on our business, financial condition and results of operations.

Changing requirements relating to the materials composition of our semiconductor products, including the restrictions on lead and certain other substances in electronic products sold in various countries, including the U.S., China and Japan, and in the European Union, increase the complexity and costs of our product design and procurement operations and may require us to re-engineer our products. Such re-engineering may result in excess inventory or other additional costs and could have a material adverse effect on our results of operations. We may also experience claims from employees from time to time with regard to exposure to hazardous materials or other workplace related environmental claims.

Social and environmental responsibility regulations, policies and provisions, as well as customer and investor demands, may make our supply chain more complex and may adversely affect our relationships with customers and investors.

There is an increasing focus on corporate social and environmental responsibility in the semiconductor industry, particularly with OEMs that manufacture consumer electronics. A number of our customers have adopted, or may adopt, procurement policies that include social and environmental responsibility provisions or requirements that their suppliers should comply with, or they may seek to include such provisions or requirements in their procurement terms and conditions. An increasing number of investors are also requiring companies to disclose corporate social and environmental policies, practices and metrics. Legal and regulatory requirements, as well as investor expectations, on corporate social responsibility practices and disclosure, are subject to change, can be unpredictable, and may be difficult and expensive for us to comply with, given the complexity of our supply chain and our significant outsourced manufacturing. If we are unable to comply, or are unable to cause our suppliers or CMs to comply, with such policies or provisions or meet the requirements of our customers and our investors, a customer may stop purchasing products from us or an investor may sell their shares, and may take legal action against us, which could harm our reputation, revenue and results of operations.

In addition, as part of their corporate social and environmental responsibility programs, an increasing number of OEMs are seeking to source products that do not contain minerals sourced from areas where proceeds from the sale of such minerals are likely to be used to fund armed conflicts, such as in the Democratic Republic of Congo. This could adversely affect the sourcing, availability and pricing of minerals used in the manufacture of semiconductor devices, including our products. As a result, we may face difficulties in satisfying these customers' demands, which may harm our sales and operating results.

The average selling prices of semiconductor products in our markets have often decreased rapidly and may do so in the future, which could harm our revenue and gross profit.

The semiconductor products we develop and sell are used for high volume applications. As a result, the prices of those products have often decreased rapidly. Gross profit on our products may be negatively affected by, among other things, pricing pressures from our customers. In the past, we have reduced the average selling prices of our products in anticipation of future competitive pricing pressures, new product introductions by us or our competitors and other factors. In addition, some of our customer agreements provide for volume-based pricing and product pricing roadmaps, which can also reduce the average selling prices of our products over time. Our margins and financial results will suffer if we are unable to offset any reductions in our average selling prices by increasing our sales volumes, reducing manufacturing costs, or developing new and higher value-added products on a timely basis.

A breach of our security systems may have a material adverse effect on our business.

Our security systems are designed to maintain the physical security of our facilities and protect our customers', suppliers' and employees' confidential information, as well as our own proprietary information. However, we are also dependent on a number of third-party cloud-based and other service providers of critical corporate infrastructure services relating to, among other things, human resources, electronic communication services and certain finance functions, and we are, out of necessity, dependent on the security systems of these providers. In addition, all software, including the security technologies produced by us have had occasionally in the past, and may have in the future, vulnerabilities that, if left unmanaged, could reduce the overall level of security.

Accidental or willful security breaches or other unauthorized access of our facilities, our information systems or the systems of our service providers, or the existence of computer viruses or malware in our or their data or software could expose us to a risk of information loss and misappropriation of proprietary and confidential information, including information relating to our products or customers and the personal information of our employees. We have, from time to time, also been subject to, or attempts of, unauthorized network intrusions and malware on our own IT networks. As a result of the COVID-19 pandemic, remote access to our networks and systems has increased substantially. While we have taken steps to secure our networks and systems, we may be more vulnerable to a successful cyber-attack or information security incident while our workforce works remotely.

Certain aspects of our software products are intended to manage and secure IT infrastructures and environments, and as a result, we expect these products to be ongoing targets of cyber security attacks. Open source code or other third-party software used in these products could also be targeted. Additionally, we use third-party data centers, which may also be subject to hacking or accidental incidents. Although we continually seek to improve our countermeasures to prevent such incidents, we may be unable to anticipate every scenario and it is possible that certain cyber threats or vulnerabilities will be undetected or unmitigated in time to prevent an attack or an accidental incident on us and our customers. Cyber security attacks could require significant expenditures of our capital and diversion of our resources. Additionally, efforts by malicious cyber actors or others could cause interruptions, delays or cessation of our product licensing, or modification of our software, which could cause us to lose existing or potential customers. A successful cyber security attack involving our products and IT infrastructure could also negatively impact the market perception of their effectiveness and adversely affect our reputation, relationship with our customers and our financial results.

Any theft, accidental loss or misuse of confidential, personally identifiable or proprietary information could disrupt our business and result in, among other things, unfavorable publicity, damage to our reputation, loss of our trade secrets and other competitive information, difficulty in marketing our products, allegations by our customers that we have not performed our contractual obligations, litigation by affected parties and possible financial obligations for liabilities and damages related to the theft or misuse of such information, as well as fines and other sanctions resulting from any related breaches of data privacy regulations (such as the General Data Protection Regulation), any of which could have a material adverse effect on our business, profitability and financial condition. Interruptions in our operations and services or disruptions to the functionality provided by our software, including the operation of our global civilian cyber intelligence threat network, could adversely impact our revenues or cause customers to cease doing business with us. In addition, our business would be harmed if any of the events of this nature caused our customers and potential customers to believe our services are unreliable. Our operations are dependent upon our ability to protect our technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. Since the techniques used to obtain unauthorized access to systems or to otherwise sabotage them, change frequently and are often not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures.

Fluctuations in foreign exchange rates could result in losses.

We operate global businesses and our consolidated financial results are reported in U.S. dollars. However, some of the revenue and expenses of our foreign subsidiaries are denominated in local currencies. Fluctuations in foreign exchange rates against the U.S. dollar could result in substantial changes in reported revenues and operating results due to the foreign exchange impact of translating these transactions into U.S. dollars.

In the normal course of business, we employ various hedging strategies to partially mitigate these risks, including the use of derivative instruments. These strategies may not be effective in protecting us against the effects of fluctuations in foreign exchange rates. As a result, fluctuations in foreign exchange rates could result in financial losses.

Risks Related to Our Taxes

Changes in tax legislation or policies could materially impact our financial position and results of operations.

Corporate tax reform, anti-base-erosion rules and tax transparency continue to be high priorities in many jurisdictions. As a result, policies regarding corporate income and other taxes in numerous jurisdictions are under heightened scrutiny and tax reform legislation has been, and will likely continue to be, proposed or enacted in a number of jurisdictions in which we operate.

After enactment of the U.S. Tax Cuts and Jobs Act, most of our income is taxable in the U.S. with a significant portion taxable under the Global Intangible Low-Taxed Income (“GILTI”) regime. Beginning in fiscal year 2027, the deduction allowable under the GILTI regime will decrease from 50% to 37.5%, which will increase the effective tax rate imposed on our income. Further, if the U.S. tax rate increases or the deduction allowable under the GILTI regime is further reduced or eliminated, our provision for income taxes, net income, and cash flows would be adversely impacted.

In addition, many countries are implementing legislation and other guidance to align their international tax rules with the Organisation for Economic Co-operation and Development's ("OECD") Base Erosion and Profit Shifting recommendations and action plan that aim to standardize and modernize global corporate tax policy, including changes to cross-border tax, transfer pricing documentation rules, and nexus-based tax incentive practices. The OECD is also continuing discussions surrounding fundamental changes in allocation of profits among tax jurisdictions in which companies do business, as well as the implementation of a global minimum tax (namely the "Pillar One" and "Pillar Two" proposals). As a result of this heightened scrutiny, prior decisions by tax authorities regarding treatments and positions of corporate income taxes could be subject to enforcement activities, and legislative investigation and inquiry, which could also result in changes in tax policies or prior tax rulings. Any such changes may also result in the taxes we previously paid being subject to change. Further, many jurisdictions have passed, and may pass additional legislation, intended to alleviate the economic burdens of COVID-19 and to fund economic recovery and growth, including various temporary tax incentives or relief and restricted tax measures, which could result in future tax increases. We cannot predict the extent to which the COVID-19 pandemic will impact our tax liabilities and are continuing to evaluate the impact of the new legislation to our financial statements.

Any substantial changes in domestic or international corporate tax policies, regulations or guidance, enforcement activities or legislative initiatives may materially adversely affect our business, the amount of taxes we are required to pay and our financial condition and results of operations generally.

If the tax incentives or tax holiday arrangements we have negotiated change or cease to be in effect or applicable for any reason, or if our assumptions and interpretations regarding tax laws and incentives or holiday arrangements prove to be incorrect, our corporate income taxes could significantly increase.

Our operations are currently structured to benefit from the various tax incentives extended to us in various jurisdictions to encourage investment or employment. For example, absent our principal tax incentives from the Singapore Economic Development Board, which is scheduled to expire in 2025, the corporate income tax rate that would otherwise apply to our Singapore taxable income would be 17%. We also have a tax holiday on our qualifying income in Malaysia, which is scheduled to expire in fiscal year 2028. Each tax incentive and tax holiday is subject to our compliance with various operating and other conditions and may, in some instances, be amended or terminated prior to their scheduled termination date by the relevant governmental authority. If we cannot, or elect not to, comply with the operating conditions included in any particular tax incentive or tax holiday, we could, in some instances, be required to refund previously realized material tax benefits, or if such tax incentive or tax holiday is terminated prior to its expiration absent a new incentive applying, we will lose the related tax benefits earlier than scheduled. In addition, we may be required, or elect, to modify our operational structure and tax strategy in order to keep an incentive, which could result in a decrease in the benefits of the incentive. Our tax incentives and tax holiday, before taking into consideration U.S. foreign tax credits, increased the benefit from income taxes by approximately \$833 million in the aggregate and increased diluted net income per share by \$1.98 for fiscal year 2020.

Our interpretations and conclusions regarding the tax incentives are not binding on any taxing authority, and if our assumptions about tax and other laws are incorrect or if these tax incentives are substantially modified or rescinded, we could suffer material adverse tax and other financial consequences, which would increase our expenses, reduce our profitability and adversely affect our cash flows.

Our income taxes and overall cash tax costs are affected by a number of factors that could materially, adversely affect financial results.

Significant judgment is required in determining our worldwide income taxes. In the ordinary course of our business, there are many transactions where the ultimate tax determination is uncertain. Additionally, our calculations of income taxes payable currently and on a deferred basis are based on our interpretations of applicable tax laws in the jurisdictions in which we are required to file tax returns. Although we believe our tax estimates are reasonable, there is no assurance that the final determination of our income tax liability will not be materially different than what is reflected in our income tax provisions and accruals.

Our income taxes are subject to volatility and could be adversely affected by numerous factors including:

- reorganization or restructuring of our businesses, tangible and intangible assets, outstanding indebtedness and corporate structure;
- jurisdictional mix of our income and assets;
- changes in the allocation of income and expenses, including adjustments related to changes in our corporate structure, acquisitions or tax law;
- changes in U.S and foreign tax laws and regulations, changes to the taxation of earnings of foreign subsidiaries, taxation of U.S. income generated from foreign sources, the deductibility of expenses attributable to income and foreign tax credit rules;

- tax effects of increases in non-deductible employee compensation; and
- changes in tax accounting rules or principles and in the valuation of deferred tax assets and liabilities.

We have adopted transfer pricing policies that call for the provision of services, the sale of products, the arrangement of financing and the grant of licenses from one affiliate to another at prices that we believe are negotiated on an arm's length basis. Our taxable income is dependent upon acceptance by local authorities that our operational practices and intercompany transfer pricing are on an arm's length basis. Due to inconsistencies in application of the arm's length standard among taxing authorities, as well as lack of comprehensive treaty-based protection, transfer pricing challenges by tax authorities could, if successful, result in adjustments for prior or future years. The effects of any such changes could subject us to higher taxes and our earnings, results of operations and cash flow would be adversely affected.

In addition, we are subject to, and are under, tax audit in various jurisdictions, and such jurisdictions may assess additional income tax against us. Although we believe our tax positions are reasonable, the final determination of tax audits could be materially different from our income tax provisions and accruals. The ultimate result of an audit could have a material adverse effect on our results of operations and cash flows in the period or periods for which that determination is made.

The Internal Revenue Service may not agree that prior to our redomiciliation into the U.S., our predecessor, Broadcom Limited should have been treated as a foreign corporation for U.S. federal income tax purposes.

Although Broadcom Limited, our predecessor, was a Singapore entity, the Internal Revenue Service ("IRS") may assert that following our acquisition of BRCM, Broadcom Limited should have been treated as a U.S. corporation for U.S. federal income tax purposes pursuant to Section 7874 of the Internal Revenue Code of 1986, as amended (the "Code"). If the IRS were to determine that under Section 7874 of the Code, the former shareholders of BRCM held at least 60% of the vote or value of the ordinary shares of Broadcom Limited immediately after our acquisition of BRCM, such percentage referred to as the "Section 7874 Percentage," Broadcom Limited would be treated as a "surrogate foreign corporation" and several limitations could then apply to BRCM. For example, BRCM would be prohibited from using its net operating losses, foreign tax credits or other tax attributes to offset the income or gain recognized by reason of the transfer of property to a foreign related person during the 10-year period following our acquisition of BRCM or any income received or accrued during such period by reason of a license of any property by BRCM to a foreign related person. Moreover, in such case, Section 4985 of the Code and rules related thereto would impose an excise tax on the value of certain stock compensation held directly or indirectly by certain BRCM "disqualified individuals" (including former officers and directors of BRCM) at a rate equal to 15%, but only if a gain is otherwise recognized by BRCM former shareholders as a result of our acquisition of BRCM. If the IRS were to determine the Section 7874 Percentage was 80% or more, then Broadcom Limited would be treated as a U.S. corporation for U.S. federal income tax purposes.

While we believe the Section 7874 Percentage was significantly less than 60%, determining the Section 7874 Percentage is complex and is subject to factual and legal uncertainties. There can be no assurance that the IRS will agree with our position.

Risks Related to Our Indebtedness

Our substantial indebtedness could adversely affect our financial health and our ability to execute our business strategy.

As of May 2, 2021, the aggregate indebtedness under our senior notes was \$41,499 million. We expect to maintain significant levels of indebtedness going forward.

Our substantial indebtedness could have important consequences including:

- increasing our vulnerability to adverse general economic and industry conditions;
- exposing us to interest rate risk due to our variable rate term facilities, which we do not typically hedge against;
- limiting our flexibility in planning for, or reacting to, changes in the economy and the semiconductor industry;
- placing us at a competitive disadvantage compared to our competitors with less indebtedness;
- making it more difficult to borrow additional funds in the future to fund growth, acquisitions, working capital, capital expenditures and other purposes; and
- potentially requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund our other business needs.

We receive debt ratings from the major credit rating agencies in the U.S. Factors that may impact our credit ratings include debt levels, planned asset purchases or sales and near-term and long-term production growth opportunities. Liquidity, asset quality, cost structure, reserve mix and commodity pricing levels could also be considered by the rating agencies. While we are focused on maintaining investment grade ratings from these agencies, we may be unable to do so. Any downgrade in our credit rating or the ratings of our indebtedness, or adverse conditions in the debt capital markets, could:

- adversely affect the trading price of, or market for, our debt securities;
- increase interest expense under our term facilities;
- increase the cost of, and adversely affect our ability to refinance, our existing debt; and
- adversely affect our ability to raise additional debt.

The instruments governing our indebtedness impose certain restrictions on our business.

The instruments governing our indebtedness contain certain covenants imposing restrictions on our business. These restrictions may affect our ability to operate our business, to plan for, or react to, changes in the market conditions or our capital needs and may limit our ability to take advantage of potential business opportunities as they arise. The restrictions placed on us include maintenance of an interest coverage ratio and limitations on our ability to incur certain secured debt, enter into certain sale and lease-back transactions and consolidate, merge, sell or otherwise dispose of all or substantially all of our assets. In addition, the instruments contain customary events of default upon the occurrence of which, after any applicable grace period, the indebtedness could be declared immediately due and payable. In such event, we may not have sufficient available cash to repay such debt at the time it becomes due, or be able to refinance such debt on acceptable terms or at all. Any of the foregoing could materially adversely affect our business, financial condition and results of operations.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on, and to refinance our debt, depends on our future performance, which is subject to economic, financial, competitive and other factors. Our business may not continue to generate cash flow from operations in the future sufficient to satisfy our obligations under our current indebtedness and any future indebtedness we may incur and to make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our outstanding indebtedness or future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms when needed, which could result in a default on our indebtedness.

Risks Related to Owning Our Common Stock

At times, our stock price has been volatile and it may fluctuate substantially in the future, which could result in substantial losses for our investors as well as class action litigation against us and our management which could cause us to incur substantial costs and divert our management's attention and resources.

The trading price of our common stock has, at times, fluctuated significantly and could be subject to wide fluctuations in response to any of the risk factors listed in this "Risk Factors" section, and others, including:

- issuance of new or updated research or other reports by securities analysts;
- fluctuations in the valuation and results of operations of our significant customers as well as companies perceived by investors to be comparable to us;
- announcements of proposed acquisitions by us or our competitors;
- announcements of, or expectations of, additional debt or equity financing transactions;
- stock price and volume fluctuations attributable to inconsistent trading volume levels of our common stock;
- issuance, and subsequent sale, of common stock upon conversion of our 8.00% Mandatory Convertible Preferred Stock, Series A ("Mandatory Convertible Preferred Stock");
- hedging or arbitrage trading activity involving our Mandatory Convertible Preferred Stock or common stock; and
- unsubstantiated news reports or other inaccurate publicity regarding us or our business.

These fluctuations are often unrelated or disproportionate to our operating performance. Broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or currency

fluctuations, may negatively impact the market price of our common stock. You may not realize any return on your investment in us and may lose some or all of your investment. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. We are also the subject of a number of lawsuits stemming from our acquisitions. Securities litigation against us, including the lawsuits related to such transactions, could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

A substantial amount of our stock is held by a small number of large investors and significant sales of our common stock by one or more of these holders could cause our stock price to fall.

As of March 31, 2021, we believe 10 of our 20 largest holders of common stock were active institutional investors who held approximately 32% of our outstanding shares of common stock in the aggregate, with Capital World Investors being our largest stockholder with approximately 10% of our outstanding shares of common stock. These investors may sell their shares at any time for a variety of reasons and such sales could depress the market price of our common stock. In addition, any such sales of our common stock by these entities could also impair our ability to raise capital through the sale of additional equity securities.

There can be no assurance that we will continue to declare cash dividends.

Our Board of Directors has adopted a dividend policy pursuant to which we currently pay a cash dividend on our common stock on a quarterly basis. The declaration and payment of any dividend is subject to the approval of our Board of Directors and our dividend may be discontinued or reduced at any time. Because we are a holding company, our ability to pay cash dividends is also limited by restrictions or limitations on our ability to obtain sufficient funds through dividends from subsidiaries. In addition, any payment of dividends on our common stock is subject to and conditioned upon our payment of quarterly dividends on our Mandatory Convertible Preferred Stock. There can be no assurance that we will declare cash dividends in the future in any particular amounts, or at all.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On December 17, 2020, as partial consideration for shares of an acquired business, we issued 36,232 restricted shares of our common stock, \$0.001 par value (the "Restricted Stock"), valued at approximately \$14 million to stockholders of the acquired business. The restrictions on the Restricted Stock will lapse with respect to one-fourth of the initial number of shares issued to a stockholder on a quarterly basis starting on March 15, 2021 and subject to the stockholder's continued employment with us through the respective dates. The Restricted Stock was issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, set forth in Section 4(a)(2) thereof.

Issuer Purchases of Equity Securities

During the fiscal quarter ended May 2, 2021, we paid approximately \$461 million in employee withholding taxes due upon the vesting of net settled equity awards. We withheld approximately 1 million shares of common stock from employees in connection with such net share settlement at an average price of \$468.53 per share. These shares may be deemed to be "issuer purchases" of shares.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference Herein		Filed Herewith
		Form	Filing Date	
2.1#	Agreement and Plan of Merger, dated as of July 11, 2018, by and among Broadcom Inc., Collie Acquisition Corp. and CA, Inc.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	July 12, 2018	
2.2#	Asset Purchase Agreement, dated August 8, 2019, by and between Broadcom Inc. and Symantec Corporation.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	August 9, 2019	
3.1	Amended and Restated Certificate of Amended and Restated Certificate of Incorporation.	Broadcom Inc. Current Report on Form 8-K12B (Commission File No.001-38449)	April 4, 2018	
3.2	Certificate of Designation of the 8.00% Mandatory Convertible Preferred Stock, Series A.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	September 30, 2019	
3.3	Amended and Restated Bylaws.	Broadcom Inc. Current Report on Form 8-K12B (Commission File No. 001-38449)	April 4, 2018	
4.1	Form of Common Stock Certificate.	Broadcom Inc. Quarterly Report on Form 10-Q (Commission File No. 001-38449)	June 14, 2018	
4.2	Form of Certificate of the 8.00% Mandatory Convertible Preferred Stock, Series A (included in the Exhibit 3.2).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	September 30, 2019	
4.3	Description of Common Stock.	Broadcom Inc. Annual Report on Form 10-K (Commission File No. 001-38449)	December 20, 2019	
4.4	Description of 8.00% Mandatory Convertible Preferred Stock, Series A.	Broadcom Inc. Annual Report on Form 10-K (Commission File No. 001-38449)	December 20, 2019	
4.5	Indenture, dated as of January 19, 2017, by and among the Broadcom Corporation and Broadcom Cayman Finance Limited (the "Co-Issuers"), the Company, Broadcom Cayman L.P., and BC Luxembourg S.à r.l., as guarantors, and Wilmington Trust, National Association, as trustee.	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	January 20, 2017	
4.6	Supplement Indenture to the January 2017 Indenture, dated as of April 9, 2018.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 9, 2018	
4.7	Second Supplement Indenture to the January 2017 Indenture, dated as of January 25, 2019.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	January 25, 2019	
4.8	Form of 2.375% Senior Note due 2020 (included in Exhibit 4.5).	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	January 20, 2017	
4.9	Form of 3.000% Senior Note due 2022 (included in Exhibit 4.5).	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	January 20, 2017	
4.10	Form of 3.625% Senior Note due 2024 (included in Exhibit 4.5).	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	January 20, 2017	
4.11	Form of 3.875% Senior Note due 2027 (included in Exhibit 4.5).	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	January 20, 2017	
4.12	Indenture, dated as of October 17, 2017, by and among the Co-Issuers, the Company and Broadcom Cayman L.P., as guarantors, and Wilmington Trust, National Association, as trustee.	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	October 17, 2017	
4.13	Supplemental Indenture to October 2017 Indenture, dated as of April 9, 2018.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 9, 2018	
4.14	Second Supplemental Indenture to October 2017 Indenture, dates as of January 25, 2019.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-	January 25, 2019	

4.15	Form of 2.200% Senior Note due 2021 (included in Exhibit 4.12).	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	October 17, 2017
4.16	Form of 2.650% Senior Note due 2023 (included in Exhibit 4.12).	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	October 17, 2017
4.17	Form of 3.125% Senior Note due 2025 (included in Exhibit 4.12).	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	October 17, 2017
4.18	Form of 3.500% Senior Note due 2028 (included in Exhibit 4.12).	Broadcom Limited Current Report on Form 8-K (Commission File No. 001-37690)	October 17, 2017
4.19	Indenture, dated as of April 5, 2019, by and among the Company, as Issuer, Broadcom Technologies Inc., Broadcom Corporation and Broadcom Cayman Finance Limited (the "2019 Guarantors"), and Wilmington Trust, National Association, as trustee.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 5, 2019
4.20	Form of 3.125% Senior Notes due 2021 (included in Exhibit 4.19).	Broadcom Inc. Current Report on Form 8-K12B (Commission File No. 001-38449)	April 5, 2019
4.21	Form of 3.125% Senior Notes due 2022 (included in Exhibit 4.19).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 5, 2019
4.22	Form of 3.625% Senior Notes due 2024 (included in Exhibit 4.19).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 5, 2019
4.23	Form of 4.250% Senior Notes due 2026 (included in Exhibit 4.19).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 5, 2019
4.24	Form of 4.750% Senior Notes due 2029 (included in Exhibit 4.19).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 5, 2019
4.25	Registration Rights Agreement, dated as of April 5, 2019, by and among the Company, the 2019 Guarantors and Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as representatives of the several initial purchasers of the 2019 Senior Notes.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 5, 2019
4.26	Indenture, dated as of April 9, 2020, by and among the Company, as Issuer, Broadcom Technologies Inc. and Broadcom Corporation (the "2020 Guarantors"), and Wilmington Trust, National Association, as trustee.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 9, 2020
4.27	Form of 4.700% Senior Notes due 2025 (included in Exhibit 4.26).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 9, 2020
4.28	Form of 5.000% Senior Notes due 2030 (included in Exhibit 4.26).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 9, 2020
4.29	Registration Rights Agreement, dated as of April 9, 2020, by and among the Company, the 2020 Guarantors and J.P. Morgan Securities LLC, as representative of the several initial purchasers of the April 2020 Senior Notes.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	April 9, 2020
4.30	Indenture, dated as of May 8, 2020, by and among the Company, as Issuer, the 2020 Guarantors, and Wilmington Trust, National Association, as trustee.	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	May 8, 2020
4.31	Form of 2.250% Senior Notes due 2023 (included in Exhibit 4.30).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	May 8, 2020
4.32	Form of 3.150% Senior Notes due 2025 (included in Exhibit 4.30).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	May 8, 2020
4.33	Form of 4.150% Senior Notes due 2030 (included in Exhibit 4.30).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	May 8, 2020
4.34	Form of 4.300% Senior Notes due 2032 (included in Exhibit 4.30).	Broadcom Inc. Current Report on Form 8-K (Commission File No. 001-38449)	May 8, 2020
4.35	Registration Rights Agreement, dated as of May 8, 2020, by and among the Company, the 2020	Broadcom Inc. Current Report on Form 8-K	May 8, 2020

	Report on Form 8-K (Commission File No. 001-38449)	
4.36	Indenture, dated as of May 21, 2020, by and among the Company, the 2020 Guarantors and Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, as representatives of the several initial purchasers of the May 8, 2020 Senior Notes.	May 21, 2020
4.37	Form of 3.459% Senior Notes due 2026 (included in Exhibit 4.36).	May 21, 2020
4.38	Form of 4.110% Senior Notes due 2028 (included in Exhibit 4.36).	May 21, 2020
4.39	Registration Rights Agreement, dated as of May 21, 2020, by and among the Company, the 2020 Guarantors and Barclays Capital Inc. and Credit Suisse Securities (USA) LLC, as dealer-managers in connection with the May 21, 2020 Senior Notes.	May 21, 2020
4.40	Indenture, dated as of January 19, 2021, by and among the Company, the 2020 Guarantors and Wilmington Trust, National Association, as Trustee.	January 19, 2021
4.41	Form of 1.950% Senior Notes due 2028 (included in Exhibit 4.40).	January 19, 2021
4.42	Form of 2.450% Senior Notes due 2031 (included in Exhibit 4.40).	January 19, 2021
4.43	Form of 2.600% Senior Notes due 2033 (included in Exhibit 4.40).	January 19, 2021
4.44	Form of 3.500% Senior Notes due 2041 (included in Exhibit 4.40).	January 19, 2021
4.45	Form of 3.750% Senior Notes due 2051 (included in Exhibit 4.40).	January 19, 2021
4.46	Registration Rights Agreement, dated as of January 19, 2021, by and among the Company, the 2020 Guarantors and Morgan Stanley & Co. LLC, BNP Paribas Securities Corp., RBC Capital Markets, LLC, SMBC Nikko Securities America, Inc., and Truist Securities, Inc., as representatives of the several initial purchasers of the January 2021 Senior Notes.	January 19, 2021
4.47	Indenture, dated as of March 31, 2021, by and between the Company and Wilmington Trust, National Association, as Trustee.	March 31, 2021
4.48	Form of 3.419% Senior Notes due 2033 (included in Exhibit 4.47).	March 31, 2021
4.49	Form of 3.469% Senior Notes due 2034 (included in Exhibit 4.47).	March 31, 2021
4.50	Registration Rights Agreement, dated as of March 31, 2021, by and among the Company and BofA Securities, Inc. and HSBC Securities (USA) Inc., as dealer-managers in connection with the March 2021 Senior Notes.	March 31, 2021
10.1+	Broadcom Inc. 2012 Stock Incentive Plan (as amended and restated on April 5, 2021).	X
10.2+	Performance Stock Unit Agreement, dated April 5, 2021, between Broadcom Inc. and Hock E. Tan.	X
10.3+	Form of Restricted Stock Unit Award Agreement under Broadcom Inc. 2012 Stock Incentive Plan (as amended and restated) (effective April 5, 2021).	X
10.4+	Form of Performance Stock Unit Agreement (Relative TSR) under Broadcom Inc. 2012 Stock Incentive Plan (as amended and restated) (effective April 5, 2021).	X
31.1	Certification of Chief Executive Officer of Broadcom Inc. Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
31.2	Certification of Chief Financial Officer of Broadcom Inc. Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, As Adopted Pursuant to	X

[Exhibits 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000](#)

32.1	<u>Certification of Chief Executive Officer of Broadcom Inc. Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	X
32.2	<u>Certification of Chief Financial Officer of Broadcom Inc. Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	X
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X
101.SCH	XBRL Schema Document	X
101.CAL	XBRL Calculation Linkbase Document	X
101.DEF	XBRL Definition Linkbase Document	X
101.LAB	XBRL Labels Linkbase Document	X
101.PRE	XBRL Presentation Linkbase Document	X
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X

Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Broadcom Inc. hereby undertakes to furnish supplementally copies of any omitted schedules upon request by the SEC.

+ Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BROADCOM INC.

By: /s/ Kirsten M. Spears
Kirsten M. Spears
Chief Financial Officer

Date: June 11, 2021

BROADCOM INC.**2012 STOCK INCENTIVE PLAN
(amended and restated April 5, 2021)****ARTICLE ONE
GENERAL PROVISIONS****I. PURPOSE OF THE PLAN**

This 2012 Stock Incentive Plan, formerly known as the Broadcom Corporation 2012 Stock Incentive Plan, was adopted by Broadcom Corporation's Board of Directors on February 16, 2012 and was approved by Broadcom Corporation's shareholders at the annual meeting of shareholders on May 15, 2012. The Plan was amended and restated by the Broadcom Corporation Board of Directors on February 13, 2014 and again on January 28, 2015, and was amended by the Board of Directors of Broadcom Limited and the Board on February 1, 2016 and on April 4, 2018, respectively. The Plan was subsequently amended and restated by the Board on February 5, 2021 (the "Board Approval Date"), subject to approval of the Corporation's stockholders at the annual meeting of stockholders on April 5, 2021 (the "2021 Annual Meeting"). The Plan is intended to promote the interests of Broadcom Inc., a Delaware corporation, by providing eligible persons in the Corporation's service with the opportunity to acquire a proprietary interest, or otherwise increase their proprietary interest, in the Corporation as an incentive for them to remain in such service.

Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the attached Appendix.

II. STRUCTURE OF THE PLAN

A. The Plan is divided into two equity incentive programs:

- the Discretionary Grant Program, under which eligible persons may, at the discretion of the Plan Administrator, be granted options to purchase Shares or stock appreciation rights tied to the value of such Shares, and
- the Stock Issuance Program, under which eligible persons may be issued Shares pursuant to restricted stock or restricted stock unit awards or other stock-based awards, made by and at the discretion of the Plan Administrator, that vest upon the completion of a designated service period and/or the attainment of pre-established performance milestones, or under which Shares may be issued through direct purchase or as a bonus for services rendered to the Corporation (or any Parent or Subsidiary).

B. The provisions of Articles One and Four shall apply to all equity programs under the Plan and shall govern the interests of all persons under the Plan.

III. ADMINISTRATION OF THE PLAN

A. The Discretionary Grant and Stock Issuance Programs shall be administered by the Plan Administrator, provided, that, any discretionary Awards to members of the committee that serves as the Plan Administrator for such service must be authorized and approved by a disinterested majority of the Board.

B. Members of the committee appointed by the Board as the Plan Administrator shall serve for such period as the Board may determine and may be removed by the Board at any time.

C. The Plan Administrator shall, within the scope of its administrative functions under the Plan, have full power and authority (subject to the provisions of the Plan) to establish such rules and regulations as it may deem appropriate for proper administration of the Discretionary Grant and Stock Issuance Programs and to make such determinations under, and issue such interpretations of, the provisions of those programs and any outstanding Awards thereunder as it may deem necessary or advisable. Decisions of the Plan Administrator within the scope of its administrative functions under the Plan shall be final and binding on all parties who have an interest in the Discretionary Grant and Stock Issuance Programs under its jurisdiction or any Award thereunder.

D. Service on the Compensation Committee, or other committee appointed by the Board as the Plan Administrator, shall constitute service as a Board member, and members of each such committee shall accordingly be entitled to full indemnification and reimbursement as Board members for their service on such committee. No member of the Compensation Committee, or other committee appointed by the Board as the Plan Administrator, shall be liable for any act or omission made in good faith with respect to the Plan or any Award under the Plan.

IV. ELIGIBILITY

A. The persons eligible to participate in the Discretionary Grant and Stock Issuance Programs are as follows:

- (i) Employees,
- (ii) non-employee members of the Board or the board of directors of any Parent or Subsidiary, and
- (iii) Consultants who provide services to the Corporation (or any Parent or Subsidiary).

B. The Plan Administrator shall, within the scope of its administrative jurisdiction under the Plan, have full authority to determine (i) with respect to Awards made under the Discretionary Grant Program, which eligible persons are to receive such Awards, the time or times when those Awards are to be made, the number of Shares to be covered by each such Award, the status of any awarded option as either an Incentive Option or a Non-Statutory Option, the exercise price per Share in effect for each Award (subject to the limitations set forth in Article Two), the time or times when each Award is to vest and become exercisable, the maximum term for which the Award is to remain outstanding and such other terms of Awards as the Plan Administrator may deem appropriate in its discretion, and (ii) with respect to Awards under the Stock Issuance Program, which eligible persons are to receive such Awards, the time or times when the Awards are to be made, the number of Shares subject to each such Award, the vesting schedule (if any) applicable to the Shares subject to such Award, the cash consideration (if any) payable for such Shares and such other terms of Awards as the Plan Administrator may deem appropriate in its discretion.

C. The Plan Administrator shall have the absolute discretion to grant options or stock appreciation rights in accordance with the Discretionary Grant Program and to effect stock issuances or other stock-based awards in accordance with the Stock Issuance Program.

V. STOCK SUBJECT TO THE PLAN

A. The Shares issuable under the Plan shall be authorized but unissued Shares, including Shares subject to Prior Awards and Shares repurchased by the Corporation on the open market. Subject to any additional Shares authorized by the vote of the Board and approved by the stockholders, the aggregate number of Shares reserved for issuance under the Plan from and after the Effective Date shall be (i) the number of Shares subject to outstanding Prior Awards, plus (ii) 20,000,000 Shares. The maximum number of Shares that may be issued pursuant to Incentive Options granted from and after the Effective Date shall equal the number of Shares available for grant under this Section V.A. of Article One, to the extent allowable under Section 422 of the Code and the rules thereunder.

B. No one person participating in the Plan may be granted Awards for more than 4,000,000 Shares in the aggregate per calendar year.

C. Shares subject to outstanding Awards under the Plan, which for purposes of this paragraph shall include Shares subject to outstanding Prior Awards, shall be available for subsequent issuance under the Plan to the extent those Awards expire or terminate for any reason prior to the issuance of the Shares subject to those Awards. Unvested Shares issued under the Plan and subsequently cancelled or repurchased by the Corporation at the original exercise or issue price paid per Share pursuant to the Corporation's repurchase rights under the Plan shall be added back to the number of Shares reserved for issuance under the Plan and shall accordingly be available for subsequent reissuance under the Plan. In addition, should the exercise price or base price of an Award under the Plan be paid with Shares, the authorized reserve of Shares under the Plan shall be reduced only by the net number of Shares issued under the exercised Award. Should Shares otherwise issuable under the Plan be withheld by the Corporation in satisfaction of the withholding taxes incurred in connection with the issuance, exercise, vesting or settlement of an Award under the Plan, the number of Shares available for issuance under the Plan shall be reduced only by the net number of Shares issued with respect to that Award.

D. Shares issued under awards granted by another entity ("other entity awards") and assumed by the Corporation in connection with a merger, consolidation, stock purchase or similar transaction, or issued by the Corporation under awards substituted for other entity awards in connection with a merger, consolidation, stock purchase or similar transaction, shall not reduce the Shares available for Awards under the Plan, nor shall Shares subject to such assumed or substituted other entity awards be added back to the Shares available for issuance under the Plan.

E. If any change is made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of Shares, exchange of Shares, spin-off transaction or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration or should the value of outstanding Shares be substantially reduced as a result of a spin-off transaction or an extraordinary dividend or distribution, appropriate adjustments shall be made by the Plan Administrator to (i) the maximum number and/or class of securities issuable under the Plan, (ii) the maximum number and/or class of securities for which any one person may be granted Awards under the Plan per calendar year, (iii) the number and/or class of securities and the exercise or base price per Share (or any other cash consideration payable per Share) in effect under each outstanding Award under the Discretionary Grant Program, and (iv) the number and/or class of securities subject to each outstanding Award under the Stock Issuance Program and the cash consideration (if any) payable per Share thereunder. To the extent such adjustments are to be made to outstanding Awards, those adjustments shall be effected in a manner that shall preclude the enlargement or dilution of rights and benefits under those Awards. The adjustments determined by the Plan Administrator shall be final, binding and conclusive.

VI. CHANGE IN CONTROL

A. Unless otherwise provided in the applicable Award Agreement or another applicable agreement between the Optionee or the Participant and the Corporation or any Parent or Subsidiary, any Award that is outstanding immediately prior to a Change in Control will not vest, lapse (including, without limitation, with respect to forfeiture restrictions or rights of repurchase), and/or become exercisable (as applicable) solely as a result of the Change in Control, but will instead (i) be assumed by the Successor, (ii) continued in full force and effect pursuant to the terms of the Change in Control transaction, or (iii) replaced with a cash retention program of the Successor that preserves the spread existing at the time of the Change in Control on the Shares as to which the Award is not otherwise at that time vested and exercisable, and such Award, as so assumed, continued or replaced, will vest, become exercisable or have any restrictions lapse pursuant to the terms of such Award in effect immediately prior to the Change in Control, subject to subsections (i)-(ii) below.

(i) A Performance-Based Award shall not be deemed to have been assumed, continued or replaced in accordance with Section VI.A of Article One unless the following conditions are satisfied: (i) Performance-Based Awards for which the Performance Period has been completed as of the date of the Change in Control but have not yet been paid will be

assumed, continued or replaced based on actual performance during the Performance Period; and (ii) Performance-Based Awards for which the Performance Period has not been completed as of the date of the Change in Control will be deemed to have been achieved at one hundred percent (100%) of target levels for the entire Performance Period (and not pro rata); provided that, in each case, the Performance-Based Awards will continue to be subject to any time-based vesting conditions that were applicable to the Performance-Based Awards prior to their assumption, continuation, or replacement but they will not be subject to any performance goals or metrics following the consummation of the Change in Control.

(ii) The determination of whether an Award is assumed, continued or replaced in accordance with Section VI.A of Article One shall be made by the Plan Administrator, as constituted immediately before the applicable Change in Control, in its sole discretion.

B. **No Assumption, Continuation or Replacement of Award.** Unless otherwise provided in the applicable Award Agreement or another applicable agreement between the Optionee or the Participant and the Corporation or any Parent or Subsidiary, if for any reason outstanding Awards are not assumed, continued, or replaced pursuant to Section VI.A of Article One, such outstanding Awards will be subject to the following rules, in each case effective immediately prior to the Change in Control but conditioned upon completion of such Change in Control, with any corresponding payments made as soon as reasonably practicable after the Change in Control, but no later than within 30 days following the date of the Change in Control:

(i) **Discretionary Grant Program Awards.** All Awards made under the Discretionary Grant Program will become fully vested and exercisable. If an Optionee does not exercise all Awards made under the Discretionary Grant Program prior to the Change in Control, the Plan Administrator will pay such Optionee in exchange for the cancellation of each such unexercised Award the difference between the exercise price or base price per Share of such Award (as applicable) and the per Share consideration provided to other similarly situated shareholders in such Change in Control, with such payment to be made in cash and/or Shares at the Plan Administrator's discretion (less applicable Withholding Taxes); provided, however that if any such payment is to be made in Shares, the Plan Administrator may in its discretion, provide such Optionees the consideration provided to similarly situated stockholders in such Change in Control; provided further, however, that if the exercise price or base price of such Award exceeds the aforementioned consideration provided, then such Award will be canceled and terminated without any payment.

(ii) **Stock Issuance Program Awards that are not Performance-Based Awards.** All restrictions imposed on Awards made under the Stock Issuance Program that are not performance-based will lapse and be of no further force and effect, such that all such Awards made under the Stock Issuance Program will become fully vested. Such Awards made under the Stock Issuance Program will be settled (if applicable) and paid in cash and/or Shares at the Plan Administrator's discretion; provided, however that if any such payment is to be made in Shares, the Plan Administrator may in its discretion, provide such holders the consideration provided to other similarly situated stockholders in such Change in Control.

(iii) **Performance-Based Awards.** All Performance-Based Awards for which the Performance Period has been completed as of the date of the Change Control but have not yet been paid will vest and be paid in cash and/or Shares at such time at the Plan Administrator's discretion, with all performance goals to be deemed achieved at actual performance. Moreover, unless otherwise provided in the applicable Award Agreement or another applicable agreement between the Optionee or the Participant and the Corporation or any Parent or Subsidiary, all Performance-Based Awards for which the Performance Period has not been completed as of the date of the Change in Control will, with respect to each applicable performance goal and other vesting criteria, be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met, and vest and be paid out for the entire Performance Period (and not pro rata), with the manner of payment to be made in cash or Shares at the Plan Administrator's discretion; provided, however that if any such payment is to be made in Shares, the Plan

Administrator may in its reasonable discretion, provide such holders the consideration provided to other similarly situated stockholders in such Change in Control.

C. **Other Change in Control Matters.**

(i) Immediately following the consummation of the Change in Control, all outstanding Awards shall terminate and cease to be outstanding, except to the extent assumed by the Successor or otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction.

(ii) Awards outstanding shall in no way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets, subject to Section V.E of Article One.

(iii) Notwithstanding any other provision of the Plan or any Award Agreement provision, the provisions of Section VI of Article One may not be terminated, amended, or modified in any manner that adversely affects any then-outstanding Award or Optionee or Participant without the prior written consent of the Optionee or Participant, unless for the purpose of complying with Applicable Laws or regulations.

**ARTICLE TWO
DISCRETIONARY GRANT PROGRAM**

I. **OPTION TERMS**

Each option shall be evidenced by one or more documents in the form approved by the Plan Administrator; provided, however, that each such document shall comply with the terms specified below. Each document evidencing an Incentive Option shall, in addition, be subject to the provisions of the Plan applicable to such options.

A. **Exercise Price.**

(i) The exercise price per Share shall be fixed by the Plan Administrator but shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the option grant date. Notwithstanding the foregoing, options may be granted with an exercise price per Share of less than one hundred percent (100%) of the Fair Market Value per Share on the option grant date pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) The exercise price shall become immediately due upon exercise of the option and shall be payable in one or more of the forms specified below:

(a) cash,

(b) Shares valued at Fair Market Value on the Exercise Date and held for the period (if any) necessary to avoid any additional charges to the Corporation's earnings for financial reporting purposes, or

(c) to the extent the option is exercised for vested Shares, through a special sale and remittance procedure pursuant to which the Optionee shall concurrently provide irrevocable instructions to (a) a brokerage firm (designated by the Corporation) to effect the immediate sale of the purchased Shares and remit to the Corporation, out of the sale proceeds available on the settlement date, sufficient funds, as determined by the Corporation, to cover the aggregate exercise price payable for the purchased Shares plus all Withholding Taxes to be

withheld by the Corporation by reason of such exercise and (b) the Corporation to deliver the certificates for the purchased Shares directly to such brokerage firm to complete the sale, or

(d) if Optionee ceases Service for any reason other than Misconduct and the entire exercise period applicable to the option remaining after such cessation of Service falls within a trading blackout period which the Corporation may impose from time to time, the Plan Administrator may, in its discretion, permit the Corporation (either at the time the option is granted or at any time thereafter) to (a) automatically exercise such portion of the option which has not been exercised previously on the last business day of the exercise period and (b) automatically withhold on such day a number of Shares subject to the option having a Fair Market Value (measured as of the exercise date) equal to (i) the aggregate exercise price of the Shares with respect to which the option is being exercised and (ii) the amount necessary to satisfy Withholding Taxes; provided, that such automatic exercise shall only occur if the Fair Market Value per Share on the last business day of the exercise period of the option is equal to or greater than 101% of the exercise price per Share of the option and, provided, further, that the Plan Administrator shall have the discretionary authority to revoke or amend this Section I.A.2.iv. of this Article Two (and any related provisions in an applicable Award Agreement) at any time without the consent of Optionee.

Except to the extent the procedure set forth in either Section I.A.2.iii. or Section I.A.2.iv. of this Article Two is utilized, payment of the exercise price for the purchased Shares must be made on the Exercise Date.

B. **Exercise and Term of Options.** Each option shall be exercisable at such time or times, during such period and for such number of Shares as shall be determined by the Plan Administrator and set forth in the documents evidencing the option. However, no option shall have a term in excess of ten (10) years measured from the option grant date. An option shall not be exercisable for any fractional Shares.

C. **Effect of Termination of Service.**

(i) The following provisions shall govern the exercise of any options held by the Optionee at the time of cessation of Service or death:

(a) Any option outstanding at the time of the Optionee's cessation of Service for any reason shall remain exercisable for such period of time thereafter as shall be determined by the Plan Administrator and set forth in the documents evidencing the option or as otherwise specifically authorized by the Plan Administrator in its sole discretion pursuant to an express written agreement with Optionee, but no such option shall be exercisable after the expiration of the option term.

(b) Any option held by the Optionee at the time of death and exercisable in whole or in part at that time may be subsequently exercised by the personal representative of the Optionee's estate or by the person or persons to whom the option is transferred pursuant to the Optionee's will or the laws of inheritance.

(c) Should the Optionee's Service be terminated for Misconduct or should the Optionee otherwise engage in Misconduct while holding one or more outstanding options under this Article Two (regardless of whether Optionee's Service is terminated for Misconduct), all those options shall terminate immediately and cease to be outstanding.

(d) During the applicable post-Service exercise period, the option may not be exercised in the aggregate for more than the number of vested Shares for which that option is at the time exercisable. No additional Shares shall vest under the option following the Optionee's cessation of Service, except to the extent (if any) specifically authorized by the Plan Administrator in its sole discretion pursuant to an express written agreement with Optionee. Upon the expiration of the applicable exercise period or (if earlier) upon the expiration of the option term, the option shall terminate and cease to be outstanding for any Shares for which the option has not been exercised.

(ii) The Plan Administrator shall have complete discretion, exercisable either at the time an option is granted or at any time while the option remains outstanding, to:

(a) extend the period of time for which the option is to remain exercisable following the Optionee's cessation of Service from the limited exercise period otherwise in effect for that option to such greater period of time as the Plan Administrator shall deem appropriate, but in no event beyond the expiration of the option term, and/or

(b) permit the option to be exercised, during the applicable post-Service exercise period, not only with respect to the number of vested Shares for which such option is exercisable at the time of the Optionee's cessation of Service but also with respect to one or more additional options in which the Optionee would have vested had the Optionee continued in Service.

D. **Stockholder Rights.** The holder of an option shall have no stockholder rights with respect to the Shares subject to the option until such person shall have exercised the option, paid the exercise price for and become a holder of record of the purchased Shares.

E. **Repurchase Rights.** The Plan Administrator shall have the discretion to grant options that are exercisable for unvested Shares. Should the Optionee cease Service while holding such unvested Shares, the Corporation shall have the right to repurchase, at the exercise price paid per Share, any or all of those unvested Shares. The terms upon which such repurchase right shall be exercisable (including the period and procedure for exercise and the appropriate vesting schedule for the purchased Shares) shall be established by the Plan Administrator and set forth in the document evidencing such repurchase right.

F. **Transferability of Options.** The transferability of options granted under the Plan shall be governed by the following provisions:

(i) **Incentive Options.** During the lifetime of the Optionee, Incentive Options shall be exercisable only by the Optionee and shall not be assignable or transferable other than by will or the laws of inheritance following the Optionee's death.

(ii) **Non-Statutory Options.** Non-Statutory Options shall be subject to the same limitation on transfer as Incentive Options, except that the Plan Administrator may structure one or more Non-Statutory Options so that the option may be assigned in whole or in part during the Optionee's lifetime by gift or pursuant to a domestic relations order to one or more Family Members of the Optionee or to a trust established exclusively for the Optionee and/or one or more such Family Members. The assigned portion may only be exercised by the person or persons who acquire a proprietary interest in the option pursuant to the assignment. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such documents issued to the assignee as the Plan Administrator may deem appropriate.

II. INCENTIVE OPTIONS

The terms specified below, together with any additions, deletions or changes thereto imposed from time to time pursuant to the provisions of the Code governing Incentive Options, shall be applicable to all Incentive Options. Except as modified by the provisions of this Section II, all the provisions of Articles One, Two and Four shall be applicable to Incentive Options. Options that are specifically designated as Non-Statutory Options when issued under the Plan shall not be subject to the terms of this Section II.

- A. **Eligibility.** Incentive Options may be granted only to Employees.
- B. **Exercise Price.** The exercise price per Share shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the option grant date.
- C. **Dollar Limitation.** Notwithstanding any Award's designation as an Incentive Option, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Options are exercisable for the first time by the Optionee during any calendar year (under all plans of the Corporation and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Incentive Options will be treated as Non-Statutory Options. For purposes of the foregoing limitation, options shall be deemed to become first exercisable in the applicable calendar year based on the chronological order in which they were granted, except to the extent otherwise provided under Applicable Laws or regulations.
- D. **10% Stockholder.** If any Employee to whom an Incentive Option is granted is a 10% Stockholder, then the exercise price per Share shall not be less than one hundred ten percent (110%) of the Fair Market Value per Share on the option grant date, and the option term shall not exceed five (5) years measured from the option grant date.
- E. **Grant Date Limitation.** Incentive Options shall not be granted after ten (10) years following the Board Approval Date.

III. STOCK APPRECIATION RIGHTS

- A. **Authority.** The Plan Administrator shall have full power and authority, exercisable in its sole discretion, to grant stock appreciation rights in accordance with this Section III to selected Optionees or other individuals eligible to receive option grants under the Discretionary Grant Program.
- B. **Types.** Two types of stock appreciation rights shall be authorized for issuance under this Section III: (i) tandem stock appreciation rights ("Tandem Rights"), and (ii) standalone stock appreciation rights ("Standalone Rights").
- C. **Tandem Rights.** The following terms and conditions shall govern the grant and exercise of Tandem Rights.
 - (i) One or more Optionees may be granted a Tandem Right, exercisable upon such terms and conditions as the Plan Administrator may establish, to elect between the exercise of the underlying stock option for Shares or the surrender of that option in exchange for a distribution from the Corporation in an amount equal to the excess of (i) the Fair Market Value (on the option surrender date) of the number of Shares in which the Optionee is at the time vested under the surrendered option (or surrendered portion thereof) over (ii) the aggregate exercise price payable for such vested Shares. The base price per Share of any Tandem Rights shall be set in accordance with Section I.A.1 of Article Two and Sections II.B and D. of Article Two, as applicable.
 - (ii) No such option surrender shall be effective unless it is approved by the Plan Administrator, either at the time of the actual option surrender or at any earlier time. If the surrender is so approved, then the distribution to which the Optionee shall accordingly become entitled under this Section III may be made in Shares valued at Fair Market Value on the option

surrender date, in cash, or partly in Shares and partly in cash, as the Plan Administrator shall in its sole discretion deem appropriate.

(iii) If the surrender of an option is not approved by the Plan Administrator, then the Optionee shall retain whatever rights the Optionee had under the surrendered option (or surrendered portion thereof) on the option surrender date and may exercise such rights at any time prior to the later of (i) five (5) business days after the receipt of the rejection notice or (ii) the last day on which the option is otherwise exercisable in accordance with the terms of the instrument evidencing such option, but in no event may such rights be exercised more than ten (10) years after the date of the option grant. No Tandem Rights shall have a maximum term in excess of ten (10) years measured from the grant date.

D. **Standalone Rights.** The following terms and conditions shall govern the grant and exercise of Standalone Rights under this Article Two:

(i) One or more individuals eligible to participate in the Discretionary Grant Program may be granted a Standalone Right not tied to any underlying option under this Discretionary Grant Program. The Standalone Right shall relate to a specified number of Shares and shall be exercisable upon such terms and conditions as the Plan Administrator may establish. In no event, however, may the Standalone Right have a maximum term in excess of ten (10) years measured from the grant date. Upon exercise of the Standalone Right, the holder shall be entitled to receive a distribution from the Corporation in an amount equal to the excess of (i) the aggregate Fair Market Value (on the exercise date) of the Shares underlying the exercised right over (ii) the aggregate base price in effect for those Shares.

(ii) The number of Shares underlying each Standalone Right and the base price in effect for those Shares shall be determined by the Plan Administrator in its sole discretion at the time the Standalone Right is granted. In no event, however, may the base price per Share be less than the Fair Market Value per underlying Share on the grant date.

(iii) Standalone Rights shall be subject to the same transferability restrictions applicable to Non-Statutory Options and may not be transferred during the holder's lifetime, except by gift to one or more Family Members of the holder or to a trust established exclusively for the holder and/or such Family Members or pursuant to a domestic relations order covering the Standalone Right as marital property.

(iv) The distribution with respect to an exercised Standalone Right may be made in Shares valued at Fair Market Value on the exercise date, in cash, or partly in Shares and partly in cash, as the Plan Administrator shall in its sole discretion deem appropriate.

(v) The holder of a Standalone Right shall have no stockholder rights with respect to the Shares subject to the Standalone Right unless and until such person shall have exercised the Standalone Right and become a holder of record of Shares issued upon the exercise of such Standalone Right.

E. **Post-Service Exercise.** The provisions governing the exercise of Tandem and Standalone Appreciation Rights following the cessation of the recipient's Service or the recipient's death shall be substantially the same as those set forth in Section I.C of this Article Two for the options granted under the Discretionary Grant Program.

F. **Net Counting.** Upon the exercise of any Tandem or Standalone Right under this Section III, the share reserve under Section V of Article One shall be reduced only by the net number of Shares actually issued by the Corporation upon such exercise, and not by the gross number of Shares as to which such Tandem or Standalone Right is exercised.

G. **Repricing of Awards Made Under the Discretionary Grant Program.** Without first obtaining approval of the stockholders of the Corporation, neither the Board nor the Plan Administrator shall

approve either (a) the cancellation of Awards of outstanding stock options or stock appreciation rights and the grant in substitution therefore of new stock options or stock appreciation rights having a lower exercise price or base price, as the case may be, or (b) the amendment of outstanding Awards of stock options or stock appreciation rights to reduce the exercise price or base price, as the case may be, thereof. This paragraph shall not be construed to apply to: (i) "issuing or assuming a stock option in a transaction to which Section 424(a) applies" within the meaning of Section 424 of the Code; or (ii) adjustments made pursuant to Sections V.E or VI.A of Article One herein.

ARTICLE THREE STOCK ISSUANCE PROGRAM

I. STOCK ISSUANCE TERMS

A. **Issuances.** Shares may be issued under the Stock Issuance Program through direct and immediate issuances without any intervening option grants. Each such stock issuance shall be evidenced by an Award Agreement that complies with the terms specified below. Shares may also be issued under the Stock Issuance Program pursuant to share right awards or restricted stock units, awarded by and at the discretion of the Plan Administrator, that entitle the recipients to receive the Shares underlying those awards or units upon the attainment of designated performance goals and/or the satisfaction of specified Service requirements or upon the expiration of a designated time period following the vesting of those awards or units.

B. **Issue Price.**

(i) The price per Share at which Shares may be issued under the Stock Issuance Program shall be fixed by the Plan Administrator, but shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the issuance date.

(ii) Shares may be issued under the Stock Issuance Program for any of the following items of consideration that the Plan Administrator may deem appropriate in each individual instance:

(a) cash;

(b) past services rendered to the Corporation (or any Parent or Subsidiary); or

(c) any other valid form of consideration permissible under the General Corporation Law of the State of Delaware at the time such Shares are issued.

C. **Vesting Provisions.**

(i) Shares issued under the Stock Issuance Program may, in the discretion of the Plan Administrator, be fully and immediately vested upon issuance or may vest in one or more installments over the Participant's period of Service and/or upon attainment of specified performance objectives and/or upon the Participant's attainment of retirement eligibility (as defined in the applicable Award Agreement). The elements of the vesting schedule applicable to any unvested Shares issued under the Stock Issuance Program shall be determined by the Plan Administrator and incorporated into the Award Agreement. Shares may also be issued under the Stock Issuance Program pursuant to share right awards or restricted stock units that entitle the recipients to receive the Shares underlying those awards and/or units upon the attainment of designated performance goals or the satisfaction of specified Service requirements or upon the Participant's attainment of retirement eligibility (as defined in the applicable Award Agreement) or upon the expiration of a designated time period following the vesting of those awards or units,

including (without limitation) a deferred distribution date following the termination of the Participant's Service.

(ii) The Plan Administrator shall also have the discretionary authority to structure one or more Awards under the Stock Issuance Program so that the Shares subject to those Awards shall vest (or vest and become issuable) upon the achievement of pre-established performance goals, including, without limitation, goals based on total stockholder return. Such performance goals may be based upon the attainment of specified levels of the Corporation's performance relative to the performance of other entities and may also be based on the performance of any or all of the Corporation's business groups or divisions thereof or any Parent or Subsidiary. Performance goals may include a minimum threshold level of performance below which no award will be earned, levels of performance at which specified portions of an award will be earned, and a maximum level of performance at which an award will be fully earned. The Plan Administrator may provide that, if the actual level of attainment for any performance objective is between two specified levels, the amount of the award attributable to that performance objective shall be interpolated on a straight-line basis.

(iii) Any new, substituted or additional securities or other property that the Participant may have the right to receive with respect to the Participant's unvested Shares by reason of any stock dividend, stock split, recapitalization, combination of Shares, exchange of Shares, spin-off transaction or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration or a substantial reduction in the value of outstanding Shares as a result of a spin-off transaction or an extraordinary dividend or distribution, shall be issued subject to (i) the same vesting requirements applicable to the Participant's unvested Shares and (ii) such escrow arrangements as the Plan Administrator shall deem appropriate.

(iv) The Participant shall have the right to vote unvested Shares issued to the Participant under the Stock Issuance Program. The Participant shall not have the right to vote the Shares subject to a restricted stock unit or share right award until that award vests and the Shares are actually issued thereunder. Dividend-equivalent units may be credited, either in cash or in actual or phantom Shares, on outstanding unvested Shares issued under the Stock Issuance Program or restricted stock unit or share right awards, subject to such terms and conditions as the Plan Administrator may deem appropriate, provided that any applicable dividend and dividend equivalent amounts with respect to unvested Shares or any Share underlying any Award may be accrued but not paid to a Participant until all conditions or restrictions relating to such Share have been satisfied or lapsed and shall be forfeited if all of such conditions or restrictions are never satisfied or lapse.

(v) Except as otherwise provided in the Plan or the applicable Award Agreement, should the Participant cease to remain in Service while holding one or more unvested Shares issued under the Stock Issuance Program or a restricted stock unit award or share right award under the Stock Issuance Program or should the performance objectives not be attained with respect to one or more such unvested Shares, then those Shares shall be immediately surrendered to the Corporation for cancellation, the Participant shall have no further stockholder rights with respect to those Shares, and/or no Shares or other consideration shall actually be issued to the Participant in satisfaction of such awards, as applicable. To the extent the surrendered Shares were previously issued to the Participant for consideration paid in cash, cash equivalent or otherwise, the Corporation shall repay to the Participant the same amount and form of consideration as the Participant paid for the surrendered Shares.

(vi) The Plan Administrator may in its discretion waive the surrender and cancellation of one or more unvested Shares that would otherwise occur upon the cessation of the Participant's Service or the non-attainment of the performance objectives applicable to those Shares. The Plan Administrator shall also have the discretionary authority to issue vested Shares under one or more outstanding share right awards or restricted stock units as to which the designated performance goals or Service requirements have not been attained or satisfied. Such

waiver may be effected at any time, whether before or after the Participant's cessation of Service or the attainment or non-attainment of the applicable performance objectives.

ARTICLE FOUR MISCELLANEOUS

I. TAX WITHHOLDING

A. Corporation's obligation to deliver Shares upon the issuance, exercise or vesting of Awards under the Plan shall be subject to the satisfaction, as determined by the Corporation, of all Withholding Taxes. The Corporation shall have the right to determine the manner in which Withholding Taxes are provided for, and need not apply the same manner of providing for Withholding Taxes for all Optionees or Participants.

B. In addition to the automatic withholding provision set forth in Section I.A.2.iv of Article Two, the Plan Administrator may, in its discretion, provide any or all Optionees or Participants to whom Awards are made under the Plan with the right to utilize the following methods to satisfy all or part of the Withholding Taxes to which those holders may become subject in connection with the issuance, exercise or vesting of those Awards.

(i) *Share Withholding*. The election to have the Corporation withhold, from the Shares otherwise issuable upon the issuance, exercise or vesting of those Awards a portion of those Shares with an aggregate Fair Market Value equal to the percentage of the Withholding Taxes (not to exceed one hundred percent (100%)) designated by the Optionee or Participant and make a cash payment equal to such Fair Market Value directly to the appropriate taxing authorities on such individual's behalf. The Shares so withheld shall not reduce the number of Shares authorized for issuance under the Plan.

(ii) *Share Delivery*. The election to deliver to the Corporation, at the time the Award is issued, exercised or vests, one or more Shares previously acquired by such Optionee or Participant (other than in connection with the issuance, exercise or vesting triggering the Withholding Taxes) with an aggregate Fair Market Value equal to the percentage of the Withholding Taxes (not to exceed one hundred percent (100%)) designated by such holder. The Shares so delivered shall not be added to the Shares authorized for issuance under the Plan.

(iii) *Cash Payment by the Optionee or Participant*. The election for the Optionee or Participant to tender to the Corporation a cash payment equal to the percentage of the Withholding Taxes (not to exceed one hundred percent (100%)) designated by such holder.

II. COMPLIANCE WITH SECTION 409A OF THE CODE

The Plan as well as payments and benefits under the Plan are intended to be exempt from, or to the extent subject thereto, to comply with Section 409A of the Code, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted in accordance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, an Optionee or Participant shall not be considered to have terminated Service with the Corporation, or a Parent or Subsidiary, for purposes of the Plan and no payment shall be due to the Optionee or Participant under the Plan or any Award until the Optionee or Participant would be considered to have incurred a "separation from service" from the Corporation, its Parent or any Subsidiary within the meaning of Section 409A of the Code. Any payments described in the Plan that are due within the "short term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless Applicable Laws require otherwise. Notwithstanding anything to the contrary in the Plan, to the extent that any Awards are payable upon a separation from service and such payment would result in the imposition of any individual tax and penalty interest charges imposed under Section 409A of the Code, the settlement and payment of such awards (or other amounts) shall instead be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate identified payment for purposes of Section 409A of the Code. The Corporation makes no

representation that any or all of the payments or benefits described in this Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Optionee or the Participant (as applicable) shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

III. SHARE ESCROW/LEGENDS

Unvested Shares issued under the Plan may, in the Plan Administrator's discretion, be held in escrow by the Corporation until the Participant's interest in such Shares vests or may be issued directly to the Participant with restrictive legends on the certificates evidencing those unvested Shares.

IV. EFFECTIVE DATE AND TERM OF THE PLAN

A. The Plan shall be effective immediately on the Effective Date.

B. The Plan shall terminate upon the earliest to occur of (i) the date on which all Shares available for issuance under the Plan shall have been issued as fully-vested Shares or (ii) the termination of all outstanding Awards in connection with a Change in Control. All Awards outstanding at the time of Plan termination shall continue to have force and effect in accordance with the provisions of the documents evidencing such Awards.

V. AMENDMENT OF THE PLAN

The Board shall have complete and exclusive power and authority to amend or modify the Plan in any or all respects. However, no such amendment or modification shall adversely affect the rights and obligations with respect to Awards at the time outstanding under the Plan unless the Optionee or the Participant consents to such amendment or modification. In addition, stockholder approval will be required for any amendment to the Plan that (i) materially increases the number of Shares available for issuance under the Plan, (ii) materially expands the class of individuals eligible to receive option grants or other awards under the Plan, (iii) materially increases the benefits accruing to the Optionees and Participants under the Plan or materially reduces the price at which Shares may be issued or purchased under the Plan, (iv) materially extends the term of the Plan, (v) expands the types of awards available for issuance under the Plan, or (vi) would require stockholder approval under any Applicable Laws, rules or regulations. In addition, the Board may not amend the Plan to remove the requirement for stockholder approval of any form of repricing of Awards made under the Discretionary Grant Program, as specified in Section IV of Article Two.

VI. USE OF PROCEEDS

Any cash proceeds received by the Corporation from the sale of Shares under the Plan shall be used for general corporate purposes.

VII. REGULATORY APPROVALS

A. The implementation of the Plan, the grant of any Award and the issuance of Shares in connection with the issuance, exercise or vesting of any Award made under the Plan shall be subject to the Corporation's procurement of all approvals and permits required by regulatory authorities having jurisdiction over the Plan, the Awards made under the Plan and the Shares issuable pursuant to those Awards.

B. No Shares or other assets shall be issued or delivered under the Plan unless and until there shall have been compliance with all applicable requirements of Federal, state and foreign securities and other laws or regulations, including the filing and effectiveness of the Form S-8 registration statement for the Shares issuable under the Plan, and all applicable listing requirements of any stock exchange on which Common Stock is then listed for trading.

VIII. NO EMPLOYMENT/SERVICE RIGHTS

Nothing in the Plan shall confer upon the Optionee or the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining such person) or of the Optionee or the Participant, which rights are hereby expressly reserved by each, to terminate such person's Service at any time for any reason, with or without cause.

APPENDIX

The following definitions shall be in effect under the Plan:

- A. **Applicable Laws** means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under the Plan.
- B. **Award** shall mean any of the following stock or stock-based awards authorized for issuance or grant under the Plan: stock option, stock appreciation right, direct stock issuance, restricted stock or restricted stock unit award or other stock-based award.
- C. **Award Agreement** shall mean the written or electronic agreement entered into by the Corporation and the Participant setting forth the terms and provisions applicable to each Award granted under the Plan. Each Award Agreement is subject to the terms and conditions of the Plan.
- D. **Board** shall mean the Corporation's Board of Directors.
- E. **Change in Control** shall mean a change in ownership or control of the Corporation effected through any of the following transactions, unless otherwise provided in the applicable Award Agreement or another applicable agreement between the Optionee or the Participant and the Corporation or any Parent or Subsidiary:
- (i) a stockholder-approved merger or consolidation is consummated in which securities possessing more than fifty percent (50%) of the total combined voting power of the Corporation's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction, or
 - (ii) a stockholder-approved sale, transfer or other disposition of all or substantially all of the Corporation's assets in complete liquidation or dissolution of the Corporation, or
 - (iii) the acquisition, directly or indirectly by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation), of beneficial ownership (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of securities possessing more than fifty percent (50%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders or pursuant to a private transaction or series of transactions with one or more of the Corporation's stockholders, or
 - (iv) a change in the composition of the Board over a period of thirty-six (36) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be composed of individuals who either (A) have been Board members continuously since the beginning of such period or (B) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (A) who were still in office at the time the Board approved such election or nomination.
- F. **Code** shall mean the Internal Revenue Code of 1986, as amended.

- G. **Common Stock** shall mean the Corporation's common stock, par value \$0.001 per Share.
- H. **Compensation Committee** shall mean the Compensation Committee of the Board.
- I. **Consultant** shall mean any natural person, including an advisor, engaged by the Corporation or any Parent or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Corporation's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.
- J. **Corporation** shall mean Broadcom Inc., a Delaware corporation.
- K. **Discretionary Grant Program** shall mean the discretionary grant program in effect under Article Two pursuant to which stock options and stock appreciation rights may be granted to one or more eligible individuals.
- L. **Effective Date** shall mean April 5, 2021, the date the Plan was approved by the Corporation's stockholders at the annual meeting of stockholders.
- M. **Eligible Director** shall mean a Board member who is not, at the time of such determination, an employee of the Corporation (or any Parent or Subsidiary).
- N. **Employee** shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.
- O. **Exercise Date** shall mean the date on which the Corporation shall have received written notice of the option exercise.
- P. **Fair Market Value** per Share on any relevant date shall be determined in accordance with the following provisions:
- (i) If the Common Stock is at the time traded on the Nasdaq Global Select Market (or the Nasdaq Global Market), then the Fair Market Value shall be the closing selling price per Share at the close of regular trading hours (i.e. before after-hours trading begins) on the Nasdaq Global Select Market (or the Nasdaq Global Market) on the date in question, as such price is reported by the Nasdaq Global Select Market (or the Nasdaq Global Market) either as reported on the Nasdaq website (www.nasdaq.com), or otherwise. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.
- (ii) If the Common Stock is at the time listed on any other Stock Exchange, then the Fair Market Value shall be the closing selling price per Share at the close of regular trading hours (i.e. before after-hours trading begins) on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.
- Q. **Family Member** means, with respect to a particular Optionee or Participant, any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law.
- R. **Incentive Option** shall mean an option that satisfies the requirements of Section 422 of the Code.
- S. **Misconduct** shall mean the commission of any act of fraud, embezzlement or dishonesty by the Optionee or Participant, any unauthorized use or disclosure by such person of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), the Optionee's or Participant's material failure to comply with or observe the Corporation's rules or policies (including, without limitation, codes of conduct, employee handbooks

or similar rules or policies, and including, without limitation policies prohibiting harassment (sexual or otherwise)), a material breach by the Optionee or Participant of any of the Optionee's or Participant's agreements with the Corporation or any Parent or Subsidiary, or any other intentional misconduct by such person adversely affecting the business or affairs or reputation of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss any Optionee, Participant or other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan, to constitute grounds for termination for Misconduct.

T. **1934 Act** shall mean the Securities Exchange Act of 1934, as amended.

U. **Non-Statutory Option** shall mean an option not intended to satisfy the requirements of Section 422 of the Code.

V. **Optionee** shall mean any person to whom an Award is granted under the Discretionary Grant Program.

W. **Parent** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

X. **Participant** shall mean any person who is issued Shares or restricted stock units or other stock-based awards under the Stock Issuance Program.

Y. **Performance-Based Awards** shall mean Awards that are subject to performance vesting conditions.

Z. **Performance Period** shall mean the time period during which the performance vesting conditions applicable to Performance-Based Awards must be met.

AA. **Plan** shall mean the Corporation's 2012 Stock Incentive Plan, as set forth in this document.

BB. **Plan Administrator** shall mean the Compensation Committee or other committee appointed by the Board, which is authorized to administer the Discretionary Grant and Stock Issuance Programs with respect to one or more classes of eligible persons, provided that the independent directors of the Board may act as the Plan Administrator with regard to any Award to the Corporation's Chief Executive Officer.

CC. **Prior Award** shall mean, individually or collectively, an Award granted under the Plan prior to the amendment and restatement of the Plan on April 5, 2021.

DD. **Securities Act** shall mean the Securities Act of 1933, as amended.

EE. **Service** shall mean the performance of services for the Corporation (or any Parent or Subsidiary) by a person in the capacity of an Employee, an Eligible Director or a Consultant, except to the extent otherwise specifically provided in the documents evidencing the Award made to such person. Service (as defined herein) shall include continued employment or service through any pre-termination notice period that is applicable to an Optionee or Participant serving in any of the foregoing capacities. For purposes of the Plan, an Optionee or Participant shall be deemed to cease Service immediately upon the occurrence of the either of the following events: (i) the Optionee or Participant no longer performs services in any of the foregoing capacities for the Corporation or any Parent or Subsidiary, provided that, for the avoidance of doubt, the performance of services shall include continued employment or service through the period of time occurring during any pre-termination notice period that is applicable to such Optionee or Participant or (ii) the entity for which the Optionee or Participant is performing such services ceases to remain a Parent or Subsidiary of the Corporation, even though the Optionee or Participant may subsequently continue to perform services for that entity.

FF. **Shares** shall mean shares of the Corporation's Common Stock, par value \$0.001 per share.

GG. **Stock Exchange** shall mean the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market or the New York Stock Exchange, or their successors.

HH. **Stock Issuance Program** shall mean the stock issuance program in effect under Article Three.

II. **Subsidiary** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

JJ. **Successor** shall mean, in the event of a Change in Control, the acquiring or succeeding entity (or an affiliate thereof).

KK. **10% Stockholder** shall mean the owner of stock (as determined under Section 424(d) of the Code) possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation (or any Parent or Subsidiary).

LL. **Withholding Taxes** shall mean the federal, state, local and non-U.S. income and employment taxes related to the issuance, exercise, vesting or settlement of the Award made to the Optionee or Participant under the Plan, in amounts determined by the Corporation in its discretion not to exceed the sum of all statutory maximum rates applicable in the Participant's jurisdiction(s) (provided, in the case of a Participant who is an "officer" of the Corporation as defined in Rule 16a-1(f) promulgated pursuant to the 1934 Act, or any successor law (or any successor rule), that any withholding amount that exceeds the amount that is required to be withheld pursuant to the Withholding Taxes for such Participant is approved in advance by the Plan Administrator or the Board).

**Notice of Grant of Performance Stock Unit Award
Under the Broadcom Inc. 2012 Stock Incentive Plan**

**BROADCOM INC.
1320 Ridder Park Drive
San Jose, CA 95131**

GRANTEE NAME: Hock E. Tan

Grant Date: April 5, 2021

GRANTEE ID:

Number of Performance Stock 59,800

GRANT NUMBER:

Units:

The maximum number of shares that may be issued in respect of the Performance Stock Units is 179,400 shares.

On the grant date shown above (the “**Grant Date**”), Broadcom Inc., a Delaware corporation (the “**Company**”), granted to the grantee identified above (“**you**” or the “**Participant**”) the number of performance stock units shown above (the “**PSUs**” or “**Performance Stock Units**”) under the Broadcom Inc. 2012 Stock Incentive Plan, as proposed to be amended at the annual meeting of the Company’s stockholders in 2021 (the “**Plan**”). If and when it vests, each PSU entitles you to receive a number of shares of the Company’s common stock (each, a “**Share**”) as determined below.

The number of Shares issuable following the Performance Period (as defined in Exhibit A) shall be determined by multiplying the Achievement Factor (as determined in accordance with Exhibit A) by the total number of PSUs shown above, if you have not incurred a Termination of Services prior to the earlier of (a) October 29, 2023 and (b) the Retirement Date (as defined in the attached Performance Stock Unit Award Agreement) (such earlier date, the “**Vesting Date**”) and subject to the additional terms set forth in the attached Performance Stock Unit Award Agreement.

The PSUs are subject to stockholder approval at the annual meeting of the Company’s stockholders in 2021 of the amended and restated Broadcom Inc. 2012 Stock Incentive Plan. If such approval is not obtained, then this award shall be cancelled and you shall have no rights hereunder. In no event will any Shares be issued before such stockholder approval is obtained.

By accepting this award electronically through the Plan service provider’s online grant acceptance process:

- (1) You agree that the PSUs are governed by this Notice of Grant and the attached Performance Stock Unit Award Agreement (including the Exhibits thereto and together with the Notice of Grant, the “**Agreement**”) and the Plan.
- (2) You have received, read and understand the Agreement, the Plan and the prospectus for the Plan.
- (3) If you are an employee providing services in the U.S., you agree in Section 3.12 of the Agreement to the arbitration agreement contained in Exhibit B of the Agreement, which requires you to arbitrate most disputes with the Company or any subsidiary.
- (4) You agree that the Company, in its sole discretion, may satisfy any withholding obligations in respect of the PSUs and any other performance stock units or restricted stock units, if any, granted to you prior to the Grant Date under the Plan or any other Company equity incentive plan (each, a “**Prior Award**”) in accordance with Section 2.6 of the Agreement by (i) withholding Shares issuable to you upon vesting of the PSUs or such Prior Award, (ii) instructing a broker on your behalf to sell Shares otherwise issuable to you upon vesting of the PSUs or such Prior Award and submit proceeds of such sale to the Company or (iii) using any other method

permitted by Section 2.6 of the Agreement, the Plan or the equity incentive plan pursuant to which such Prior Award was granted.

(5) You agree to accept as binding all decisions or interpretations of the Plan Administrator or its delegate regarding any questions relating to the Plan or the Agreement.

(6) You have read and agree to comply with the Company's Insider Trading Policy.

(7) Notwithstanding anything in the Agreement to the contrary, you agree that if the stockholder approval described above is not obtained, this award will be cancelled and you will have no rights hereunder, and you will not receive any Shares or other consideration under this award.

Capitalized terms not specifically defined in this Notice shall have the meanings specified in the Plan or the Agreement.

**BROADCOM INC.
2012 STOCK INCENTIVE PLAN**

PERFORMANCE STOCK UNIT AWARD AGREEMENT

Broadcom Inc., a Delaware corporation (the “*Company*”), pursuant to the Broadcom Inc. 2012 Stock Incentive Plan, as proposed to be amended at the annual meeting of the Company’s stockholders in 2021 (the “*Plan*”), has granted to the grantee indicated in the attached Notice of Grant (the “*Notice of Grant*”) an award of performance stock units (“*Performance Stock Units*” or “*PSUs*”). The PSUs are subject to all of the terms and conditions set forth in this Performance Stock Unit Award Agreement (including the Exhibits hereto and together with the Notice of Grant, the “*Agreement*”) and the Plan.

ARTICLE I

GENERAL

1.1 **Defined Terms.** Capitalized terms not specifically defined in this Agreement shall have the meanings specified in the Plan or in the Notice of Grant, unless the context clearly requires otherwise.

(a) “**Permanent Disability**” means the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(b) “**Retirement**” shall mean the voluntary termination of Participant’s employment with the Company and any Subsidiary (a) which is effective on or after the last day of the fiscal year in which the PSUs were granted; (b) for which the Participant provided a timely Retirement Notice to the Company’s Chief Legal Officer, (c) which is effective after Participant has reached seventy (70) years of age and achieved at least fifteen (15) years of service with the Company and its affiliates, and (d) for which the termination also constitutes a “separation from service” within the meaning of Section 409A of the Code. For the avoidance of doubt, Participant shall not be precluded from effecting a Retirement as a result of Participant’s continued service as a non-employee director on the Board or provision of consulting services to the Company, provided that the foregoing conditions are met.

(c) “**Retirement Date**” shall mean the date Participant ceases to be employed by the Company due to Retirement.

(d) “**Retirement Notice**” shall mean a written notice provided from the Participant to the Company’s Chief Legal Officer at least 30 days prior to the Retirement Date, which notice sets forth Participant’s intent to effect a voluntary termination by reason of Retirement and the intended Retirement Date.

(e) “**Retirement Notice Date**” shall mean the date the Company’s Chief Legal Officer receives the Retirement Notice.

(f) “**Termination of Consultancy**” shall mean the time when the engagement of Participant as a consultant to the Company or a Subsidiary is terminated for any reason, with or without cause, including, but not by way of limitation, by resignation, discharge, death, disability, or retirement, but excluding: (a) terminations where there is a simultaneous employment or continuing employment of Participant by the Company or any Subsidiary, and (b) terminations where there is a simultaneous re-

establishment of a consulting relationship or continuing consulting relationship between Participant and the Company or any Subsidiary. The Plan Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Consultancy, including, but not by way of limitation, the question of whether a particular leave of absence constitutes a Termination of Consultancy. Notwithstanding any other provision of the Plan, the Company or any Subsidiary has an absolute and unrestricted right to terminate a consultant's service at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in writing.

(g) “**Termination of Employment**” shall mean the time when the employee-employer relationship between Participant and the Company or any Subsidiary is terminated for any reason, with or without cause, including, but not by way of limitation, a termination by resignation, discharge, death, disability or retirement; but excluding: (a) terminations where there is a simultaneous reemployment or continuing employment of Participant by the Company or any Subsidiary, and (b) terminations where there is a simultaneous establishment of a consulting relationship or continuing consulting relationship between Participant and the Company or any Subsidiary. The Plan Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Employment, including, but not by way of limitation, the question of whether a particular leave of absence constitutes a Termination of Employment.

(h) “**Termination of Services**” shall mean Participant's Termination of Consultancy or Termination of Employment.

1.2 General. Subject to the stockholder approval described in the Notice of Grant, each Performance Stock Unit represents the right to receive a number of Shares determined in accordance with this Agreement if and when it vests. The Performance Stock Units shall not be treated as property or as a trust fund of any kind.

1.3 Incorporation of Terms of Plan. PSUs are subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II

GRANT OF PERFORMANCE STOCK UNITS

2.1 Grant of PSUs. In consideration of your continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the Grant Date set forth in the Notice of Grant (the “**Grant Date**”), the Company granted to you the number of PSUs set forth in the Notice of Grant, subject to the stockholder approval described in the Notice of Grant.

2.2 Company's Obligation to Pay. Subject to and until the PSUs will have vested in the manner set forth in Article II hereof, you will have no right to payment of any such PSUs. Prior to actual payment of any vested PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

2.3 Vesting Schedule. Subject to Sections 2.4 and 3.12, your PSUs will vest and become nonforfeitable according to the vesting schedule set forth in the Notice of Grant as long as you have not had a Termination of Services prior to the earlier of (a) October 29, 2023 and (b) the Retirement Date (such earlier date being the “**Vesting Date**”). Notwithstanding the foregoing, in the event of your Termination of Services due to your death or Permanent Disability prior to the Vesting Date, 100% of the

PSUs shall automatically vest and you shall be entitled to receive a number of Shares equal to such number of PSUs shown in the Notice of Grant.

2.4 Change in Control Treatment. In the event of a Change in Control prior to the end of the Performance Period (as defined in Exhibit A), the Performance Period shall be shortened to end at such date within ten (10) days prior to the closing of the Change in Control as determined by the Plan Administrator, the Achievement Factor shall be calculated on a date occurring prior to the closing of the Change in Control, as determined by the Plan Administrator, in its sole discretion, and the Performance Stock Units will vest on the Vesting Date if you have not incurred a Termination of Services prior to the Vesting Date, with the number of Shares to be issued upon such vesting determined using the Achievement Factor calculated in accordance with this Section 2.4. For the avoidance of doubt, the Performance Stock Units shall be subject to any accelerated vesting applicable to such Performance Stock Units under any change in control plan you participate in or any change in control agreement you are party to, in each case, in accordance with the terms thereof and using the Achievement Factor determined in accordance with this Section 2.4.

2.5 Forfeiture, Termination and Cancellation upon Termination of Services. Except for your Termination of Services due to your death or Permanent Disability set forth in Section 2.3, upon your Termination of Services prior to the Vesting Date for any or no reason, the PSUs will be automatically forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and you, or your beneficiary or personal representative, as the case may be, shall have no further rights hereunder. In addition, any PSUs that do not vest in accordance with the Notice of Grant and Exhibit A will be automatically forfeited, terminated and cancelled as of the Determination Date applicable to such PSUs without payment of any consideration by the Company, and you, or your beneficiary or personal representative, as the case may be, shall have no further rights hereunder. For the avoidance of doubt, the Performance Stock Units shall be subject to any accelerated vesting applicable to such Performance Stock Units under any severance agreement between you and the Company. Further, unless otherwise determined by the Plan Administrator, your employment or service for a portion or a substantial portion, of the vesting period will not entitle you to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a Termination of Services as provided in this Section 2.5 or under the Plan.

2.6 Payment after Vesting.

(a) On or before the sixtieth (60th) day following the Vesting Date (or, in the event of your Termination of Services prior to the Vesting Date due to your death or Permanent Disability, the date of such Termination of Services), the Company shall deliver to you that number of Shares, if any, issuable in accordance with the Notice of Grant (or Section 2.3, in the event of your Termination of Services due to your death or Permanent Disability); provided that such delivery shall instead occur as soon as practicable (but in any event no later than the tenth (10th) business day) after the Retirement Date if you cease to be employed by the Company due to a Retirement. Notwithstanding the foregoing, in the event Shares cannot be issued because of the failure to meet one or more of the conditions set forth in Section 2.8(a), (b) or (c) hereof, then the Shares shall be issued pursuant to the preceding sentence as soon as administratively practicable after the Plan Administrator determines that Shares can again be issued in accordance with Sections 2.8(a), (b) and (c) hereof. Notwithstanding any discretion in the Plan, the Notice of Grant or this Agreement to the contrary, upon vesting of the PSUs, Shares will be issued, if at all, as set forth in this section. In no event will the PSUs be settled in cash.

(b) Notwithstanding anything to the contrary in this Agreement or the agreements evidencing any Prior Awards, the Company shall be entitled to require you to pay any sums required by applicable law to be withheld with respect to the PSUs, the issuance of Shares or with respect to any Prior

Awards. Such payment shall be made in such form of consideration as determined by the Company in its sole discretion, including:

(i) Cash or check;

(ii) Surrender or withholding of Shares otherwise issuable under the PSUs or Prior Awards, as applicable, and having an aggregate fair market value on the date of delivery sufficient to meet the withholding obligation, as determined by the Company in its sole discretion;

(iii) Other property acceptable to the Company in its sole discretion (including cash resulting from a transaction (a “**Sell to Cover**”) in which the Company, on your behalf, instructs Fidelity Stock Plan Services, LLC or one of its affiliates or another agent selected by the Company (collectively, the “**Agent**”) to sell a number of Shares issued to you sufficient to meet the withholding obligation, as determined by the Company in its sole discretion, and to remit proceeds of such sale to the Company sufficient to satisfy the withholding obligation); or

(iv) By deduction from other compensation payable to you.

If the Company requires or permits a Sell to Cover:

(A) You hereby appoint the Agent as your agent and direct the Agent to (1) sell on the open market at the then prevailing market price(s), on your behalf, promptly after any PSUs (or Prior Awards) vest, such number of the Shares that are issued in respect of such PSUs (or subject to or issued in respect of such Prior Awards) as the Agent determines will generate sufficient proceeds to cover (x) any estimated tax, social insurance, payroll, fringe benefit or similar withholding obligations with respect to such vesting and (y) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto and (2) in the Company’s discretion, apply any remaining funds to your federal tax withholding or remit such remaining funds to you.

(B) You hereby authorize the Company and the Agent to cooperate and communicate with one another to determine the number of Shares to be sold pursuant to subsection (A) above. You understand that to protect against declines in the market price of Shares, the Agent may determine to sell more than the minimum number of Shares needed to generate the required funds.

(C) You understand that the Agent may effect sales as provided in subsection (A) above in one or more sales and that the average price for executions resulting from bunched orders will be assigned to your account. In addition, you acknowledge that it may not be possible to sell Shares as provided in subsection (A) above due to (1) a legal or contractual restriction applicable to the Agent, (2) a market disruption, or (3) rules governing order execution priority on the national exchange where the Shares may be traded. In the event of the Agent’s inability to sell Shares, you will continue to be responsible for the timely payment to the Company and/or its affiliates of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld, including but not limited to those amounts specified in subsection (A) above.

(D) You acknowledge that, regardless of any other term or condition of this Section 2.6(b), neither the Company nor the Agent will have any liability to you for (1) special, indirect, punitive, exemplary, or consequential damages, or incidental losses or damages of any kind, (2) any failure to perform or for any delay in performance that results from a cause or circumstance that is beyond its reasonable control, or (3) any claim relating to the timing of any Sell to Cover, the price at which Shares are sold in any Sell to Cover, or the timing of the delivery to you of any Shares following any Sell to Cover. Regardless of the Company’s or any Subsidiary’s actions in connection with tax withholding

pursuant to this Agreement, you acknowledge that the ultimate responsibility for any and all tax-related items imposed on you in connection with any aspect of the PSUs (and any Prior Awards) and any Shares issued upon vesting of the PSUs (or subject to or issued in respect of your Prior Awards) is and remains your responsibility and liability. Except as expressly stated herein, neither the Company nor any Subsidiary makes any commitment to structure the PSUs (or any Prior Award) to reduce or eliminate your liability for tax-related items.

(E) You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this Section 2.6(b). The Agent is a third-party beneficiary of this Section 2.6(b).

This Section 2.6(b) shall survive termination of this Agreement until all tax withholding obligations arising in connection with this Award have been satisfied.

The Company shall not be obligated to deliver any Shares to you unless and until you have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes required to be withheld in connection with the grant, vesting or settlement of the PSUs.

2.7 Rights as Stockholder. As a holder of PSUs you are not, and do not have any of the rights or privileges of, a stockholder of the Company, including, without limitation, any dividend rights or voting rights, in respect of the PSUs and any Shares issuable upon vesting or settlement thereof unless and until such Shares shall have been actually issued by the Company to you. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 3.2 of this Agreement.

2.8 Conditions to Delivery of Shares. Subject to Section VII of Article Four of the Plan, the Shares deliverable hereunder, or any portion thereof, may be either previously authorized but unissued Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any Shares deliverable hereunder prior to fulfillment of all of the following conditions:

- (a) The admission of such Shares to listing on all stock exchanges on which the Shares are then listed;
- (b) The completion of any registration or other qualification of such Shares under any state, federal or foreign law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Plan Administrator shall, in its absolute discretion, deem necessary or advisable;
- (c) The obtaining of any approval or other clearance from any state, federal or foreign governmental agency which the Plan Administrator shall, in its absolute discretion, determine to be necessary or advisable;
- (d) The receipt by the Company of full payment for such Shares, including payment of any applicable withholding tax, which may be in one or more of the forms of consideration permitted under Section 2.6 hereof; and
- (e) The lapse of such reasonable period of time following a Vesting Date or the date of your Termination of Services due to your death or Permanent Disability as the Plan Administrator may from time to time establish for reasons of administrative convenience.

ARTICLE III

OTHER PROVISIONS

3.1 Administration. The Plan Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Plan Administrator in good faith shall be final and binding upon you, the Company and all other interested persons. No member of the Plan Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the PSUs.

3.2 Adjustments Upon Specified Events. In addition, upon the occurrence of certain events relating to the Shares contemplated by Section V.E of Article One or any change in control provisions in the Plan (including, without limitation, an extraordinary cash dividend on such Shares), the Plan Administrator shall make such adjustments as the Plan Administrator deems appropriate in the number of Performance Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Performance Stock Units. You acknowledge that the PSUs are subject to modification and termination in certain events as provided in this Agreement and Articles One and Three of the Plan.

3.3 Grant is Not Transferable. Your PSUs may not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the PSUs, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, the PSUs will terminate immediately and will become null and void.

3.4 Notices. Except as otherwise provided above, any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at the Participant's last address reflected on the Company's records, including any email address. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to that party. Any notice to the Company shall be deemed given when actually received. Any notice given by the Company shall be deemed given when sent via email or 5 U.S. business days after mailing.

3.5 Titles. Titles provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.6 Governing Law; Severability. The laws of the State of California shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.7 Conformity to Securities Laws. You acknowledge that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state and foreign securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

3.8 Amendments, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Plan Administrator or the Board, *provided*, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without your prior written consent.

3.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.3 hereof, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if you are subject to Section 16 of the Exchange Act, the Plan, the PSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by and necessary to comply with applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall be interpreted as forming an employment or service contract with the Company or any Parent or Subsidiary or as conferring upon you any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries.

3.12 Dispute Resolution. By accepting the PSUs, if you are an employee providing services in the U.S., you agree to the provisions of, and to be bound by, the Broadcom Inc. Employment Arbitration Agreement attached as Exhibit B hereto (the "**Arbitration Agreement**"). In the event you violate the Arbitration Agreement, any unvested PSUs will thereupon be cancelled for no consideration.

3.13 Entire Agreement. The Plan, the Notice of Grant and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

3.14 Section 409A. The PSUs are not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "**Section 409A**"). However, notwithstanding any other provision of the Plan or this Agreement, if at any time the Plan Administrator determines that the PSUs (or any portion thereof) may be subject to Section 409A, the Plan Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify you or any other person for failure to do so) to adopt such amendments to the Plan or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Plan Administrator determines are necessary or appropriate either for the PSUs to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.15 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs, and rights no greater

than the right to receive the Shares as a general unsecured creditor with respect to PSUs, as and when payable hereunder.

* * * * *

**EXHIBIT A
TO BROADCOM INC.
2012 STOCK INCENTIVE PLAN
PERFORMANCE STOCK UNIT AWARD AGREEMENT**

PERFORMANCE CRITERIA AND MEASUREMENT

1. Definitions.

For the purposes of the charts, calculations and conditions below:

- a. **“Average Market Value,”** with respect to a company, shall mean the average closing trading price of a company’s shares on the principal exchange on which such shares are then traded, during the 30 consecutive calendar days ending on (and including) a specified date, as reported by the applicable principal exchange on which such company’s shares are listed or quoted, or by such other authoritative source as the Plan Administrator may determine.
 - b. **“Relative TSR”** shall mean the Company’s TSR relative to the TSR of the companies that comprise the S&P 500 Index as of the last day of the Performance Period, expressed as a percentile.
 - c. **“TSR”** means the compound annual total stockholder return of the Company (or of a company in the S&P 500 Index, as applicable), as measured by the change in the price of a Share (or the publicly traded securities of a company in the S&P 500 Index, as applicable) over the Performance Period (positive or negative), calculated based on the Average Market Value on the first day of the Performance Period as the beginning share price, and the Average Market Value on the last day of the Performance Period as the ending share price, and assuming dividends (if any) are reinvested based on the price of a Share (or the publicly traded securities of a company in the S&P 500 Index, as applicable) in accordance with the “gross” or “total” return methodology as defined by S&P Dow Jones.
2. Performance Period. The performance period shall begin on November 2, 2020 and end on the earlier of (x) October 29, 2023 and (y) the Retirement Notice Date if you cease to be employed by the Company due to Retirement (the **“Performance Period”**). Pursuant to Section 2.3 of the Agreement, as long as you have not had a Termination of Services prior to the earlier of (a) October 29, 2023 and (b) the Retirement Date, this Award shall vest.
3. Achievement Factor. As soon as administratively practicable, and in any event within 60 days, following the end of the Performance Period, the Plan Administrator shall determine the Relative TSR for the Performance Period and calculate the Achievement Factor (such date of determination, the **“Determination Date”**). For the purposes hereof, **“Achievement Factor”** shall mean that factor determined under the table below.

Relative TSR	Achievement Factor
Below the 25 th percentile of the S&P 500	0
At the 25 th percentile of the S&P 500	0.25
At the 50 th percentile of the S&P 500	1.0
At or above the 75 th percentile of the S&P 500	3.0

If the Relative TSR achieved during the Performance Period is between two of the levels set forth in the tables above, the Achievement Factor shall be determined using linear interpolation. For the avoidance of doubt, the Shares issuable in respect of the PSUs shall in no event exceed three times the number of PSUs shown in the Notice of Grant, and in the event the Relative TSR for the Performance Period is less than the 25th percentile, the Achievement Factor shall be 0 (i.e., no linear interpolation between the two lowest Relative TSR achievement levels set forth in the tables above). If our absolute TSR is negative for the Performance Period, then the maximum number of Shares issuable in respect of the PSUs is 100% of the number of PSUs shown in the Notice of Grant.

For the avoidance of doubt, the Achievement Factor shall apply to the entire grant of PSUs (and not pro-rata) if the Performance Period ends due to your Retirement.

EXHIBIT B

BROADCOM INC. EMPLOYMENT ARBITRATION AGREEMENT

Broadcom Inc., together with all direct and indirect subsidiaries of Broadcom Inc., including the Broadcom Inc. entity by which Participant is employed (collectively, the “Company”) has adopted this Employment Arbitration Agreement (the “Agreement”) to govern all disputes between the Company and Participant except for those excluded in Section 3 below.

1. **General Intent of the Parties.** It is the intent of the Company and the Participant that all disputes between the Company and Participant arising out of or relating to Covered Claims will, to the fullest extent permitted by law, be resolved by final and binding arbitration. The Company and Participant further intend and agree that this Agreement is expressly made for the benefit of both parties to this Agreement and each affiliate, subsidiary, sister company, parent, successor, and assign included within the definition of Company, and that each Company entity that is not a signatory to this Agreement is an intended third party beneficiary of this Agreement, shall be entitled to the rights and benefits of the Agreement, and may enforce its provisions as if it were a party or signatory to the Agreement. This Agreement is governed by the Federal Arbitration Act (“FAA”), 9 U.S.C. §§ 1 *et seq.*, and evidences a transaction involving interstate commerce.
2. **Covered Claims.** “Covered Claims” include any and all disputes, claims, or controversies between the Company and any Participant (or between one or more Participants, employees and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) arising out of, relating to, or resulting from Participant’s employment, compensation (including equity awards or employment-related benefits), termination of employment, breach of this Agreement, or any other employment-related dispute. Covered Claims include, without limitation, contract claims, tort claims, common law claims and claims based on any federal, state or local law, statute, or regulation, including but not limited to claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family Medical Leave Act, and any other applicable federal or state law or regulation or local ordinance governing employment and compensation, but excluding Excluded Claims.
3. **Excluded Claims.** Excluded Claims are not subject to arbitration under this agreement. “Excluded Claims” include (a) claims for unemployment, state disability insurance, and workers’ compensation benefits, (b) claims under the National Labor Relations Act, (c) administrative claims for unpaid wages or waiting time penalties before the California Division of Labor Standards Enforcement and any other administrative claims that an employee cannot, as a matter of law, be required to assert solely by arbitration; provided, however, that any appeal from an award or from denial of an award by any administrative agency with primary jurisdiction shall be arbitrated pursuant to the terms of this Agreement; (d) to the extent Defense Federal Acquisition Regulation (DFARS) 252.222-7006 applies to the Company entity that employs Participant, any claims under Title VII of the Civil Rights Act of 1964, or any tort arising out of sexual harassment or sexual assault, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention, except that this exclusion shall not apply if the Secretary of Defense has waived the applicability of the restrictions of paragraph (b) of DFARS 252.222-7006 in accordance with DFAR Supplement 222.7404 or Employee’s employer is not a “Covered subcontractor” subject to DFAR 252.222-7006, unless the Participant further consents to arbitration after the time the dispute arises; and (e) representative actions brought on behalf of others under the Private Attorneys General Act of 2004, California Labor Code section

2698, et seq., to the extent that such an action can only be brought by the state or its representatives, where any resulting judgment is binding on the state, and where any alleged monetary penalties largely go to state coffers. Notwithstanding any provisions of this Agreement, a claim may be brought before and remedies awarded by a federal, state or local administrative agency if applicable law permits the agency to prosecute or adjudicate the claim notwithstanding the existence of an agreement to arbitrate that is governed by the FAA. Such administrative claims include without limitation claims or charges brought before the Equal Employment Opportunity Commission, the U.S. Department of Labor, or the National Labor Relations Board. Nothing in this Agreement shall be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration.

4. Provisional Remedies. This Agreement does not limit the right of the Company or Participant to seek any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect the Company's or Participant's rights and interests pending the outcome of an arbitration, including but not limited to claims for violation of any non-disclosure or other agreement between Participant and the Company for the protection of confidential and proprietary information and trade secrets and/or invention assignment.
5. Arbitration. Participant and the Company agree that Covered Claims shall be resolved by final and binding arbitration pursuant to the FAA in the county in which the Participant currently works or last worked for the Company. The arbitration will be conducted by a single, neutral arbitrator in accordance with the JAMS (Judicial Arbitration and Mediation Service) Employment Arbitration Rules and Procedures, which can be found at www.jamsadr.com, or by any other arbitration provider mutually agreed by the Company and Participant. The arbitrator will be selected in accordance with JAMS's applicable arbitrator selection rules, or the selection rules of any other agreed arbitration provider. The Company and Participant shall be entitled to more than minimal discovery and the arbitrator shall prepare a written decision containing the essential findings and conclusions on which the award is based so as to ensure meaningful judicial review of the decision. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.
6. Enforcement. Either the Company or Participant may bring an action in court to compel arbitration under this Agreement and to confirm or enforce an arbitration award, and shall be entitled to recover fees and costs associated with any such motion to compel arbitration or to enforce an arbitration award. Otherwise, except as provided in Section 4, above, neither the Company nor Participant shall initiate or prosecute any lawsuit or claim in any way related to any arbitrable claim, including without limitation any claim as to the making, existence, validity, or enforceability of this Agreement.
7. Governing Law. This Agreement shall be governed by and enforceable pursuant to the FAA. Other than with respect to disputes regarding the arbitrability of Covered Claims or the enforcement of this Agreement, both of which shall be governed exclusively by the FAA, the arbitrator shall apply the same substantive law to Covered Claims, with the same statutes of limitation and the same remedies, that would apply if the claims were brought in a court of law. The arbitrator shall have the exclusive authority to resolve any dispute relating to the arbitrability of any individual claim or the enforceability or formation of this Agreement, with the exception of disputes concerning the applicability, interpretation, construction, or validity of the class action waiver described in paragraph 10 below, which shall be decided by a court of competent jurisdiction, and not by the arbitrator.

8. Costs of Arbitration. The Company shall pay all costs unique to arbitration, including without limitation arbitration administrative fees, arbitrator compensation and expenses, and costs of any witnesses called by the arbitrator ("Arbitration Costs"). Unless otherwise ordered by the arbitrator under applicable law, the Company and Participant shall each bear his, her or its own expenses, such as expert witness fees and attorneys' fees and costs. Nothing herein shall prevent the Company or Participant from seeking a statutory or contractual award of reasonable attorneys' fees and costs.
9. Waiver of Right to Jury Trial; Class Action Waiver. THE COMPANY AND PARTICIPANT UNDERSTAND AND AGREE THAT THIS AGREEMENT CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY COVERED CLAIMS. EXCEPT AS OTHERWISE REQUIRED BY LAW, BOTH PARTICIPANT AND THE COMPANY EXPRESSLY INTEND AND AGREE THAT: (A) CLASS ACTION AND COLLECTIVE ACTION PROCEDURES SHALL NEITHER BE ASSERTED NOR APPLY IN ANY ARBITRATION CONDUCTED PURSUANT TO THIS AGREEMENT; (B) NEITHER PARTY WILL ASSERT, AND EACH PARTY HEREBY WAIVES, ITS RIGHT TO PURSUE OR PARTICIPATE IN CLASS OR COLLECTIVE ACTION CLAIMS AGAINST THE OTHER IN ARBITRATION OR ANY OTHER FORUM; AND (C) THE PARTIES SHALL ONLY SUBMIT THEIR OWN, INDIVIDUAL CLAIMS IN ARBITRATION AND WILL NOT SEEK TO REPRESENT THE INTERESTS OF ANY OTHER PERSON. THE ARBITRATOR SHALL HAVE NO JURISDICTION OR AUTHORITY TO COMPEL ANY CLASS OR COLLECTIVE CLAIM, TO CONSOLIDATE DIFFERENT ARBITRATION PROCEEDINGS, OR TO JOIN ANY OTHER PARTY TO AN ARBITRATION BETWEEN THE COMPANY AND PARTICIPANT.
10. Confidentiality. Notwithstanding anything in this Arbitration Agreement or the JAMS Rules, and except when disclosure is prohibited by law, if the disputes subject to arbitration under this Agreement involve alleged acts of sexual assault, sexual harassment as defined under California Civil Code section 51.9, workplace sexual harassment, workplace sex discrimination, the failure to prevent acts of workplace sexual harassment or sex discrimination, or retaliation against a person for reporting sexual harassment or sex discrimination, the parties shall be free to disclose that they have a dispute, the nature of that dispute, and factual information regarding that dispute, all without regard to any confidentiality obligations created by this Agreement or the JAMS rules. Otherwise, all arbitration proceedings under this Agreement shall be private and confidential, except as prohibited by law or where disclosure is required by law or necessary to enforce an award issued by the arbitrator. The arbitrator shall maintain the confidentiality of the arbitration to the extent applicable law and this provision permit and shall have the authority to make appropriate rulings to safeguard that confidentiality.
11. At-Will Employment. Nothing in this Agreement is intended to or shall modify the at-will nature of employment at the Company.
12. Severability and Survival. If any provision of this Agreement shall be held by a court or the arbitrator to be invalid, unenforceable, or void, such provision shall be enforced to the fullest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect. The Company's and Participant's obligations under this Agreement shall survive the termination of the employment relationship.

13. Complete Agreement. This Agreement contains a full and complete statement of the agreements and understandings as between the Company and Participant regarding resolution of disputes between them, and supersedes and replaces all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this Agreement.
14. Opportunity to Consult with Counsel. PARTICIPANT ACKNOWLEDGES AND AGREES THAT PARTICIPANT WAS AFFORDED THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH LEGAL COUNSEL AND HAS EITHER TAKEN ADVANTAGE OF THAT OPPORTUNITY, OR VOLUNTARILY DECLINED TO DO SO.

**Form of Notice of Grant of Restricted Stock Unit Award
Under the Broadcom Inc.
2012 Stock Incentive Plan**

**BROADCOM INC.
1320 Ridder Park Drive
San Jose, CA 95131**

GRANTEE NAME:
GRANTEE ID:
GRANT NUMBER:

**Grant Date:
Number of Restricted Stock
Units:**

On the grant date shown above, Broadcom Inc., a Delaware corporation (the “*Company*”), granted to the grantee identified above (“*you*” or the “*Participant*”) the number of restricted stock units shown above (the “*RSUs*” or “*Restricted Stock Units*”) under the Broadcom Inc. 2012 Stock Incentive Plan, as amended (the “*Plan*”). If and when it vests, each RSU entitles you to receive one share of the Company’s common stock (each, a “*Share*”).

Subject to the terms of the attached Restricted Stock Unit Award Agreement, the RSUs will vest as follows if you have not incurred a Termination of Services prior to the applicable time of vesting:

By accepting this award electronically through the Plan service provider’s online grant acceptance process:

- (1) You agree that the RSUs are governed by this Notice of Grant and the attached Restricted Stock Unit Award Agreement (including Exhibits and Annexes thereto and together with the Notice of Grant, the “*Agreement*”) and the Plan.
 - (2) You have received, read and understand the Agreement, the Plan and the prospectus for the Plan.
 - (3) If you are an employee providing services in the U.S., you agree in Section 3.12 of the Agreement to the arbitration agreement contained in Exhibit B of the Agreement, which requires you to arbitrate most disputes with the Company or any subsidiary.
 - (4) You agree that the Company, in its sole discretion, may satisfy any withholding obligations in respect of the RSUs and any other restricted stock units, if any, granted to you prior to the Grant Date under the Plan or any other Company equity incentive plan (each, a “*Prior Award*”) in accordance with Section 2.6 of the Agreement by (i) withholding Shares otherwise issuable to you upon vesting of the RSUs or such Prior Award, (ii) instructing a broker on your behalf to sell Shares otherwise issuable to you upon vesting of the RSUs or such Prior Award and submit proceeds of such sale to the Company or (iii) using any other method permitted by Section 2.6 of the Agreement, the Plan or the equity incentive plan pursuant to which such Prior Award was granted.
 - (5) You agree to accept as binding all decisions or interpretations of the Plan Administrator or its delegate regarding any questions relating to the Plan or the Agreement, including, if you provide services outside the United States, the global provisions and any specific provisions for the country in which you provide services, attached to the Agreement as Exhibit A.
 - (6) You have read and agree to comply with the Company’s Insider Trading Compliance Policy and Procedures.
-

Capitalized terms not specifically defined in this Notice of Grant shall have the meanings specified in the Plan or the Agreement.

**BROADCOM INC.
2012 STOCK INCENTIVE PLAN**

FORM OF RESTRICTED STOCK UNIT AWARD AGREEMENT

Broadcom Inc., a Delaware corporation (the “*Company*”), pursuant to the Broadcom Inc. 2012 Stock Incentive Plan, as amended from time to time (the “*Plan*”), has granted to the grantee indicated in the attached Notice of Grant (the “*Notice of Grant*”) an award of restricted stock units (“*Restricted Stock Units*” or “*RSUs*”). The RSUs are subject to all of the terms and conditions set forth in this Restricted Stock Unit Award Agreement (including Exhibits and Annexes hereto and together with the Notice of Grant, the “*Agreement*”) and the Plan.

IF YOU ARE PROVIDING SERVICES TO THE COMPANY OR A SUBSIDIARY IN A COUNTRY OTHER THAN THE UNITED STATES, BY ACCEPTING THIS AWARD, (1) YOU ACKNOWLEDGE THE NECESSARY USE AND SHARING OF YOUR RELEVANT PERSONAL DATA AS SET FORTH IN THE APPLICABLE PROVISIONS IN EXHIBIT A, AND (2) IF YOU ARE IN A COUNTRY WHERE APPLICABLE LAW REQUIRES YOUR CONSENT FOR THE USE AND SHARING OF YOUR RELEVANT PERSONAL DATA AS SET FORTH IN THE APPLICABLE PROVISIONS IN EXHIBIT A, ACCEPTING THIS AWARD CONSTITUTES SUCH VALID CONSENT.

ARTICLE I

GENERAL

1.1 **Defined Terms.** Capitalized terms not specifically defined in this Agreement shall have the meanings specified in the Plan or in the Notice of Grant, unless the context clearly requires otherwise.

(a) “***Termination of Consultancy***” shall mean the time when the engagement of Participant as a consultant to the Company or a Subsidiary is terminated for any reason, with or without cause, including, but not by way of limitation, by resignation, discharge, death, disability, or retirement, but excluding: (a) terminations where there is a simultaneous employment or continuing employment of Participant by the Company or any Subsidiary, and (b) terminations where there is a simultaneous re-establishment of a consulting relationship or continuing consulting relationship between Participant and the Company or any Subsidiary. The Plan Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Consultancy, including, but not by way of limitation, the question of whether a particular leave of absence constitutes a Termination of Consultancy. Notwithstanding any other provision of the Plan, the Company or any Subsidiary has an absolute and unrestricted right to terminate a consultant’s service at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in writing.

(b) “***Termination of Directorship***” shall mean the time when Participant, if he or she is or becomes a non-employee director of the Board, ceases to be a director for any reason, including, but not by way of limitation, a termination by resignation, failure to be elected, death or retirement. The Board, in its sole and absolute discretion, shall determine the effect of all matters and questions relating to Termination of Directorship with respect to non-employee directors.

(c) “***Termination of Employment***” shall mean the time when the employee-employer relationship between Participant and the Company or any Subsidiary is terminated for any reason, with or without cause, including, but not by way of limitation, a termination by resignation,

discharge, death, disability or retirement; but excluding: (a) terminations where there is a simultaneous reemployment or continuing employment of Participant by the Company or any Subsidiary, and (b) terminations where there is a simultaneous establishment of a consulting relationship or continuing consulting relationship between Participant and the Company or any Subsidiary. The Plan Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Employment, including, but not by way of limitation, the question of whether a particular leave of absence constitutes a Termination of Employment.

(d) “**Termination of Services**” shall mean Participant’s Termination of Consultancy, Termination of Directorship or Termination of Employment, as applicable.

1.2 General. Each Restricted Stock Unit represents the right to receive one Share if and when it vests. The Restricted Stock Units shall not be treated as property or as a trust fund of any kind.

1.3 Incorporation of Terms of Plan. RSUs are subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II

GRANT OF RESTRICTED STOCK UNITS

2.1 Grant of RSUs. In consideration of your continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the Grant Date set forth in the Notice of Grant (the “**Grant Date**”), the Company granted to you the number of RSUs set forth in the Notice of Grant.

2.2 Company’s Obligation to Pay. Unless and until the RSUs will have vested in the manner set forth in Article II hereof, you will have no right to payment of any such RSUs. Prior to actual payment of any vested RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

2.3 Vesting Schedule. Subject to Sections 2.4 and 3.12, your RSUs will vest and become nonforfeitable with respect to the applicable portion thereof according to the vesting schedule set forth in the Notice of Grant (the “**Vesting Schedule**”) as long as you have not had a Termination of Services prior to the vesting date for such portion. Unless otherwise determined by the Plan Administrator, employment or service for a portion, even a substantial portion, of any vesting period will not entitle you to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a Termination of Services as provided in Section 2.5 below or under the Plan.

2.4 Change in Control Treatment. In the event the successor corporation in a Change in Control refuses to assume, continue or substitute for the RSUs in accordance with Section VI.A of Article One of the Plan, the RSUs will vest as of immediately prior to such Change in Control.

2.5 Forfeiture, Termination and Cancellation upon Termination of Services. Upon your Termination of Services for any or no reason, any then-unvested RSUs (after giving effect to any accelerated vesting pursuant to Section 2.4) will be automatically forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and you, or your beneficiary or personal representative, as the case may be, shall have no further rights hereunder.

2.6 Payment after Vesting.

(a) On or before the tenth (10th) day following the vesting of any Restricted Stock Units pursuant to Section 2.3 or 2.4, the Company shall deliver to the Participant a number of Shares equal to the number of Restricted Stock Units that so vested, unless such Restricted Stock Units terminate prior to the given vesting date pursuant to Section 2.5. Notwithstanding the foregoing, in the event Shares cannot be issued because of the failure to meet one or more of the conditions set forth in Section 2.8(a), (b) or (c) hereof, then the Shares shall be issued pursuant to the preceding sentence as soon as administratively practicable after the Plan Administrator determines that Shares can again be issued in accordance with Sections 2.8(a), (b) and (c) hereof. Notwithstanding any discretion in the Plan, the Notice of Grant or this Agreement to the contrary, upon vesting of the RSUs, Shares will be issued as set forth in this section. In no event will the RSUs be settled in cash.

(b) Notwithstanding anything to the contrary in this Agreement or the agreements evidencing any Prior Awards, the Company shall be entitled to require you to pay any sums required by applicable law to be withheld with respect to the RSUs, the issuance of Shares or with respect to any Prior Awards. Such payment shall be made in such form of consideration as determined by the Company in its sole discretion, including:

(i) Cash or check;

(ii) Surrender or withholding of Shares otherwise issuable under the RSUs or Prior Awards, as applicable, and having an aggregate fair market value on the date of delivery sufficient to meet the withholding obligation, as determined by the Company in its sole discretion;

(iii) Other property acceptable to the Company in its sole discretion (including cash resulting from a transaction (a “**Sell to Cover**”) in which the Company, on your behalf, instructs Fidelity Stock Plan Services, LLC or one of its affiliates or another agent selected by the Company (collectively, the “**Agent**”) to sell a number of Shares issued to you sufficient to meet the withholding obligation, as determined by the Company in its sole discretion, and to remit proceeds of such sale to the Company sufficient to satisfy the withholding obligation); or

(iv) By deduction from other compensation payable to you.

If the Company requires or permits a Sell to Cover:

(A) You hereby appoint the Agent as your agent and direct the Agent to (1) sell on the open market at the then prevailing market price(s), on your behalf, promptly after any RSUs (or Prior Awards) vest, such number of the Shares that are issued in respect of such RSUs (or subject to or issued in respect of such Prior Awards) as the Agent determines will generate sufficient proceeds to cover (x) any estimated tax, social insurance, payroll, fringe benefit or similar withholding obligations with respect to such vesting and (y) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto and (2) in the Company’s discretion, apply any remaining funds to your federal tax withholding or remit such remaining funds to you.

(B) You hereby authorize the Company and the Agent to cooperate and communicate with one another to determine the number of Shares to be sold pursuant to subsection (A) above. You understand that to protect against declines in the market price of Shares, the Agent may determine to sell more than the minimum number of Shares needed to generate the required funds.

(C) You understand that the Agent may effect sales as provided in subsection (A) above in one or more sales and that the average price for executions resulting from bunched orders will be assigned to your account. In addition, you acknowledge that it may not be possible to sell Shares

as provided in subsection (A) above due to (1) a legal or contractual restriction applicable to the Agent, (2) a market disruption, or (3) rules governing order execution priority on the national exchange where the Shares may be traded. In the event of the Agent's inability to sell Shares, you will continue to be responsible for the timely payment to the Company and/or its affiliates of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld, including but not limited to those amounts specified in subsection (A) above.

(D) You acknowledge that, regardless of any other term or condition of this Section 2.6(b), neither the Company nor the Agent will have any liability to you for (1) special, indirect, punitive, exemplary, or consequential damages, or incidental losses or damages of any kind, (2) any failure to perform or for any delay in performance that results from a cause or circumstance that is beyond its reasonable control, or (3) any claim relating to the timing of any Sell to Cover, the price at which Shares are sold in any Sell to Cover, or the timing of the delivery to you of any Shares following any Sell to Cover. Regardless of the Company's or any Subsidiary's actions in connection with tax withholding pursuant to this Agreement, you acknowledge that the ultimate responsibility for any and all tax-related items imposed on you in connection with any aspect of the RSUs (and any Prior Awards) and any Shares issued upon vesting of the RSUs (or subject to or issued in respect of your Prior Awards) is and remains your responsibility and liability. Except as expressly stated herein, neither the Company nor any Subsidiary makes any commitment to structure the RSUs (or any Prior Award) to reduce or eliminate your liability for tax-related items.

(E) You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this Section 2.6(b). The Agent is a third-party beneficiary of this Section 2.6(b).

This Section 2.6(b) shall survive termination of this Agreement until all tax withholding obligations arising in connection with this Award have been satisfied.

The Company shall not be obligated to deliver any Shares to you unless and until you have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes required to be withheld in connection with the grant, vesting or settlement of the RSUs.

2.7 Rights as Stockholder. As a holder of RSUs you are not, and do not have any of the rights or privileges of, a stockholder of the Company, including, without limitation, any dividend rights or voting rights, in respect of the RSUs and any Shares issuable upon vesting or settlement thereof unless and until such Shares shall have been actually issued by the Company to you. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 3.2 of this Agreement.

2.8 Conditions to Delivery of Shares. Subject to Section VII of Article Four of the Plan, the Shares deliverable hereunder, or any portion thereof, may be either previously authorized but unissued Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any Shares deliverable hereunder prior to fulfillment of all of the following conditions:

(a) The admission of such Shares to listing on all stock exchanges on which the Shares are then listed;

(b) The completion of any registration or other qualification of such Shares under any state, federal or foreign law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Plan Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state, federal or foreign governmental agency which the Plan Administrator shall, in its absolute discretion, determine to be necessary or advisable;

(d) The receipt by the Company of full payment for such Shares, including payment of any applicable withholding tax, which may be in one or more of the forms of consideration permitted under Section 2.6 hereof; and

(e) The lapse of such reasonable period of time following the vesting of any Restricted Stock Units as the Plan Administrator may from time to time establish for reasons of administrative convenience.

ARTICLE III

OTHER PROVISIONS

3.1 **Administration.** The Plan Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Plan Administrator in good faith shall be final and binding upon you, the Company and all other interested persons. No member of the Plan Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the RSUs.

3.2 **Adjustments Upon Specified Events.** In addition, upon the occurrence of certain events relating to the Shares contemplated by Section V.E or VI.A of Article One of the Plan (including, without limitation, an extraordinary cash dividend on such Shares), the Plan Administrator shall make such adjustments as the Plan Administrator deems appropriate in the number of Restricted Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Restricted Stock Units. You acknowledge that the RSUs are subject to modification and termination in certain events as provided in this Agreement and Articles One and Three of the Plan.

3.3 **Grant is Not Transferable.** Your RSUs may not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the RSUs, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, the RSUs will terminate immediately and will become null and void.

3.4 **Notices.** Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at the Participant's last address reflected on the Company's records, including any email address. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to that party. Any notice to the Company shall be deemed given when actually received. Any notice given by the Company shall be deemed given when sent via email or 5 U.S. business days after mailing.

3.5 Titles. Titles provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.6 Governing Law; Severability. The laws of the State of California shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.7 Conformity to Securities Laws. You acknowledge that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state and foreign securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

3.8 Amendments, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Plan Administrator or the Board, *provided*, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the RSUs in any material way without your prior written consent.

3.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.3 hereof, this Agreement shall be binding upon Participant and Participant’s heirs, executors, administrators, successors and assigns.

3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if you are subject to Section 16 of the Exchange Act, the Plan, the RSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by and necessary to comply with applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall be interpreted as forming an employment or service contract with the Company or any Parent or Subsidiary or as conferring upon you any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries.

3.12 Dispute Resolution. By accepting the RSUs, if you are an employee providing services in the U.S., you agree to the provisions of, and to be bound by, the Broadcom Inc. Employment Arbitration Agreement attached as Exhibit B hereto (the “**Arbitration Agreement**”). In the event you violate the Arbitration Agreement, any unvested RSUs will thereupon be cancelled for no consideration.

3.13 Entire Agreement. The Plan, the Notice of Grant and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

3.14 Section 409A. The RSUs are not intended to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, “**Section 409A**”). However, notwithstanding any other provision of the Plan or this Agreement, if at any time the Plan Administrator determines that the RSUs (or any portion thereof) may be subject to Section 409A, the Plan Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify you or any other person for failure to do so) to adopt such amendments to the Plan or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Plan Administrator determines are necessary or appropriate either for the RSUs to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.15 Limitation on Participant’s Rights. Participation in the Plan confers no rights or interests other than as herein provided. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to RSUs, as and when payable hereunder.

3.16 Additional Terms for Participants Providing Services Outside the United States. To the extent you provide services to the Company or a Subsidiary in a country other than the United States, the RSUs shall be subject to such additional or substitute terms as shall be set forth for such country in Exhibit A attached hereto. If you relocate to one of the countries included in Exhibit A during the life of the RSUs, Exhibit A, including the provisions for such country, shall apply to you and the RSUs, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable law or facilitate the administration of the Plan. In addition, the Company reserves the right to impose other requirements on the RSUs and the Shares issued upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

* * * * *

EXHIBIT A

**ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO PARTICIPANTS
PROVIDING SERVICES OUTSIDE THE UNITED STATES**

A - 1

EXHIBIT B

BROADCOM INC. EMPLOYMENT ARBITRATION AGREEMENT

Broadcom Inc., together with all direct and indirect subsidiaries of Broadcom Inc., including the Broadcom Inc. entity by which Participant is employed (collectively, the “Company”) has adopted this Employment Arbitration Agreement (the “Agreement”) to govern all disputes between the Company and Participant except for those excluded in Section 3 below.

1. **General Intent of the Parties.** It is the intent of the Company and the Participant that all disputes between the Company and Participant arising out of or relating to Covered Claims will, to the fullest extent permitted by law, be resolved by final and binding arbitration. The Company and Participant further intend and agree that this Agreement is expressly made for the benefit of the parties to this Agreement and each affiliate, subsidiary, sister company, parent, successor, and assign of the entities included within the definition of Company, and that each such Company entity other than Broadcom Inc. is an intended third party beneficiary of this Agreement, shall be entitled to the rights and benefits of the Agreement, and may enforce its provisions as if it were a party to the Agreement. This Agreement is governed by the Federal Arbitration Act (“FAA”), 9 U.S.C. §§ 1 *et seq.*, and evidences a transaction involving interstate commerce.
2. **Covered Claims.** “Covered Claims” include any and all disputes, claims, or controversies between the Company and Participant (or between Participant and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) arising out of, relating to, or resulting from Participant’s employment, compensation (including equity awards or employment-related benefits), termination of employment, breach of this Agreement, or any other employment-related dispute. Covered Claims include, without limitation, contract claims, tort claims, common law claims and claims based on any federal, state or local law, statute, or regulation, including but not limited to claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family Medical Leave Act, and any other applicable federal or state law or regulation or local ordinance governing employment and compensation, but excluding Excluded Claims.
3. **Excluded Claims.** Excluded Claims are not subject to arbitration under this Agreement. “Excluded Claims” include (a) claims for unemployment, state disability insurance, and workers’ compensation benefits, (b) claims under the National Labor Relations Act, (c) administrative claims for unpaid wages or waiting time penalties before the California Division of Labor Standards Enforcement and any other administrative claims that an employee cannot, as a matter of law, be required to assert solely by arbitration; provided, however, that any appeal from an award or from denial of an award by any administrative agency with primary jurisdiction shall be arbitrated pursuant to the terms of this Agreement; and (d) to the extent Defense Federal Acquisition Regulation (DFARS) 252.222-7006 applies to the Company entity that employs Participant, any claims under Title VII of the Civil Rights Act of 1964, or any tort arising out of sexual harassment or sexual assault, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention, except that this exclusion shall not apply if the Secretary of Defense has waived the applicability of the restrictions of paragraph (b) of DFARS 252.222-7006 in accordance with DFAR Supplement 222.7404 or Participant’s employer is not a “Covered subcontractor” subject to DFAR

252.222-7006, unless the Participant further consents to arbitration after the time the dispute arises.

Notwithstanding any provisions of this Agreement, a claim may be brought before and remedies awarded by a federal, state or local administrative agency if applicable law permits the agency to prosecute or adjudicate the claim notwithstanding the existence of an agreement to arbitrate that is governed by the FAA. Such administrative claims include without limitation claims or charges brought before the Equal Employment Opportunity Commission, the U.S. Department of Labor, or the National Labor Relations Board. Nothing in this Agreement shall be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration.

4. Provisional Remedies. This Agreement does not limit the right of the Company or Participant to seek any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect the Company's or Participant's rights and interests pending the outcome of an arbitration, including but not limited to claims for violation of any non-disclosure or other agreement between Participant and the Company for the protection of confidential and proprietary information and trade secrets and/or invention assignment.
5. Arbitration. Participant and the Company agree that Covered Claims shall be resolved by final and binding arbitration pursuant to the FAA in the county in which the Participant currently works or last worked for the Company. The arbitration will be conducted by a single, neutral arbitrator in accordance with the JAMS (Judicial Arbitration and Mediation Service) Employment Arbitration Rules and Procedures, which can be found at www.jamsadr.com, or by any other arbitration provider mutually agreed by the Company and Participant. Notwithstanding any provision of the JAMS rules, any dispute over the formation, enforceability, applicability, validity, or severability of any provision of this Agreement shall be resolved by a court of competent jurisdiction, and not in arbitration, including but not limited to disputes involving Paragraph 3 or 9 of this Agreement.

The arbitrator will be selected in accordance with JAMS's applicable arbitrator selection rules, or the selection rules of any other agreed arbitration provider. The Company and Participant shall be entitled to discovery that is appropriate under the circumstances or adequate for the prosecution or defense of Covered Claims and the arbitrator shall prepare a written decision containing the essential findings and conclusions on which the award is based. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

6. Enforcement. Either the Company or Participant may bring an action in court to compel arbitration under this Agreement, and to confirm, vacate, modify, or enforce an arbitration award, and shall be entitled to recover fees and costs pursuant to the applicable standard.
7. Governing Law. As the Company is engaged in interstate commerce, this Agreement shall be governed by and enforceable pursuant to the FAA and, to the extent not preempted by or inconsistent with the FAA, the arbitration act of the state in which Participant resides or last performed services for the Company, or a combination of the two. Other than with respect to disputes regarding the arbitrability of Covered Claims or the enforcement of this Agreement, both of which shall be governed exclusively by the FAA, the arbitrator shall apply the same

substantive law to Covered Claims, with the same statutes of limitation and the same remedies, that would apply if the claims were brought in a court of law.

8. Costs of Arbitration. The Company shall pay all costs unique to arbitration, including without limitation arbitration administrative fees, arbitrator compensation and expenses, and costs of any witnesses called by the arbitrator ("Arbitration Costs"). Unless otherwise ordered by the arbitrator under applicable law, the Company and Participant shall each bear his, her or its own expenses, such as expert witness fees and attorneys' fees and costs. Nothing herein shall prevent the Company or Participant from seeking a statutory or contractual award of reasonable attorneys' fees and costs.
9. WAIVER OF RIGHT TO JURY TRIAL; CLASS AND COLLECTIVE ACTION WAIVER. The Company and Participant understand and agree that, to the maximum extent permitted by law, and notwithstanding any provision of the JAMS rules, this Agreement constitutes a waiver of their right to a trial by jury of any covered claims. Further, Company and Participant expressly intend and agree, except as otherwise required by applicable law, that: (a) class, collective and representative actions and procedures (including but not limited to actions brought on behalf of the state or others pursuant to the Private Attorneys' General Act of 2004, California Labor Code Section 2698, or similar law), may not be asserted in any arbitration conducted pursuant to this Agreement; (b) neither party will assert, and each party hereby waives, its right to pursue or participate in class or collective action claims against the other in arbitration or any other forum, and, to the extent consistent with applicable law, to recover any money or thing of value from any such claim; (c) the parties shall only submit their own, individual claims in arbitration, will not seek to represent the interests of any other person, and the arbitrator shall have no jurisdiction or authority to compel any class, collective or representative claim, to consolidate different arbitration proceedings, or to join any other party to an arbitration between the company and participant; and (d) any representative action shall be brought only in court, and not in arbitration.
10. Confidentiality. Notwithstanding anything in this Arbitration Agreement or the JAMS Rules, and except when disclosure is prohibited by law, if the disputes subject to arbitration under this Agreement involve alleged acts of sexual assault, sexual harassment as defined under California Civil Code section 51.9, workplace sexual harassment, workplace sex discrimination, the failure to prevent acts of workplace sexual harassment or sex discrimination, or retaliation against a person for reporting sexual harassment or sex discrimination, the parties shall be free to disclose that they have a dispute, the nature of that dispute, and factual information regarding that dispute, all without regard to any confidentiality obligations created by this Agreement or the JAMS rules. Otherwise, all arbitration proceedings under this Agreement shall be private and confidential, except as prohibited by law or where disclosure is required by law or necessary to enforce an award issued by the arbitrator. The arbitrator shall maintain the confidentiality of the arbitration to the extent applicable law and this provision permit and shall have the authority to make appropriate rulings to safeguard that confidentiality.
11. At-Will Employment. Nothing in this Agreement is intended to or shall modify the at-will nature of employment at the Company.
12. Severability and Survival. If any provision of this Agreement shall be held by a court or the arbitrator to be invalid, unenforceable, or void, such provision shall be enforced to the fullest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect.

The Company's and Participant's obligations under this Agreement shall survive the termination of the employment relationship.

13. Complete Agreement. This Agreement contains a full and complete statement of the agreements and understandings as between the Company and Participant regarding resolution of disputes between them, and supersedes and replaces all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this Agreement.
14. Opportunity to Consult with Counsel. PARTICIPANT ACKNOWLEDGES AND AGREES THAT PARTICIPANT WAS AFFORDED THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH LEGAL COUNSEL AND HAS EITHER TAKEN ADVANTAGE OF THAT OPPORTUNITY, OR VOLUNTARILY DECLINED TO DO SO.

**Form of Notice of Grant of Performance Stock Unit Award
Under the Broadcom Inc. 2012 Stock Incentive Plan**

**BROADCOM INC.
1320 Ridder Park Drive
San Jose, CA 95131**

GRANTEE NAME:	Grant Date:
GRANTEE ID:	Number of Performance Stock
GRANT NUMBER:	Units:

The maximum number of shares that may be issued in respect of the Performance Stock Units is [_____] shares.

On the grant date shown above (the “**Grant Date**”), Broadcom Inc., a Delaware corporation (the “**Company**”), granted to the grantee identified above (“**you**” or the “**Participant**”) the number of performance stock units shown above (the “**PSUs**” or “**Performance Stock Units**”) under the Broadcom Inc. 2012 Stock Incentive Plan, as amended (the “**Plan**”). If and when it vests, each PSU entitles you to receive a number of shares of the Company’s common stock (each, a “**Share**”) as determined below.

By accepting this award electronically through the Plan service provider’s online grant acceptance process:

- (1) You agree that the PSUs are governed by this Notice of Grant and the attached Performance Stock Unit Award Agreement (including Exhibits and Annexes thereto and together with the Notice of Grant, the “**Agreement**”) and the Plan.
- (2) You have received, read and understand the Agreement, the Plan and the prospectus for the Plan.
- (3) If you are an employee providing services in the U.S., you agree in Section 3.12 of the Agreement to the arbitration agreement contained in Exhibit C of the Agreement, which requires you to arbitrate most disputes with the Company or any subsidiary.
- (4) You agree that the Company, in its sole discretion, may satisfy any withholding obligations in respect of the PSUs and any other performance stock units or restricted stock units, if any, granted to you prior to the Grant Date under the Plan or any other Company equity incentive plan (each, a “**Prior Award**”) in accordance with Section 2.6 of the Agreement by (i) withholding Shares otherwise issuable to you upon vesting of the PSUs or such Prior Award, (ii) instructing a broker on your behalf to sell Shares otherwise issuable to you upon vesting of the PSUs or such Prior Award and submit proceeds of such sale to the Company or (iii) using any other method permitted by Section 2.6 of the Agreement, the Plan or the equity incentive plan pursuant to which such Prior Award was granted.
- (5) You agree to accept as binding all decisions or interpretations of the Plan Administrator or its delegate regarding any questions relating to the Plan or the Agreement, including, if you provide services outside the United States, the global provisions and any specific provisions for the country in which you provide services, attached to the Agreement as Exhibit B.
- (6) You have read and agree to comply with the Company’s Insider Trading Compliance Policy and Procedures.

Capitalized terms not specifically defined in this Notice of Grant shall have the meanings specified in the Plan or the Agreement.

**BROADCOM INC.
2012 STOCK INCENTIVE PLAN**

FORM OF PERFORMANCE STOCK UNIT AWARD AGREEMENT

Broadcom Inc., a Delaware corporation (the “*Company*”), pursuant to the Broadcom Inc. 2012 Stock Incentive Plan, as amended from time to time (the “*Plan*”), has granted to the grantee indicated in the attached Notice of Grant (the “*Notice of Grant*”) an award of performance stock units (“*Performance Stock Units*” or “*PSUs*”). The PSUs are subject to all of the terms and conditions set forth in this Performance Stock Unit Award Agreement (including Exhibits and Annexes hereto and together with the Notice of Grant, the “*Agreement*”) and the Plan.

IF YOU ARE PROVIDING SERVICES TO THE COMPANY OR A SUBSIDIARY IN A COUNTRY OTHER THAN THE UNITED STATES, BY ACCEPTING THIS AWARD, (1) YOU ACKNOWLEDGE THE NECESSARY USE AND SHARING OF YOUR RELEVANT PERSONAL DATA AS SET FORTH IN THE APPLICABLE PROVISIONS IN EXHIBIT B, AND (2) IF YOU ARE IN A COUNTRY WHERE APPLICABLE LAW REQUIRES YOUR CONSENT FOR THE USE AND SHARING OF YOUR RELEVANT PERSONAL DATA AS SET FORTH IN THE APPLICABLE PROVISIONS IN EXHIBIT B, ACCEPTING THIS AWARD CONSTITUTES SUCH VALID CONSENT.

ARTICLE I

GENERAL

1.1 **Defined Terms.** Capitalized terms not specifically defined in this Agreement shall have the meanings specified in the Plan or in the Notice of Grant, unless the context clearly requires otherwise.

(a) “***Termination of Consultancy***” shall mean the time when the engagement of Participant as a consultant to the Company or a Subsidiary is terminated for any reason, with or without cause, including, but not by way of limitation, by resignation, discharge, death, disability, or retirement, but excluding: (a) terminations where there is a simultaneous employment or continuing employment of Participant by the Company or any Subsidiary, and (b) terminations where there is a simultaneous re-establishment of a consulting relationship or continuing consulting relationship between Participant and the Company or any Subsidiary. The Plan Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Consultancy, including, but not by way of limitation, the question of whether a particular leave of absence constitutes a Termination of Consultancy. Notwithstanding any other provision of the Plan, the Company or any Subsidiary has an absolute and unrestricted right to terminate a consultant’s service at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in writing.

(b) “***Termination of Directorship***” shall mean the time when Participant, if he or she is or becomes a non-employee director of the Board, ceases to be a director for any reason, including, but not by way of limitation, a termination by resignation, failure to be elected, death or retirement. The Board, in its sole and absolute discretion, shall determine the effect of all matters and questions relating to Termination of Directorship with respect to non-employee directors.

(c) “***Termination of Employment***” shall mean the time when the employee-employer relationship between Participant and the Company or any Subsidiary is terminated for any

reason, with or without cause, including, but not by way of limitation, a termination by resignation, discharge, death, disability or retirement; but excluding: (a) terminations where there is a simultaneous reemployment or continuing employment of Participant by the Company or any Subsidiary, and (b) terminations where there is a simultaneous establishment of a consulting relationship or continuing consulting relationship between Participant and the Company or any Subsidiary. The Plan Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to Termination of Employment, including, but not by way of limitation, the question of whether a particular leave of absence constitutes a Termination of Employment.

(d) “**Termination of Services**” shall mean Participant’s Termination of Consultancy, Termination of Directorship or Termination of Employment, as applicable.

1.2 General. Each Performance Stock Unit represents the right to receive a number of Shares determined in accordance with Exhibit A if and when it vests. The Performance Stock Units shall not be treated as property or as a trust fund of any kind.

1.3 Incorporation of Terms of Plan. PSUs are subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II

GRANT OF PERFORMANCE STOCK UNITS

2.1 Grant of PSUs. In consideration of your continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the Grant Date set forth in the Notice of Grant (the “**Grant Date**”), the Company granted to you the number of PSUs set forth in the Notice of Grant.

2.2 Company’s Obligation to Pay. Unless and until the PSUs will have vested in the manner set forth in Article II hereof, you will have no right to payment of any such PSUs. Prior to actual payment of any vested PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

2.3 Vesting Schedule. Subject to Sections 2.4 and 3.12, your PSUs will vest and become nonforfeitable according to the vesting schedule set forth in the Notice of Grant as long as you have not had a Termination of Services prior to the applicable Vesting Date. Unless otherwise determined by the Plan Administrator, employment or service for a portion, even a substantial portion, of any vesting period will not entitle you to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a Termination of Services as provided in Section 2.5 below or under the Plan.

2.4 Change in Control Treatment. In the event of a Change in Control prior to the end of any Performance Period (as defined in Exhibit A), each Performance Period then in effect shall be shortened to end at such date within ten (10) days prior to the closing of the Change in Control as determined by the Plan Administrator, the Achievement Factor for each such Performance Period shall be calculated on a date occurring prior to the closing of the Change in Control, as determined by the Plan Administrator, in its sole discretion, and such Performance Stock Units will vest on the Vesting Date following the originally scheduled Performance Period related to such Performance Stock Units, with the number of Shares to be issued upon such vesting determined using the Achievement Factor calculated in accordance with this Section 2.4, subject, in each case, to you not experiencing a Termination of Services prior to the applicable Vesting Date. For the avoidance of doubt, the Performance Stock Units shall be subject to any

accelerated vesting applicable to such Performance Stock Units under any change in control plan you participate in or any change in control agreement you are party to, in each case, in accordance with the terms thereof and using the Achievement Factor determined in accordance with this Section 2.4.

2.5 Forfeiture, Termination and Cancellation upon Termination of Services. Upon your Termination of Services prior to a Vesting Date for any or no reason, the PSUs subject to such Performance Period will be automatically forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and you, or your beneficiary or personal representative, as the case may be, shall have no further rights hereunder. In addition, any PSUs that do not vest in accordance with the Notice of Grant and Exhibit A will be automatically forfeited, terminated and cancelled as of the Determination Date applicable to such PSUs without payment of any consideration by the Company, and you, or your beneficiary or personal representative, as the case may be, shall have no further rights hereunder.

2.6 Payment after Vesting.

(a) On or before the tenth (10th) day following the later of (i) the Determination Date or (ii) the Vesting Date for each Performance Period, the Company shall deliver to the Participant that number of Shares, if any, issuable in respect of such Performance Period, as determined in accordance with the Notice of Grant. Notwithstanding the foregoing, in the event Shares cannot be issued because of the failure to meet one or more of the conditions set forth in Section 2.8(a), (b) or (c) hereof, then the Shares shall be issued pursuant to the preceding sentence as soon as administratively practicable after the Plan Administrator determines that Shares can again be issued in accordance with Sections 2.8(a), (b) and (c) hereof. Notwithstanding any discretion in the Plan, the Notice of Grant or this Agreement to the contrary, upon vesting of the PSUs, Shares will be issued, if at all, as set forth in this section. In no event will the PSUs be settled in cash.

(b) Notwithstanding anything to the contrary in this Agreement or the agreements evidencing any Prior Awards, the Company shall be entitled to require you to pay any sums required by applicable law to be withheld with respect to the PSUs, the issuance of Shares or with respect to any Prior Awards. Such payment shall be made in such form of consideration as determined by the Company in its sole discretion, including:

(i) Cash or check;

(ii) Surrender or withholding of Shares otherwise issuable under the PSUs or Prior Awards, as applicable, and having an aggregate fair market value on the date of delivery sufficient to meet the withholding obligation, as determined by the Company in its sole discretion;

(iii) Other property acceptable to the Company in its sole discretion (including cash resulting from a transaction (a “**Sell to Cover**”) in which the Company, on your behalf, instructs Fidelity Stock Plan Services, LLC or one of its affiliates or another agent selected by the Company (collectively, the “**Agent**”) to sell a number of Shares issued to you sufficient to meet the withholding obligation, as determined by the Company in its sole discretion, and to remit proceeds of such sale to the Company sufficient to satisfy the withholding obligation); or

(iv) By deduction from other compensation payable to you.

If the Company requires or permits a Sell to Cover:

(A) You hereby appoint the Agent as your agent and direct the Agent to (1) sell on the open market at the then prevailing market price(s), on your behalf, promptly after any PSUs (or

Prior Awards) vest, such number of the Shares that are issued in respect of such PSUs (or subject to or issued in respect of such Prior Awards) as the Agent determines will generate sufficient proceeds to cover (x) any estimated tax, social insurance, payroll, fringe benefit or similar withholding obligations with respect to such vesting and (y) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto and (2) in the Company's discretion, apply any remaining funds to your federal tax withholding or remit such remaining funds to you.

(B) You hereby authorize the Company and the Agent to cooperate and communicate with one another to determine the number of Shares to be sold pursuant to subsection (A) above. You understand that to protect against declines in the market price of Shares, the Agent may determine to sell more than the minimum number of Shares needed to generate the required funds.

(C) You understand that the Agent may effect sales as provided in subsection (A) above in one or more sales and that the average price for executions resulting from bunched orders will be assigned to your account. In addition, you acknowledge that it may not be possible to sell Shares as provided in subsection (A) above due to (1) a legal or contractual restriction applicable to the Agent, (2) a market disruption, or (3) rules governing order execution priority on the national exchange where the Shares may be traded. In the event of the Agent's inability to sell Shares, you will continue to be responsible for the timely payment to the Company and/or its affiliates of all federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld, including but not limited to those amounts specified in subsection (A) above.

(D) You acknowledge that, regardless of any other term or condition of this Section 2.6(b), neither the Company nor the Agent will have any liability to you for (1) special, indirect, punitive, exemplary, or consequential damages, or incidental losses or damages of any kind, (2) any failure to perform or for any delay in performance that results from a cause or circumstance that is beyond its reasonable control, or (3) any claim relating to the timing of any Sell to Cover, the price at which Shares are sold in any Sell to Cover, or the timing of the delivery to you of any Shares following any Sell to Cover. Regardless of the Company's or any Subsidiary's actions in connection with tax withholding pursuant to this Agreement, you acknowledge that the ultimate responsibility for any and all tax-related items imposed on you in connection with any aspect of the PSUs (and any Prior Awards) and any Shares issued upon vesting of the PSUs (or subject to or issued in respect of your Prior Awards) is and remains your responsibility and liability. Except as expressly stated herein, neither the Company nor any Subsidiary makes any commitment to structure the PSUs (or any Prior Award) to reduce or eliminate your liability for tax-related items.

(E) You hereby agree to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this Section 2.6(b). The Agent is a third-party beneficiary of this Section 2.6(b).

This Section 2.6(b) shall survive termination of this Agreement until all tax withholding obligations arising in connection with this Award have been satisfied.

The Company shall not be obligated to deliver any Shares to you unless and until you have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes required to be withheld in connection with the grant, vesting or settlement of the PSUs.

2.7 Rights as Stockholder. As a holder of PSUs you are not, and do not have any of the rights or privileges of, a stockholder of the Company, including, without limitation, any dividend rights or voting rights, in respect of the PSUs and any Shares issuable upon vesting or settlement thereof unless and until such Shares shall have been actually issued by the Company to you. No adjustment will be

made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 3.2 of this Agreement.

2.8 Conditions to Delivery of Shares. Subject to Section VII of Article Four of the Plan, the Shares deliverable hereunder, or any portion thereof, may be either previously authorized but unissued Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any Shares deliverable hereunder prior to fulfillment of all of the following conditions:

- (a) The admission of such Shares to listing on all stock exchanges on which the Shares are then listed;
- (b) The completion of any registration or other qualification of such Shares under any state, federal or foreign law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Plan Administrator shall, in its absolute discretion, deem necessary or advisable;
- (c) The obtaining of any approval or other clearance from any state, federal or foreign governmental agency which the Plan Administrator shall, in its absolute discretion, determine to be necessary or advisable;
- (d) The receipt by the Company of full payment for such Shares, including payment of any applicable withholding tax, which may be in one or more of the forms of consideration permitted under Section 2.6 hereof; and
- (e) The lapse of such reasonable period of time following a Vesting Date as the Plan Administrator may from time to time establish for reasons of administrative convenience.

ARTICLE III

OTHER PROVISIONS

3.1 Administration. The Plan Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Plan Administrator in good faith shall be final and binding upon you, the Company and all other interested persons. No member of the Plan Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the PSUs.

3.2 Adjustments Upon Specified Events. In addition, upon the occurrence of certain events relating to the Shares contemplated by Section V.E or VI.A of Article One of the Plan (including, without limitation, an extraordinary cash dividend on such Shares), the Plan Administrator shall make such adjustments as the Plan Administrator deems appropriate in the number of Performance Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Performance Stock Units. You acknowledge that the PSUs are subject to modification and termination in certain events as provided in this Agreement and Articles One and Three of the Plan.

3.3 Grant is Not Transferable. Your PSUs may not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or

otherwise dispose of the PSUs, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, the PSUs will terminate immediately and will become null and void.

3.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at the Participant's last address reflected on the Company's records, including any email address. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to that party. Any notice to the Company shall be deemed given when actually received. Any notice given by the Company shall be deemed given when sent via email or 5 U.S. business days after mailing.

3.5 Titles. Titles provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.6 Governing Law; Severability. The laws of the State of California shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.7 Conformity to Securities Laws. You acknowledge that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state and foreign securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

3.8 Amendments, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Plan Administrator or the Board, *provided*, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without your prior written consent.

3.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.3 hereof, this Agreement shall be binding upon Participant and Participant's heirs, executors, administrators, successors and assigns.

3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if you are subject to Section 16 of the Exchange Act, the Plan, the PSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by and necessary to comply with applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall be interpreted as forming an employment or service contract with the Company or any Parent or Subsidiary

or as conferring upon you any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries.

3.12 Dispute Resolution. By accepting the PSUs, if you are an employee providing services in the U.S., you agree to the provisions of, and to be bound by, the Broadcom Inc. Employment Arbitration Agreement attached as Exhibit C hereto (the “**Arbitration Agreement**”). In the event you violate the Arbitration Agreement, any unvested PSUs will thereupon be cancelled for no consideration.

3.13 Entire Agreement. The Plan, the Notice of Grant and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

3.14 Section 409A. The PSUs are not intended to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, “**Section 409A**”). However, notwithstanding any other provision of the Plan or this Agreement, if at any time the Plan Administrator determines that the PSUs (or any portion thereof) may be subject to Section 409A, the Plan Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify you or any other person for failure to do so) to adopt such amendments to the Plan or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Plan Administrator determines are necessary or appropriate either for the PSUs to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.15 Limitation on Participant’s Rights. Participation in the Plan confers no rights or interests other than as herein provided. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to PSUs, as and when payable hereunder.

3.16 Additional Terms for Participants Providing Services Outside the United States. To the extent you provide services to the Company or a Subsidiary in a country other than the United States, the PSUs shall be subject to such additional or substitute terms as shall be set forth for such country in Exhibit B attached hereto. If you relocate to one of the countries included in Exhibit B during the life of the PSUs, Exhibit B, including the provisions for such country, shall apply to you and the PSUs, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable law or facilitate the administration of the Plan. In addition, the Company reserves the right to impose other requirements on the PSUs and the Shares issued upon vesting of the PSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

* * * * *

**EXHIBIT A
TO BROADCOM INC.
2012 STOCK INCENTIVE PLAN
PERFORMANCE STOCK UNIT AWARD AGREEMENT

PERFORMANCE CRITERIA AND MEASUREMENT**

1. Definitions.

For the purposes of the charts, calculations and conditions below:

- a. **“Average Market Value,”** with respect to a company, shall mean the average closing trading price of a company’s shares on the principal exchange on which such shares are then traded, during the 30 consecutive calendar days ending on (and including) a specified date, as reported by the applicable principal exchange on which such company’s shares are listed or quoted, or by such other authoritative source as the Plan Administrator may determine.
- b. **“Prior Achievement Sum”** means [insert relevant provision if applicable].
- c. **“Relative TSR”** shall mean the Company’s TSR relative to the TSR of the companies that comprise the S&P 500 Index as of the last day of the Performance Period, expressed as a percentile.
- d. **“TSR”** means the compound annual total stockholder return of the Company (or of a company in the S&P 500 Index, as applicable), as measured by the change in the price of a Share (or the publicly traded securities of a company in the S&P 500 Index, as applicable) over the Performance Period (positive or negative), calculated based on the Average Market Value on the first day of the Performance Period as the beginning share price, and the Average Market Value on the last day of the Performance Period as the ending share price, and assuming dividends (if any) are reinvested based on the price of a Share (or the publicly traded securities of a company in the S&P 500 Index, as applicable) in accordance with the “gross” or “total” return methodology as defined by S&P Dow Jones.

2. Performance Periods. [Insert performance period provisions]

3. Achievement Factor. As soon as administratively practicable, and in any event within 60 days, following the end of each Performance Period, the Plan Administrator shall determine the Relative TSR for such Performance Period and calculate the Achievement Factor (such date of determination, the **“Determination Date”**). For the purposes hereof, **“Achievement Factor”** shall mean that factor determined under the applicable table below. [Insert achievement factor provisions]

EXHIBIT B

**ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO PARTICIPANTS
PROVIDING SERVICES OUTSIDE THE UNITED STATES**

B - 1

EXHIBIT C

BROADCOM INC. EMPLOYMENT ARBITRATION AGREEMENT

Broadcom Inc., together with all direct and indirect subsidiaries of Broadcom Inc., including the Broadcom Inc. entity by which Participant is employed (collectively, the “Company”) has adopted this Employment Arbitration Agreement (the “Agreement”) to govern all disputes between the Company and Participant except for those excluded in Section 3 below.

1. **General Intent of the Parties.** It is the intent of the Company and the Participant that all disputes between the Company and Participant arising out of or relating to Covered Claims will, to the fullest extent permitted by law, be resolved by final and binding arbitration. The Company and Participant further intend and agree that this Agreement is expressly made for the benefit of the parties to this Agreement and each affiliate, subsidiary, sister company, parent, successor, and assign of the entities included within the definition of Company, and that each such Company entity other than Broadcom Inc. is an intended third party beneficiary of this Agreement, shall be entitled to the rights and benefits of the Agreement, and may enforce its provisions as if it were a party to the Agreement. This Agreement is governed by the Federal Arbitration Act (“FAA”), 9 U.S.C. §§ 1 *et seq.*, and evidences a transaction involving interstate commerce.
2. **Covered Claims.** “Covered Claims” include any and all disputes, claims, or controversies between the Company and Participant (or between Participant and any present or former officer, director, agent, or employee of the Company or any parent, subsidiary, or other entity affiliated with the Company) arising out of, relating to, or resulting from Participant’s employment, compensation (including equity awards or employment-related benefits), termination of employment, breach of this Agreement, or any other employment-related dispute. Covered Claims include, without limitation, contract claims, tort claims, common law claims and claims based on any federal, state or local law, statute, or regulation, including but not limited to claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family Medical Leave Act, and any other applicable federal or state law or regulation or local ordinance governing employment and compensation, but excluding Excluded Claims.
3. **Excluded Claims.** Excluded Claims are not subject to arbitration under this Agreement. “Excluded Claims” include (a) claims for unemployment, state disability insurance, and workers’ compensation benefits, (b) claims under the National Labor Relations Act, (c) administrative claims for unpaid wages or waiting time penalties before the California Division of Labor Standards Enforcement and any other administrative claims that an employee cannot, as a matter of law, be required to assert solely by arbitration; provided, however, that any appeal from an award or from denial of an award by any administrative agency with primary jurisdiction shall be arbitrated pursuant to the terms of this Agreement; and (d) to the extent Defense Federal Acquisition Regulation (DFARS) 252.222-7006 applies to the Company entity that employs Participant, any claims under Title VII of the Civil Rights Act of 1964, or any tort arising out of sexual harassment or sexual assault, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention, except that this exclusion shall not apply if the Secretary of Defense has waived the applicability of the restrictions of paragraph (b) of DFARS 252.222-7006 in accordance with DFAR Supplement 222.7404 or Participant’s employer is not a “Covered subcontractor” subject to DFAR 252.222-7006, unless the Participant further consents to arbitration after the time the dispute arises.

Notwithstanding any provisions of this Agreement, a claim may be brought before and remedies awarded by a federal, state or local administrative agency if applicable law permits the agency to

prosecute or adjudicate the claim notwithstanding the existence of an agreement to arbitrate that is governed by the FAA. Such administrative claims include without limitation claims or charges brought before the Equal Employment Opportunity Commission, the U.S. Department of Labor, or the National Labor Relations Board. Nothing in this Agreement shall be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration.

4. Provisional Remedies. This Agreement does not limit the right of the Company or Participant to seek any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect the Company's or Participant's rights and interests pending the outcome of an arbitration, including but not limited to claims for violation of any non-disclosure or other agreement between Participant and the Company for the protection of confidential and proprietary information and trade secrets and/or invention assignment.
5. Arbitration. Participant and the Company agree that Covered Claims shall be resolved by final and binding arbitration pursuant to the FAA in the county in which the Participant currently works or last worked for the Company. The arbitration will be conducted by a single, neutral arbitrator in accordance with the JAMS (Judicial Arbitration and Mediation Service) Employment Arbitration Rules and Procedures, which can be found at www.jamsadr.com, or by any other arbitration provider mutually agreed by the Company and Participant. Notwithstanding any provision of the JAMS rules, any dispute over the formation, enforceability, applicability, validity, or severability of any provision of this Agreement shall be resolved by a court of competent jurisdiction, and not in arbitration, including but not limited to disputes involving Paragraph 3 or 9 of this Agreement.

The arbitrator will be selected in accordance with JAMS's applicable arbitrator selection rules, or the selection rules of any other agreed arbitration provider. The Company and Participant shall be entitled to discovery that is appropriate under the circumstances or adequate for the prosecution or defense of Covered Claims and the arbitrator shall prepare a written decision containing the essential findings and conclusions on which the award is based. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

6. Enforcement. Either the Company or Participant may bring an action in court to compel arbitration under this Agreement, and to confirm, vacate, modify, or enforce an arbitration award, and shall be entitled to recover fees and costs pursuant to the applicable standard.
7. Governing Law. As the Company is engaged in interstate commerce, this Agreement shall be governed by and enforceable pursuant to the FAA and, to the extent not preempted by or inconsistent with the FAA, the arbitration act of the state in which Participant resides or last performed services for the Company, or a combination of the two. Other than with respect to disputes regarding the arbitrability of Covered Claims or the enforcement of this Agreement, both of which shall be governed exclusively by the FAA, the arbitrator shall apply the same substantive law to Covered Claims, with the same statutes of limitation and the same remedies, that would apply if the claims were brought in a court of law.
8. Costs of Arbitration. The Company shall pay all costs unique to arbitration, including without limitation arbitration administrative fees, arbitrator compensation and expenses, and costs of any witnesses called by the arbitrator ("Arbitration Costs"). Unless otherwise ordered by the arbitrator under applicable law, the Company and Participant shall each bear his, her or its own expenses, such as expert witness fees and attorneys' fees and costs. Nothing herein shall prevent the Company or Participant from seeking a statutory or contractual award of reasonable attorneys' fees and costs.

9. WAIVER OF RIGHT TO JURY TRIAL; CLASS AND COLLECTIVE ACTION WAIVER. The Company and Participant understand and agree that, to the maximum extent permitted by law, and notwithstanding any provision of the JAMS rules, this Agreement constitutes a waiver of their right to a trial by jury of any covered claims. Further, Company and Participant expressly intend and agree, except as otherwise required by applicable law, that: (a) class, collective and representative actions and procedures (including but not limited to actions brought on behalf of the state or others pursuant to the Private Attorneys' General Act of 2004, California Labor Code Section 2698, or similar law), may not be asserted in any arbitration conducted pursuant to this Agreement; (b) neither party will assert, and each party hereby waives, its right to pursue or participate in class or collective action claims against the other in arbitration or any other forum, and, to the extent consistent with applicable law, to recover any money or thing of value from any such claim; (c) the parties shall only submit their own, individual claims in arbitration, will not seek to represent the interests of any other person, and the arbitrator shall have no jurisdiction or authority to compel any class, collective or representative claim, to consolidate different arbitration proceedings, or to join any other party to an arbitration between the company and participant; and (d) any representative action shall be brought only in court, and not in arbitration.
10. Confidentiality. Notwithstanding anything in this Arbitration Agreement or the JAMS Rules, and except when disclosure is prohibited by law, if the disputes subject to arbitration under this Agreement involve alleged acts of sexual assault, sexual harassment as defined under California Civil Code section 51.9, workplace sexual harassment, workplace sex discrimination, the failure to prevent acts of workplace sexual harassment or sex discrimination, or retaliation against a person for reporting sexual harassment or sex discrimination, the parties shall be free to disclose that they have a dispute, the nature of that dispute, and factual information regarding that dispute, all without regard to any confidentiality obligations created by this Agreement or the JAMS rules. Otherwise, all arbitration proceedings under this Agreement shall be private and confidential, except as prohibited by law or where disclosure is required by law or necessary to enforce an award issued by the arbitrator. The arbitrator shall maintain the confidentiality of the arbitration to the extent applicable law and this provision permit and shall have the authority to make appropriate rulings to safeguard that confidentiality.
11. At-Will Employment. Nothing in this Agreement is intended to or shall modify the at-will nature of employment at the Company.
12. Severability and Survival. If any provision of this Agreement shall be held by a court or the arbitrator to be invalid, unenforceable, or void, such provision shall be enforced to the fullest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect. The Company's and Participant's obligations under this Agreement shall survive the termination of the employment relationship.
13. Complete Agreement. This Agreement contains a full and complete statement of the agreements and understandings as between the Company and Participant regarding resolution of disputes between them, and supersedes and replaces all previous agreements, whether written or oral, express or implied, relating to the subjects covered in this Agreement.
14. Opportunity to Consult with Counsel. PARTICIPANT ACKNOWLEDGES AND AGREES THAT PARTICIPANT WAS AFFORDED THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH LEGAL COUNSEL AND HAS EITHER TAKEN ADVANTAGE OF THAT OPPORTUNITY, OR VOLUNTARILY DECLINED TO DO SO.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Hock E. Tan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Broadcom Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 11, 2021

/s/ Hock E. Tan

Hock E. Tan

Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Kirsten M. Spears, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Broadcom Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 11, 2021

/s/ Kirsten M. Spears

Kirsten M. Spears
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Broadcom Inc. (the "Company") for the fiscal quarter ended May 2, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Hock E. Tan, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 11, 2021

/s/ Hock E. Tan

Hock E. Tan
Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Broadcom Inc. (the "Company") for the fiscal quarter ended May 2, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Kirsten M. Spears, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 11, 2021

/s/ Kirsten M. Spears

Kirsten M. Spears
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.