

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached.

Blank lines for providing Internal Revenue Code section(s) and subsection(s).

18 Can any resulting loss be recognized? ▶ See attached.


Blank lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached.

Blank lines for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ 

Date ▶ April 8, 2019

Print your name ▶ Richard J Brezski

Title ▶ Chief Financial Officer

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

InterDigital, Inc.
Attachment to Internal Revenue Service Form 8937

On March 11, 2015, InterDigital, Inc (the “**Company**”) issued 1.50% senior convertible notes due 2020 (the “**Notes**”). The Company has provided a notice of adjustment to the conversion rate applicable to the Notes.

Section 6045B of the Internal Revenue Code and the related Treasury Regulations provide that effective January 1, 2016, if a company pays a cash dividend with respect to stock resulting in a conversion rate adjustment on a convertible debt instrument that is treated as a deemed distribution under 305(b)(2) and (c) of the Code, an information return on Form 8937 must be filed with the Internal Revenue Service or, in lieu of filing, posted to the company’s public website.

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Code. Holders of the Notes should consult their own tax advisors regarding the particular tax consequences of the conversion rate adjustment to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. Such information is not intended to be a complete analysis or description of all potential federal or other tax consequences of the conversion rate adjustment.

Form 8937, Part II, Line 14

Effective immediately after 9:00 am., New York City time, on January 8, 2019 (i.e., the ex-dividend date of the dividend paid on January 23, 2019), in connection with the cash dividends previously announced by the Company and paid on May 1, 2018, July 25, 2018, October 24, 2018, and January 23, 2019, the conversion rate of the Notes was adjusted from 13.9392 to 14.0506 shares of Company’s common stock per \$1,000 principal amount of the Notes.

Form 8937, Part II, Line 15

In connection with the Company’s payment of the cash dividend described in Line 14, the tax basis adjustment is an increase of \$7.3357 per \$1,000 of principal amount of Notes. The Company expects that it will have sufficient current or accumulated earnings and profits. Accordingly, as of result of the increase in the conversion rate of the Notes, each holder of the Notes is expected to include \$7.3357 in gross income as a dividend per \$1,000 principal amount of the Notes with a resulting basis increase of the same amount.

Form 8937, Part II, Line 16

The conversion rate adjustment is calculated based on the following formula where such adjustment would require certain conditions to be met to make it effective as further specified in the indenture of the Notes:

$$CR_1 = CR_0 \times \frac{SP_1 - DTA}{SP_0 - C}$$

$$\begin{aligned} \text{The basis adjustment} &= SP_0 * (CR_1 - CR_0) \\ &= \$65.85 * (14.0506 - 13.9392) \\ &= \$7.3357 \text{ per } \$1,000 \text{ principal amount of the Notes} \end{aligned}$$

Accordingly, for illustrative purposes, a holder of the Notes with a principal amount of \$1,000 is expected to increase its basis in the Notes by \$7.3357 as a result of the inclusion of the dividend in gross income for U.S. federal income tax purposes.

Form 8937, Part II, Line 17

Sections 305(b)(2), 305(c), 301(c), 136, and 301(d).

Form 8937, Part II, Line 18

There is no associated loss recognition.

Form 8937, Part II, Line 19

The reportable tax year for this conversion rate adjustment is 2019 for the calendar year taxpayer.