Rambus

2015 ANNUAL REPORT

Rambus

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON APRIL 21, 2016

To our stockholders:

You are cordially invited to attend the 2016 Annual Meeting of Stockholders of Rambus Inc. The Annual Meeting will be held on:

Date: Thursday, April 21, 2016

Time: 9:00 a.m., Pacific Time

Place: Attend the annual meeting online, including voting and submitting questions, at *www.virtualshareholdermeeting.com/RMBS2016*.

The following matters will be voted on at the Annual Meeting:

1. Election of four Class I directors;
2. Advisory vote to approve named executive officer compensation;
3. Ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm; and
4. Such other business as may properly come before the Annual Meeting or any adjournment or postponement of the meeting.

We are not aware of any other business to come before the meeting.

These items of business are more fully described in the Proxy Statement which is available at *www.proxyvote.com*. This notice, the Notice of Internet Availability, the 2015 Annual Report and our Proxy Statement for our 2016 annual stockholder meeting and form of proxy are being made available to stockholders on March 9, 2016.

Only stockholders of record as of February 26, 2016, may vote at the Annual Meeting. Whether or not you plan to attend the meeting, please vote at *www.proxyvote.com*, call 1-800-690-6903 or complete, sign, date and return the proxy card. Returning the proxy card does NOT deprive you of your right to attend the meeting and to vote your shares at the meeting. The Proxy Statement explains proxy voting and the matters to be voted on in more detail. Please read our Proxy Statement carefully. We look forward to your attendance at the Annual Meeting.

By Order of the Board of Directors

Jae Kim
Senior Vice President, General Counsel and Secretary

Sunnyvale, California
March 9, 2016

YOUR VOTE IS IMPORTANT

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE VOTE AT *WWW.PROXYVOTE.COM*, AS INSTRUCTED ON THE PROXY CARD OR THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS, CALL 1-800-690-6903, OR COMPLETE, SIGN, DATE AND RETURN THE PROXY CARD AS PROMPTLY AS POSSIBLE

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RAMBUS INC.
PROXY STATEMENT
FOR
2016 ANNUAL MEETING OF STOCKHOLDERS

TABLE OF CONTENTS

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RAMBUS INC.

PROXY STATEMENT

FOR

2016 ANNUAL MEETING OF STOCKHOLDERS

The Board of Directors of Rambus Inc. ("Rambus," "we," "us" or the "Company") is providing these proxy materials to you for use at our 2016 Annual Meeting of Stockholders (the "Annual Meeting") to be held on Thursday, April 21, 2016 at 9:00 a.m. Pacific Time, and at any postponement or adjournment of the meeting. The purpose of the Annual Meeting is described in the Notice of Annual Meeting of Stockholders.

The Annual Meeting will be held virtually via the Internet at *www.virtualshareholdermeeting.com/RMBS2016*. You will be able to vote and submit questions during the meeting.

Our principal executive offices are located at 1050 Enterprise Way, Suite 700, Sunnyvale, California 94089; our telephone number is (408) 462-8000. The Notice of Internet Availability (the "Internet Notice") was first mailed on or about March 9, 2016 to stockholders of record as of February 26, 2016 and these proxy solicitation materials combined with the Annual Report for the fiscal year ended December 31, 2015, including our Annual Report on Form 10-K for the year ended December 31, 2015 (the "Form 10-K") were first made available to you on the Internet, on or about March 9, 2016. We maintain a website at *www.rambus.com*. The information on our website is not a part of this Proxy Statement.

GENERAL INFORMATION ABOUT THE MEETING

Who May Attend . . . . You may attend the Annual Meeting if you owned your shares, either as a stockholder of record or as a beneficial owner as described below, as of the close of business on February 26, 2016 (the "Record Date").

Stockholders of Record. If your shares are registered directly in your name, then you are considered to be the stockholder of record with respect to those shares, and we are sending these proxy materials directly to you. Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at *www.virtualshareholdermeeting.com/RMBS2016*. Stockholders may vote and submit questions while attending the meeting on the Internet.

Beneficial Owners. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in "street name," and your broker or nominee is forwarding these proxy materials to you. Your broker or nominee is considered to be the stockholder of record with respect to those shares.

Internet Notice . . . . Pursuant to the rules of the Securities and Exchange Commission (the "SEC"), we have provided access to our proxy materials over the Internet. Accordingly, the Internet Notice has been sent to our stockholders of record and beneficial owners as of the Record Date. Instructions on how to access the proxy materials over the Internet or to request a printed copy by mail may be found on the Internet Notice. In addition, the Internet Notice provides information on how stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

By accessing the proxy materials on the Internet or choosing to receive your future proxy materials by email, you will save us the cost of printing and mailing documents to you and will reduce the impact of our annual stockholders' meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. If you choose to receive future proxy materials by mail, you will receive a paper copy of those materials, including a form of proxy. Your election to receive proxy materials by mail or email will remain in effect until you notify us that you are changing or terminating your request.

Who May Vote . . . . You may vote at the Annual Meeting if you owned your shares, either as a stockholder of record or as a beneficial owner, as of the close of business on the Record Date. As of that date, we had a total of 109,899,030 shares of common stock outstanding, which were held of record by approximately 532 stockholders. You are entitled to one vote for each share of our common stock that you own.

As of the Record Date, we had no shares of preferred stock outstanding.

Voting Your Proxy . . . . *Stockholders of Record*. If you hold your shares in your own name as a holder of record, you may instruct the proxy holders how to vote your common stock by:

- voting via the internet at *www.proxyvote.com*;
- voting by telephone at 1-800-690-6903; or
- voting by mail (if you requested printed copies of the proxy materials to be mailed to you), by completing, signing, dating and mailing the proxy card in the postage-paid envelope provided.

Even if you vote your shares by proxy, you may also choose to attend the Annual Meeting and vote your shares in person. If you provide instructions in your completed proxy card, the proxy holders will vote your shares in accordance with those instructions. If you sign and return a proxy card without giving specific voting instructions, your shares will be voted "FOR" all of the proposals described herein.

Beneficial Owners. If you are the beneficial owner of shares held in street name, you have the right to direct your broker how to vote. Your broker or nominee has enclosed with these materials or provided voting instructions for you to use in directing the broker or nominee how to vote your shares.

Discretionary Voting Power; Matters to be Presented . . . . We are not aware of any matters to be presented at the Annual Meeting other than those described in this Proxy Statement. If any matters not described in this Proxy Statement are properly presented at the meeting, the proxy holders will use their own judgment to determine how to vote your shares. If the meeting is adjourned or postponed, the proxy holders can vote your shares on the new meeting date as well, unless you have subsequently revoked your proxy.

Changing Your Vote . . . .

Stockholders of Record. If you would like to change your vote you can do so in the following ways:

- deliver written notice of your revocation to our Corporate Secretary prior to the Annual Meeting;
- deliver a properly executed, later dated proxy prior to the Annual Meeting;
- vote again on a later date on the Internet or by telephone (only your latest Internet or telephone proxy submitted prior to the Annual Meeting will be counted); or
- attend the Annual Meeting and vote at the meeting.

Please note that your attendance at the meeting in and of itself is not enough to revoke your proxy.

Beneficial Owners. If you instructed a broker or nominee to vote your shares following the directions originally included with these materials or provided to you, you can change your vote only by following your broker or nominee's directions for doing so.

Cost of this Proxy Solicitation . . . .

We will bear the cost of this proxy solicitation. In addition to soliciting proxies by mail, our directors, officers and employees may solicit proxies in person or by telephone. None of these individuals will receive any additional or special compensation for doing this, but they may be reimbursed for reasonable out-of-pocket expenses. We have also hired Morrow & Co., LLC to help us solicit proxies from brokers, bank nominees and other institutional owners. We expect to pay Morrow & Co., LLC a fee of up to approximately $9,000 for its services, and we will reimburse certain out-of-pocket expenses.

Meeting Quorum . . . .

The Annual Meeting will be held if a majority of our outstanding shares of common stock entitled to vote are represented at the meeting or by proxy.

Our Voting Recommendations . . . .

When proxies are properly dated, executed and returned, the shares represented by such proxies will be voted at the Annual Meeting in accordance with the directions of the stockholder. However, if no specific instructions are given, the shares will be voted in accordance with the following recommendations of our Board of Directors:

- "FOR" the election of J. Thomas Bentley, E. Thomas Fisher, Charles Kissner and David Shrigley as Class I directors;
- "FOR" the advisory vote to approve named executive officer compensation, as disclosed in this Proxy Statement; and
- "FOR" the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.

Abstentions and Broker Non-Votes . . . .

We treat shares that are voted "ABSTAIN" in person or by proxy as being:

- present for purposes of determining whether or not a quorum is present at the Annual Meeting; and
- entitled to vote on a particular subject matter at the Annual Meeting.

In the election of directors, any vote you make that is "ABSTAIN" for any nominee will not impact the election of that nominee. In tabulating the voting results for the election of directors, only "FOR" and "AGAINST" votes are counted.

For the other proposals, an "ABSTAIN" vote is the same as voting against the proposal.

If you hold your common stock through a broker, the broker may be prevented from voting shares held in your brokerage account on some proposals (a "broker non-vote") unless you have given the broker voting instructions. Thus, if you hold your common stock through a broker, it is critical that you cast your vote if you want it to count. If you hold your common stock through a broker and you do not instruct your broker how to vote on Proposals One and Two, it will be considered a broker non-vote and no votes will be cast on your behalf with respect to such Proposals. Shares that are subject to a broker non-vote are counted for purposes of determining whether a quorum exists but do not count for or against any particular proposal.

Your broker will continue to have discretion to vote any uninstructed shares on Proposal Three, the Ratification of the Appointment of the Company's Independent Registered Public Accounting Firm.

Procedure for Submitting Stockholder Proposals . . . .

Stockholders may present proposals for action at a future annual meeting only if they comply with the requirements of our bylaws and the proxy rules established by the SEC.

Stockholder proposals, including nominations for the election of directors, which are intended to be presented by such stockholders at our 2017 Annual Meeting of Stockholders must be received by us no later than November 9, 2016 to be considered for inclusion in the proxy statement and proxy card relating to that meeting.

In addition to the SEC rules, our bylaws establish an advance notice procedure for proposals that a stockholder wants to have included in our proxy statement relating to a meeting or to have brought before the meeting. To be timely, a stockholder proposal must be received by the Company's Secretary/General Counsel at the principal executive offices of the Company not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date the Company's proxy statement was released to stockholders in connection with the previous year's annual meeting. However, if no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then notice must be received no earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting, or the tenth day following the day on which public announcement of the date of such annual meeting is first made.

Moreover, your notice must contain specific information concerning the matters to be brought before the meeting. We urge you to read our bylaws in full in order to understand the requirements of bringing a proposal or nomination.

A copy of the full text of the bylaw provision relating to our advance notice procedure may be obtained by writing to our Corporate Secretary or by accessing a copy of our bylaws, which are publicly available at http://www.sec.gov. All notices of proposals by stockholders, whether or not included in proxy materials, should be sent to Rambus Inc., 1050 Enterprise Way, Suite 700, Sunnyvale, California 94089, Attention: Secretary.

Communication With the Board of Directors

Our Board of Directors may be contacted by writing to them via regular mail at Board of Directors, Rambus Inc., 1050 Enterprise Way, Suite 700, Sunnyvale, California 94089. If you wish to contact our Board of Directors or any member of the Audit Committee to report questionable accounting or auditing matters you may do so anonymously by using this mailing address and designating the communication as "confidential."

Our process for handling communications to our Board of Directors is as follows:

Any stockholder communications that our Board of Directors receives will first go to our Secretary/General Counsel, who will log the date of receipt of the communication as well as (for non-confidential communications) the identity of the correspondent in our stockholder communications log.

Unless the communication is marked "confidential," our Secretary/General Counsel will review, summarize and, if appropriate, draft a response to the communication. The summary and response will become part of the stockholder communications log that our Secretary/General Counsel maintains with respect to all stockholder communications.

Our Secretary/General Counsel will then forward the stockholder communication to the member(s) of our Board of Directors (or committee chair if the communication is addressed to a committee) for review.

Any stockholder communication marked "confidential" will be logged by our Secretary/General Counsel as "received" but will not be reviewed, opened or otherwise held by our Secretary/General Counsel. Such confidential correspondence will be forwarded to the addressee(s).

Annual Meeting Attendance	Members of our Board of Directors are invited but not required to attend the Annual Meeting of Stockholders. The 2015 Annual Meeting of Stockholders was attended by all of the members of our Board of Directors.
"Householding" of Proxy Materials	The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for stockholders and cost savings for companies. The Company and some brokers household proxy materials, delivering a single proxy. If your proxy statement is being householded and you would like to receive separate copies, or if you are receiving multiple copies and would like to receive a single copy, please contact Investor Relations at Rambus Inc., 1050 Enterprise Way, Suite 700, Sunnyvale, California 94089, Attention: Secretary, or ir@rambus.com, or place a collect call to the Company, at (408) 462-8000, and direct the call to the Investor Relations Department.
Delivery of Proxy Materials	To receive current and future proxy materials, such as annual reports, proxy statements and proxy cards, in either paper or electronic form, please contact Investor Relations at ir@rambus.com or *http://investor.rambus.com*, or place a collect call to the Company, at (408) 462-8000, and direct the call to the Investor Relations Department.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON APRIL 21, 2016

The Notice and Proxy Statement, Annual Report to Stockholders and Form 10-K Combo document are available at *www.proxyvote.com*. You are encouraged to access and review all of the important information contained in the proxy materials before voting.

PROPOSAL ONE:
ELECTION OF DIRECTORS

Our Board of Directors is currently composed of seven members who are divided into two classes with overlapping two-year terms. As of the date of this proxy statement, we have four Class I directors and three Class II directors, as noted under "Nominees" below. At each annual meeting of stockholders, a class of directors is elected for a term of two years to succeed those directors whose terms expire on the annual meeting date. A director serves in office until his or her respective successor is duly elected and qualified or until his or her death or resignation. Any additional directorships resulting from an increase in the number of directors will be distributed among the two classes so that, as nearly as possible, each class will consist of an equal number of directors. Any vacancy occurring mid-term will be filled by a person selected by a majority of the other current members of the Board of Directors. There is no family relationship between any of our directors.

Nominees .... Four Class I directors are to be elected at the Annual Meeting for a two-year term ending in 2018. Based upon the recommendation of our Corporate Governance/Nominating Committee, our Board has nominated: J. Thomas Bentley, E. Thomas Fisher, Charles Kissner and David Shrigley for election as Class I directors.

If any of these nominees is unable or declines to serve as a director at the time of the Annual Meeting, proxies will be voted for a substitute nominee or nominees designated by the Board of Directors.

Vote Required .... The Company's bylaws require that each director be elected by the majority of votes cast with respect to such director in uncontested elections. The Board of Directors, after taking into consideration the recommendation of the Corporate Governance/Nominating Committee of the Board, will determine whether or not to accept the pre-tendered resignation of any nominee for director, in an uncontested election, who receives a greater number of votes "AGAINST" his or her election than votes "FOR" such election. There are no cumulative voting rights in the election of directors. Stockholders as of the Record Date may vote their shares for or against some, all or none of the Class I nominees.

Information About Nominees and Other Directors .... The members of our Board of Directors have deep executive and board leadership experience derived from their respective tenures as executives and directors of technology companies of various sizes. The following table contains information regarding the Class I nominees and other directors as of February 26, 2016. This information includes the specific experience, qualifications, attributes and skills that led to the Board of Directors' conclusion that the person should serve as a director.

Incumbent Nominees for Class I Directors

Name	Age	Principal Occupation and Business Experience
J. Thomas Bentley	66	Mr. Bentley has served as a director since March 2005, and served as Chairman of the Board from June 2011 to March 2013. He served as a managing director at SVB Alliant (formerly Alliant Partners), a mergers and acquisitions firm, since he co-founded the firm in 1990 until October 2005. Mr. Bentley holds a B.A. in Economics from Vanderbilt University and an M.S. in Management from the Massachusetts Institute of Technology. Mr. Bentley currently serves on the board of Nanometrics, Inc.

Name	Age	Principal Occupation and Business Experience
		Mr. Bentley's financial expertise and years of business and leadership experience, including fifteen years as a co-founder of a financial advisory firm, allow him to provide strategic guidance to us and led the Board of Directors to conclude that he should serve as a director. In addition, our Board of Directors' determination that Mr. Bentley is the Audit Committee "financial expert" lends further support to his financial acumen and qualifications for serving on our Board of Directors.
E. Thomas Fisher	61	Mr. Fisher has served as a director since January 2015. He is currently senior vice president and chief information officer ("CIO") of Global Commercial Cloud Services at Oracle Corporation and has held the position since June 2011. Prior to joining Oracle, Mr. Fisher served as CIO and vice president of Cloud Computing at SuccessFactors, Inc., now SAP, from April 2009 to June 2011. Prior to joining SuccessFactors, Mr. Fisher spent seven years at Qualcomm where he served as CIO of CDMA Technologies. Before Qualcomm, he was vice president and acting chief technology officer at eBay Inc. Mr. Fisher holds a bachelor of arts degree from the University of North Carolina in Charlotte. Mr. Fisher's experience as a technology officer of high technology companies, his experience with cloud based products and services as well as his business and leadership experience allow him to provide strategic guidance to the Board and the Company, which led the Board of Directors to conclude that he should serve as a director.
Charles Kissner	68	Mr. Kissner has served as a director since July 2012. He is currently the Chairman of the Board of ShoreTel Inc., a business communications systems company. From January 2007 to February 2015, he was Chairman of Aviat Networks and from June 2010 to July 2011, Mr. Kissner was Chairman and CEO. From 2010 to 2015, he served on the board of Meru Networks, a technology leader in the enterprise wireless systems market. From 1995 to 2006, he served as Chairman and CEO of Stratex Networks, a global provider of wireless transmission solutions. Mr. Kissner previously was Vice President and General Manager of M/A-COM, Inc., a manufacturer of radio and microwave communications products, President and CEO of Aristacom International, a communications software company, Executive Vice President of Fujitsu Network Switching, Inc., and held a number of executive positions at AT&T (now Alcatel-Lucent). He has also served on a number of other public and private boards, as well as not-for-profit boards such as the NPR Foundation and Angel Flight, Inc. He currently serves on the board of non-profit KQED Public Media. Mr. Kissner holds a Bachelor of Science degree from California State Polytechnic University and a Master of Business Administration degree from Santa Clara University. Mr. Kissner's experience as a director and executive of wireless technology and networking companies and his years of business and leadership experience led the Board of Directors to conclude that he should serve as a director.

Name	Age	Principal Occupation and Business Experience
David Shrigley	67	Mr. Shrigley has served as a director since October 2006. He was most recently the Executive Chairman of Soil and Topography Information, Inc. Mr. Shrigley was a member of the board of Wolfson Microelectronics plc, a supplier of mixed-signal chips for the digital market from November 2006 to December 2008, and was its chief executive officer from March 2007. He served as a general partner at Sevin Rosen Funds, a venture capital firm, from 1999 to 2005. Prior to that, Mr. Shrigley held the position of executive vice president, Marketing, Sales and Service at Bay Networks, a network hardware company. Mr. Shrigley served in various executive positions at Intel Corporation, including vice president and general manager of Asia Pacific sales and marketing operations based in Hong Kong, and vice president and general manager, corporate marketing. Mr. Shrigley holds a B.S. in Business Administration from Franklin University. Mr. Shrigley's experience as a director and executive officer of high technology companies, his experience in the venture capital industry and his years of international business and leadership experience led the Board of Directors to conclude that he should serve as a director.

The Board unanimously recommends that you vote "FOR" the election to the Board of Directors of each of the nominees proposed above.

Incumbent Class II Directors Whose Terms Expire in 2017

Name	Age	Principal Occupation and Business Experience
Ronald Black, Ph.D.	52	Dr. Black has served as our chief executive officer and president since June 2012 and as a director since July 2012. Dr. Black was previously the Managing Director of R.D. Black & Company, a consulting firm, since August 2011. From September 2010 to August 2011, Dr. Black was the Chief Executive Officer of MobiWire, formerly Sagem Wireless, a privately-held mobile handset company headquartered near Paris, France that offers products and services to original equipment manufacturers and mobile network operators in the mobile phone marketplace. From June 2009 to October 2010, Dr. Black served as Chairman and CEO of UPEK, Inc. Dr. Black currently serves as a board member of Energy Focus Inc, a publicly held LED lighting technology developer, Microfabrica Inc, a privately held high precision metal parts fabricator, and FlexEnable Limited, a privately held producer of flexible electronics manufacturing platforms. From 2012 to March 2015, Dr. Black served on the board of EnOcean GmbH, a German-based company that manufactures and markets energy harvesting technology, sensors, and radio frequency communication. From September 2010 to November 2012, he served as a board member of AuthenTec, Inc., which he joined following the AuthenTec-UPEK merger in September 2010 and from 2007 to 2013, he served as a board member of Inside Contactless, a France-based company engaged in the semiconductors and information technology industry. From September 2004 to June 2009, he was chief executive officer of Wavecom S.A., a publicly traded French wireless solutions company. Dr. Black holds a Bachelor of Science, a Masters of Science, and a Ph.D. in materials science and engineering from Cornell University in Ithaca, N.Y.

Name	Age	Principal Occupation and Business Experience
		Dr. Black's status as our chief executive officer, his record as a leader of various technology companies, both domestic and foreign, and his deep technical expertise led the Board of Directors to conclude that he should serve as a director.
Penelope A. Herscher	55	Ms. Herscher has served as a director since July 2006. She currently holds the position of Executive Chairman of FirstRain, Inc., a custom-configured, on-demand intelligence services firm, which she joined in 2005. Ms. Herscher previously held the position of president and chief executive officer of FirstRain, Inc., from 2004 to 2015, executive vice president and chief marketing officer at Cadence Design Systems from 2002 to 2003, and executive vice president and general manager, Design and Verification Business during the second half of 2003. From 1996 to 2002, Ms. Herscher was president and chief executive officer of Simplex Solutions, which was acquired by Cadence in 2002. Before Simplex, she was an executive at Synopsys for eight years and started her career as an R&D engineer with Texas Instruments. She holds a M.A. with honors in Mathematics from Cambridge University in England. Ms. Herscher serves on the boards of FirstRain and Lumentum Holdings Inc. (formerly JDS Uniphase Corporation, which split into two companies, Lumentum Holdings Inc. and Viavi Solutions Inc.). She has also served on the board of several non-profit institutions. Ms. Herscher's experience as chief executive officer of technology companies, the successful sale of a company under her leadership to a larger technology company and her years of business and leadership experience led the Board of Directors to conclude that she should serve as a director.
Eric Stang	56	Mr. Stang has served as a director since July 2008 and has served as Chairman of the Board since March 2013. Mr. Stang currently serves as chairman, president and chief executive officer of Ooma, Inc., a cloudbased communications and connected services company that went public in July 2015. He has held the position of Chairman since December 2014 and the positions of President, chief executive officer and director since January 2009. Prior to joining Ooma, Mr. Stang served as a director, chief executive officer and president of Reliant Technologies, Inc., a developer of medical technology solutions for aesthetic applications, from 2006 to 2008. Mr. Stang previously served as chief executive officer and president of Lexar Media, Inc., a provider of solid state memory products from 2001 to 2006 and Chairman from 2004 to 2006. He currently serves on the board of Invensense. Mr. Stang received his A.B. from Stanford University and M.B.A. from the Harvard Business School. Mr. Stang also serves on the boards of private companies. Mr. Stang's experience as chief executive officer of high technology companies, his prior experience in the memory products market and his years of business and leadership experience led the Board of Directors to conclude that he should serve as a director.

Board of Directors Meetings and Committees . . . . Our Board of Directors held a total of 15 meetings during 2015. During 2015, each member of our Board of Directors attended 75% or more of the meetings of the Board of Directors and of the committees, if any, of which she or he was a member.

Director Independence . . . . Our Board of Directors has determined that each of the following directors, constituting a majority of our Board of Directors, has no material relationship with us (either directly as a partner, stockholder or officer of an organization that has a relationship with us) and is "independent" under the applicable NASDAQ and SEC rules: J. Thomas Bentley, E. Thomas Fisher, Penelope A. Herscher, Charles Kissner, David Shrigley and Eric Stang.

Each of the committees of our Board of Directors is composed of independent directors as follows:

Audit Committee:	J. Thomas Bentley (Chair) Charles Kissner David Shrigley
Compensation Committee:	Penelope A. Herscher (Chair) E. Thomas Fisher Charles Kissner
Corporate Governance/ Nominating Committee:	Eric Stang (Chair) David Shrigley

Director Qualifications . . . . Except as may be required by rules promulgated by NASDAQ or the SEC, there are currently no specific, minimum qualifications that must be met by each candidate for our Board of Directors, nor are there any specific qualities or skills that are necessary for one or more of the members of our Board of Directors to possess. The Corporate Governance/Nominating Committee considers a number of factors in its assessment of the appropriate skills and characteristics of members of the Board of Directors, as well as the composition of the Board of Directors as a whole. These factors include the members' qualification as independent, as well as consideration of judgment, character, integrity, diversity, skills, and experience in such areas as operations, technology, finance, and the general needs of the Board of Directors and such other factors as the Corporate Governance/ Nominating Committee may consider appropriate. The Corporate Governance/Nominating Committee does not have a formal policy with respect to diversity. However, the Board of Directors and the Corporate Governance/Nominating Committee believe that it is essential that the members of the Board of Directors represent diverse viewpoints. In considering candidates for the Board of Directors, the Board of Directors and the Corporate Governance/Nominating Committee consider the entirety of each candidate's credentials in the context of the factors mentioned above.

Corporate Governance Principles . . . . We are committed to maintaining the highest standards of business conduct and corporate governance, which we believe are essential to running our business efficiently, serving our stockholders' interests and maintaining our integrity in the marketplace. We have adopted a code of business conduct and ethics for directors, officers and employees known as the Code of Business Conduct and Ethics, which is available on our website at *http://investor.rambus.com/corporate-governance.cfm.*

Section 16(a) Reporting . . . . Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act") requires our executive officers, directors and ten percent stockholders to file reports of ownership and changes in ownership with the SEC. The same persons are required to furnish us with copies of all Section 16(a) forms they file. Based on our review of these forms, we believe that during fiscal 2015 all of our executive officers, directors and ten percent stockholders complied with the applicable filing requirements.

Executive Sessions of the Independent Directors . . . . It is the policy of the Board of Directors to have executive sessions of the independent directors at which only independent directors are present, typically in conjunction with the regularly scheduled meetings of the Board of Directors.

Committees of the Board of Directors . . . . During 2015, our Board of Directors had three standing committees:

- an Audit Committee,
- a Compensation Committee and
- a Corporate Governance/Nominating Committee.

The following describes each committee, its function, its membership, and the number of meetings held during 2015.

Each of the committees operates under a written charter adopted by our Board of Directors. All of the current committee charters are available on our website at *http://investor.rambus.com/corporate-governance.cfm.*

Audit Committee . . . . Currently, the Audit Committee is composed of J. Thomas Bentley, Charles Kissner and David Shrigley, with Mr. Bentley serving as Chair. The Audit Committee oversees our corporate accounting and financial reporting processes and internal control over financial reporting, as well as our internal and external audits. The Audit Committee held 8 meetings during 2015. Its duties include:

- Reviewing our accounting and financial reporting processes and internal control over financial reporting;
- Providing oversight and review at least annually of our risk management policies, including our investment policy;
- Retaining the independent registered public accounting firm, approving their fees, and providing oversight of communication with them;
- Reviewing the plans, findings and performance of our internal auditors;

- Reviewing our annual and quarterly financial statements and related disclosure documents; and
- Overseeing special investigations into financial and other matters, as necessary.

Our Board of Directors has determined that Mr. Bentley is the Audit Committee “financial expert” and that Mr. Bentley, together with each of Messrs. Kissner and Shrigley, has no material relationship with us (either directly as a partner, stockholder or officer of an organization that has a relationship with us) and is an “independent director” under the applicable NASDAQ and SEC rules.

The Audit Committee’s role is detailed in the Audit Committee Charter and is available on our website at *http://investor.rambus.com/corporate-governance.cfm.*

Compensation Committee . . . . Currently, the Compensation Committee is composed of E. Thomas Fisher, Penelope A. Herscher and Charles Kissner, with Ms. Herscher serving as Chair. Our Board of Directors has determined that each of Mr. Fisher, Ms. Herscher and Mr. Kissner are independent under the rules for compensation committee independence under the applicable NASDAQ and SEC rules. The Compensation Committee reviews and determines all forms of compensation to be provided to our executive officers, including the named executive officers and directors of Rambus, including base compensation, bonuses, and stock compensation. The Compensation Committee held 8 meetings during 2015. Its duties include:

- Annually reviewing and approving the Chief Executive Officer (“CEO”) and other executive officers’ compensation in the context of their performance, which includes reviewing and approving their annual base salary, annual incentive bonus, including the specific goals, targets, and amounts, equity compensation, and any employment agreements, and any other benefits, compensation or arrangements, as applicable;
- Administering our stock option and equity incentive plans pursuant to the terms of such plans and the authority delegated by our Board of Directors, including: granting stock options, stock appreciation rights, restricted stock, restricted stock units (“RSUs”) or other equity compensation to individuals eligible for such grants and amend such awards following their grant; amending the plans; and delegating to appropriate executive officers of the Company the ability to grant awards to non-executive officer employees of the Company pursuant to specific guidelines;
- Adopting, amending and overseeing the administration of our significant employee benefits programs;
- Reviewing external surveys to establish appropriate ranges of compensation;

- Retaining and terminating any compensation consultant to assist in the evaluation of CEO or executive officer or director compensation, and approving the consultant's fees and other terms of service, as well as obtaining advice and assistance from internal or external legal, accounting or other advisors; and
- Conducting an annual assessment of the Company's engagement with compensation consultants retained by the Board and/or management, as applicable, including the nature and extent of services provided, the amount of fees paid and who made or recommended the decision to retain the compensation consultants.

The Compensation Committee uses Semler Brossy Consulting Group, LLC ("SBCG") to assist in evaluating executive and director compensation, and has determined that SBCG is an independent consultant under applicable NASDAQ rules.

A detailed description of the processes and procedures of the Compensation Committee for considering and determining executive and director compensation, including the role of SBCG, is provided in the "Executive Compensation" section of this proxy statement.

The Compensation Committee's role is detailed in the Compensation Committee Charter, which is available on our website at *http://investor.rambus.com/corporate-governance.cfm.*

Compensation Committee Interlocks and Insider Participation . . . . The Compensation Committee is comprised entirely of the three independent directors listed above. During 2015, there were no interlock relationships by our Compensation Committee members. Please see the Compensation Discussion and Analysis section of this Proxy Statement for further discussion.

Corporate Governance & Nominating Committee . . . . Currently, the Corporate Governance/Nominating Committee is composed of Eric Stang and David Shrigley, with Mr. Stang serving as Chair. Our Board of Directors has determined that each of Messrs. Stang and Shrigley are "independent" under applicable NASDAQ and SEC rules. The Corporate Governance/Nominating Committee held five meetings during 2015.

The Corporate Governance/Nominating Committee recommends and approves Rambus' Corporate Governance Guidelines. Its duties include:

- Evaluating and making recommendations to the Board of Directors concerning the appointment of directors to committees of the Board of Directors and the selection of committee chairs;
- Identifying best practices and recommending corporate governance principles;
- Overseeing the evaluation of the Board of Directors; and

- Proposing the slate of nominees for election to the Board of Directors.

The Corporate Governance/Nominating Committee's role is detailed in the Corporate Governance/Nominating Committee Charter which is available on our website at *http://investor.rambus.com/corporate-governance.cfm.*

Identifying and Evaluating Nominees For Directors . . . . The Corporate Governance/Nominating Committee utilizes a variety of methods for identifying and evaluating nominees for director, including those discussed in the "Director Qualifications" section of this proxy statement. In the event that vacancies on the Board of Directors are anticipated, or otherwise arise, the committee will consider various potential candidates for director. Candidates may come to the attention of the committee through current members of the Board of Directors, professional search firms, stockholders or other persons. The Corporate Governance/Nominating Committee has from time to time retained third parties to whom a fee is paid to assist it in identifying or evaluating potential director nominees.

Stockholders may propose director candidates for general consideration by the Corporate Governance/Nominating Committee by submitting in proper written form the individual's name, qualifications, and the other information set forth below in "Consideration of Stockholder Nominees to the Board" to the Secretary of the Company. The Corporate Governance/Nominating Committee will evaluate any candidates recommended by stockholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors or management.

Consideration of Stockholder Nominees to the Board . . . . Stockholders may nominate directors for election at an annual meeting or at a special meeting at which directors are to be elected or re-elected, provided that the advance notice requirements for director nominations set forth in the Company's bylaws have been met. As summarized below, this advance notice provision requires a stockholder to give timely notice of a director nomination in proper written form to the Secretary of the Company at Rambus Inc., 1050 Enterprise Way, Suite 700, Sunnyvale, CA 94089, Attention: Secretary.

In order for a stockholder to give timely notice of a director nomination for an annual meeting, the notice must be received by the Secretary at the Company's principal executive offices not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date the Company's proxy statement was released to stockholders in connection with the previous year's annual meeting. However, if no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then notice must be received no earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting, or the tenth day following the day on which public announcement of the date of such annual meeting is first made.

In order for a stockholder to give timely notice of a director nomination for a special meeting at which directors are to be elected or re-elected, the notice must be received by the Secretary at the Company's principal executive offices not later than the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected or re-elected at such meeting.

To be in proper written form, a stockholder's notice to the Secretary of the Company must set forth the information required by our bylaws, which we urge you to read in full in order to understand the requirements for making a director nomination.

Board Leadership Structure and Role in Risk Oversight . . . .

Our Corporate Governance Guidelines require that the Chairperson of the Board not be the CEO of the Company. In addition, while the Chairperson works closely with the CEO and other members of our management, the Chairperson is not part of management and does not have an operating or external role or responsibility. The Board of Directors considers it useful and appropriate to designate a Chairperson to act as the presiding director at Board of Directors meetings, to call and organize such meetings and manage the agenda thereof, and to manage the affairs of the Board of Directors, including ensuring that the Board of Directors is organized properly, functions effectively, and meets its obligations and responsibilities. The Chairperson also acts as the principal contact for the CEO and other members of the Board of Directors and management, as appropriate, for matters requiring the attention of the full Board of Directors. We believe that this leadership structure is appropriate given the attention, time, effort, and energy that the CEO is required to dedicate to his position in the current business environment, and the high level of commitment required to serve as our Chairperson.

The Board of Directors plays an integral role in our risk oversight processes. The Board of Directors meets regularly to receive reports from its committees, as well as from management with respect to areas of material risk to the Company, including legal, operational, financial and strategic risks. In addition, the Audit Committee oversees and reviews at least annually our risk management policies, including our investment policies.

Transactions with Related Persons . . . .

None.

Review, Approval or Ratification of Transactions with Related Persons . . . .

Our directors and executive officers are subject to our Code of Business Conduct and Ethics, and our directors are guided in their duties by our Corporate Governance Guidelines. Our Code of Business Conduct and Ethics requires that our directors and executive officers avoid situations where a conflict of interest might occur or appear to occur. In general, our directors and executive officers should not have a pecuniary interest in transactions involving us or a customer, licensee, or supplier of the Company, unless such interest is solely a result of routine investments made by the individual in publicly traded companies.

In the event that a director or executive officer is going to enter into a related party transaction with a relative or significant other, or with a business in which a relative or significant other is associated in any significant role, the director or executive officer must fully disclose the nature of the related party transaction to our Chief Financial Officer. For directors and executive officers, such related party transaction then must be reviewed and approved in advance by the Audit Committee. For other conflicts of interest that may arise, the Code of Business Conduct and Ethics advises our directors and executive officers to consult with our General Counsel.

In addition, each director and officer is required to complete a Director and Officer Questionnaire on an annual basis and upon any new appointment, and provide quarterly updates, which requires disclosure of any related-party transactions pertaining to the director or executive officer. Our Board of Directors will consider such information in its determinations of independence with respect to our directors under applicable NASDAQ and SEC rules.

PROPOSAL TWO:
ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

We are asking our stockholders to provide an advisory vote to approve the compensation of our named executive officers, including the Compensation Discussion and Analysis, the compensation tables and narrative disclosures as described in this Proxy Statement. The Company currently holds such an advisory vote annually, and this proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on the compensation of our named executive officers.

Please see the Compensation Discussion and Analysis section of this Proxy Statement, the compensation tables and the narrative disclosures that accompany the compensation tables for greater detail about our executive compensation programs, including information about the fiscal year 2015 compensation of our named executive officers.

We believe that our overall compensation program and philosophy support and help drive the Company's long-term value creation, business strategy and operating performance objectives. We are again asking our stockholders to indicate their support for our named executive officer compensation as described in this proxy statement by voting "FOR" the following resolution at the Annual Meeting:

> "RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED."

While this say-on-pay vote is advisory and does not bind the Company to any particular action, the Board of Directors and the Compensation Committee value your opinion. Accordingly, the Board of Directors and the Compensation Committee will consider the outcome of this vote when making future compensation decisions for the Company's named executive officers.

Approval of this resolution requires the affirmative vote of the holders of a majority of the votes cast in person or by proxy at the Annual Meeting.

The Board unanimously recommends a vote "FOR" the approval of the compensation of our named executive officers, as disclosed in this Proxy Statement.

PROPOSAL THREE:
RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed PricewaterhouseCoopers LLP as the independent registered public accounting firm to Rambus to audit our consolidated financial statements for the fiscal year ending December 31, 2016.

Although ratification by stockholders is not required by law, the Audit Committee has conditioned its appointment of the independent registered public accounting firm upon the receipt of the affirmative vote of a majority of the votes duly cast at the Annual Meeting.

Notwithstanding its selection, the Audit Committee, in its discretion, may hire a new independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interest of Rambus and its stockholders.

Our History with PricewaterhouseCoopers . . . . . . PricewaterhouseCoopers LLP (or its predecessor, Coopers & Lybrand L.L.P.) has audited our financial statements since 1991. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting to respond to appropriate questions and to make a statement if they so desire.

Principal Accountant Fees and Services . . . . The aggregate fees billed for professional accounting services by PricewaterhouseCoopers LLP for the fiscal years ended December 31, 2015 and December 31, 2014 are as follows:

	Fiscal Year Ended December 31, 2015	Fiscal Year Ended December 31, 2014
Audit Fees (1)	$1,361,292	$1,313,936
Audit-Related Fees (2)	$ 25,000	$ —
Tax Fees (3)	$ 63,705	$ 39,577
All Other Fees (4) . . .	$ 3,300	$ 3,300
Total Fees	$1,453,297	$1,356,813

(1) Audit Fees consist of fees for PricewaterhouseCoopers LLP's professional services rendered for the audit of the Company's consolidated annual financial statements, review of the interim consolidated financial statements included in quarterly reports. Fees relating to professional services rendered for the audits of the effectiveness of internal control over financial reporting in fiscal 2015 and 2014 are included under "Audit Fees."

(2) Audit-Related Fees consist of fees related to work performed around the release of the deferred tax asset valuation allowance.

(3) Tax Fees primarily relate to tax studies, statutory tax compliance and technical tax advice in both years presented.

(4) All Other Fees consist of fees for products and services other than the services described above. During fiscal 2015 and 2014, these fees related to a license to PricewaterhouseCoopers LLP's online accounting and auditing research tool and disclosure checklist.

Policy on Audit Committee Pre-Approval of Audit and the Permissible Non-Audit Services of Independent Registered Public Accounting Firm . . . . The Audit Committee's policy is to pre-approve 100% of all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis.

Independence of PricewaterhouseCoopers LLP . . . . The Audit Committee has determined that the accounting advice and tax services provided by PricewaterhouseCoopers LLP are compatible with maintaining PricewaterhouseCoopers LLP's independence.

Vote Required . . . . The affirmative vote of a majority of the shares present and entitled to vote at the Annual Meeting will be required to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

The Board unanimously recommends that you vote "FOR" the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2015 with respect to the shares of our Common Stock that may be issued under our existing equity compensation plans.

Plan Category	(A) Number of Securities to be Issued Upon Exercise of Outstanding Awards, Options, Warrants and Rights	(B) Weighted-Average Exercise Price of Outstanding Awards, Options, Warrants and Rights	(C) Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column A)
Equity Compensation Plans Approved by Security Holders (1) (2) (3) (4)	12,003,135	$7.50	13,173,545
Total	12,003,135	$7.50	13,173,545

(1) Data reflects our 1997 Stock Plan (the "1997 Plan"), our 2006 Equity Incentive Plan (the "2006 Plan"), our 2006 Employee Stock Purchase Plan (the "2006 ESPP"), our 2015 Equity Incentive Plan (the "2015 Plan") and our 2015 Employee Stock Purchase Plan (the "2015 ESPP").

(2) Our 2006 Plan was replaced by our 2015 Plan in 2015, 4,000,000 shares, as approved by our stockholders at our April 23, 2015 annual meeting. No further awards will be made under the 2006 Plan, but the plan will continue to govern awards previously granted thereunder. Any shares forfeited, cancelled, exchanged, surrendered or terminated under the terms of the 2006 Plan will become available for grant under the 2015 Plan.

(3) Our 2006 ESPP was replaced by our 2015 ESPP in 2015, 2,000,000 shares, as approved by our stockholders at our April 23, 2015 annual meeting. The final awards were made under the 2006 ESPP on November 2, 2015 and no further awards will be made under the plan with the remaining shares terminating at that time. The first offering period under the 2015 ESPP began on November 2, 2015.

(4) As a result of stockholder approval of our 2006 Plan, our 1997 Plan terminated and no further awards have been or will be made thereunder, but the plan will continue to govern outstanding awards granted under the plan.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Under the proxy rules of the SEC, a person who directly or indirectly has or shares voting power or investment power with respect to a security is considered a beneficial owner of the security. Voting power is the power to vote or direct the voting of shares, and investment power is the power to dispose of or direct the disposition of shares. Shares as to which voting power or investment power may be acquired within 60 days are also considered as beneficially owned under the proxy rules.

The following table sets forth certain information as of February 26, 2016, regarding beneficial ownership of our Common Stock by: (i) each person who is known to us to own beneficially more than five percent of our Common Stock; (ii) each of our current directors; (iii) each of the named executive officers in the Summary Compensation Table of this annual report; and (iv) the total for our current directors and current executive officers as a group. The information on beneficial ownership in the table and the footnotes is based upon our records and the most recent Schedule 13D or 13G filed by each such person or entity and information supplied to us by such person or entity. Unless otherwise indicated, each person has sole voting power and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares subject to options which are exercisable within 60 days of February 26, 2016 are deemed to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of such person, but are not deemed to be outstanding and to be beneficially owned for the purpose of computing the percentage ownership of any other person.

Name or Group of Beneficial Owners	Number of Shares Beneficially Owned	Options Exercisable in 60 days	Percentage of Shares Beneficially Owned (1)
Waddell & Reed Financial (2) 6300 Lamar Avenue Overland Park, KS 66202	11,718,106	—	10.7%
BlackRock, Inc (3) 55 East 52nd Street New York, NY 10055	10,955,369	—	10.0%
PRIMECAP Management Company (4) 225 South Lake Avenue, #400 Pasadena, CA 91101	9,324,322	—	8.5%
The Vanguard Group (5) 100 Vanguard Boulevard Malvern, PA 19355	8,908,755	—	8.1%
FMR LLC (6) 245 Summer Street Boston, MA 02210	8,358,681	—	7.6%
Ronald Black	931,800	860,177	*
Satish Rishi (7)	732,918	582,848	*
Laura Stark	324,083	257,007	*
Jae Kim	28,396	22,051	*
J. Thomas Bentley (8)	173,644	40,000	*
E. Thomas Fisher	11,666	11,666	*
Penelope A. Herscher (9)	115,773	60,000	*
Charles Kissner (10)	64,140	36,666	*
David Shrigley (11)	114,061	60,000	*
Eric Stang (12)	100,561	40,000	*
All current directors and executive officers as a group (10 persons)	2,597,042	1,970,415	2.3%
Shares Outstanding as of February 26, 2016			109,899,030

* (Less than 1%)

(1) Percentage of shares beneficially owned is based on 109,899,030 shares outstanding as of February 26, 2016.

(2) As reported on Schedule 13G/A on February 12, 2016. The Schedule 13G/A was filed jointly on behalf of Waddell & Reed Financial, Inc., Waddell & Reed Financial Services, Inc., Waddell & Reed, Inc., Waddell & Reed Investment Management Company and Ivy Investment Management Company in connection with the beneficial ownership of the Common Stock of Rambus Incorporated.
(3) As reported on Schedule 13G/A on January 27, 2016.
(4) As reported on Schedule 13G/A on February 12, 2016.
(5) As reported on Schedule 13G/A on February 10, 2016.
(6) As reported on Schedule 13G/A on February 12, 2016. The Schedule 13G/A was filed jointly on behalf of FMR LLC, and Abigail P. Johnson in connection with the beneficial ownership of the Common Stock of Rambus Incorporated.
(7) Includes 3,000 shares held in trust for which Mr. Rishi serves as a trustee.
(8) Includes 113,644 shares held in trust for which Mr. Bentley serves as a trustee and 20,000 shares held in partnership for which Mr. Bentley serves as a partner.
(9) Includes 55,773 shares held in trust for which Ms. Herscher serves as a trustee.
(10) Includes 27,474 shares held under an LLC for which Mr. Kissner serves as owner.
(11) Includes 4,300 shares gifted to foundation for which Mr. Shrigley serves as principal.
(12) Includes 60,561 shares held in trust for which Mr. Stang serves as a trustee.

EXECUTIVE OFFICERS OF THE COMPANY

Information regarding our executive officers and their ages and positions as of February 26, 2016, is contained in the table below. Our executive officers are appointed by, and serve at the discretion of, our Board of Directors. There is no family relationship between any of our executive officers.

Ronald Black, Ph.D.	52	President and Chief Executive Officer. Dr. Black has served as our president and chief executive officer since June 2012 and as a director since July 2012. Dr. Black was previously the Managing Director of R.D. Black & Company, a consulting firm, since August 2011. From September 2010 to August 2011, Dr. Black was the Chief Executive Officer of MobiWire, formerly Sagem Wireless, a privately-held mobile handset company headquartered near Paris, France that offers products and services to original equipment manufacturers and mobile network operators in the mobile phone marketplace. From June 2009 to October 2010, Dr. Black served as Chairman and CEO of UPEK, Inc. Dr. Black currently serves as a board member of Energy Focus Inc, a publicly held LED lighting technology developer, Microfabrica Inc, a privately held high precision metal parts fabricator, and FlexEnable Limited, a privately held producer of flexible electronics manufacturing platforms. From 2012 to March 2015, Dr. Black served on the board of EnOcean GmbH, a German-based company that manufactures and markets energy harvesting technology, sensors, and radio frequency communication. From September 2010 to November 2012, he served as a board member of AuthenTec, Inc., which he joined following the AuthenTec-UPEK merger in September 2010 and from 2007 to 2013, he served as a board member of Inside Contactless, a France-based company engaged in the semiconductors and information technology industry. From September 2004 to June 2009, he was chief executive officer of Wavecom S.A., a publicly traded French wireless solutions company. Dr. Black holds a Bachelor of Science, a Masters of Science, and a Ph.D. in materials science and engineering from Cornell University in Ithaca, N.Y.
Satish Rishi	56	Senior Vice President, Finance and Chief Financial Officer. Mr. Rishi joined us in his current position in April 2006. Prior to joining us, Mr. Rishi held the position of executive vice president of Finance and chief financial officer of Toppan Photomasks, Inc., (formerly DuPont Photomasks, Inc.) one of the world's leading photomask providers, from November 2001 to April 2006. During his career, Mr. Rishi has held senior financial management positions at semiconductor and electronic manufacturing companies. He served as vice president and assistant treasurer at Dell Inc. Prior to Dell, Mr. Rishi spent 13 years at Intel Corporation, where he held financial management positions both in the United States and overseas, including assistant treasurer. Mr. Rishi holds a B.S. with honors in Mechanical Engineering from Delhi University in Delhi, India and an M.B.A. from the University of California at Berkeley's Haas School of Business.

Laura Stark	47	Senior Vice President, GM, Emerging Solutions Division. Ms. Stark has served in her current position since July 2014. In addition to leading the efforts of overall strategy, including M&A activities, Ms. Stark leads our platform development efforts and long-range research and development. From August 2012 to July 2014, she served as our Senior Vice President, Corporate Strategy and M&A. From April 2008 to August 2012, Ms. Stark served as Senior Vice President, Corporate Development, from February 2005 to April 2008 as Senior Vice President, Platform Solutions and from October 2002 to February 2005 as vice president, Memory Interface Division. Ms. Stark held various business and management positions before becoming vice president, Memory Interface Division in October 2002. Prior to joining us, Ms. Stark held various positions in the semiconductor products division of Motorola, a communications equipment company, during a six year tenure, including technical sales engineer for the Apple sales team and field application engineer for the Sun and SGI sales teams. Ms. Stark holds a B.S. in Electrical Engineering from the Massachusetts Institute of Technology.
Jae Kim	45	Senior Vice President, General Counsel and Secretary. Mr. Kim has served as the senior vice president, general counsel and secretary since February 2013 and as our vice president, corporate legal since July 2010. Prior to his tenure at Rambus, Mr. Kim held senior legal positions at Aricent Inc., a privately-held communications technology company and Electronics for Imaging Inc., a digital printing technology company. Mr. Kim has also had significant experience in private practice with the law firm of Wilson Sonsini Goodrich & Rosati, P.C., where he advised high technology and emerging growth companies on mergers and acquisitions, private financings, public offerings, securities compliance, public company reporting and corporate governance. Mr. Kim began his legal career as an attorney with the United States Securities and Exchange Commission, Division of Corporation Finance, in Washington, D.C. Mr. Kim is a member of both the California State Bar and New York State Bar, and received a J.D. from the American University, Washington College of Law, and his bachelor's degree from Boston University.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Our Compensation Discussion and Analysis ("CD&A") is designed to provide our stockholders with an understanding of our compensation program in effect for our named executive officers ("NEOs") who consisted of the following executive officers for 2015:

- Ronald Black, Chief Executive Officer and President;
- Satish Rishi, Senior Vice President, Finance and Chief Financial Officer;
- Laura Stark, Senior Vice President, GM, Emerging Solutions Division; and
- Jae Kim, Senior Vice President, General Counsel and Secretary.

Our CD&A is organized as follows: (i) Executive Summary, (ii) Our Compensation Philosophy – Pay for Performance, (iii) NEO Compensation Process, (iv) Components of NEO Compensation, and (v) Other Policies and Elements of NEO Compensation.

EXECUTIVE SUMMARY

2015 Business Performance

In 2015, we continued our transition from a pure IP licensing model to one that delivers increasing value to the market through physical products. While celebrating our 25th anniversary, we launched our first branded product, the R+ DDR4 server memory chip for RDIMMs and LRDIMMs and revealed our Smart Data Acceleration research program to improve data center performance. At the same time, we continued to execute on our traditional patent licensing business by renewing key license agreements with IBM, Renesas, SK hynix and Toshiba. We also returned value to our stockholders through the initiation of a $100 million Accelerated Share Repurchase Program. In January 2016, we also acquired secure mobile payment and ticketing solutions to complement our CryptoManager platform. Our 2015 business results included:

- $296.3 million in annual revenue;
- $115.2 million in pro-forma operating income;
- 39% operating margin; and
- 4.5% share price increase in 2015 and a 138% share price increase over the last three years.

Executive Compensation Highlights

- Our compensation mix favors performance-based compensation. Approximately 88% of our CEO's and on average approximately 70% of our NEOs' total actual direct compensation was subject to our financial and/or share price performance in 2015 (excluding one-time RSU retention awards granted in December 2015).
- Our annual incentive compensation program is funded based on our pro-forma operating income, a financial measure we believe incents our annual financial and business objectives. For 2015, annual incentive compensation under our Corporate Incentive Plan ("CIP") was funded at 98.7% of target. Payout levels ranged from 98.7% to 136.2% of target for our NEOs.
- To further align executive compensation with stockholder interests, in 2015, we introduced performance units, which become eligible for time-based vesting based on one-year operating margin results. Based on our 2015 operating margin performance, 106.3% of the target number of performance units became eligible for time-based vesting.

- In February 2015, we entered into change of control severance agreements with our executive officers, except our CEO who has an employment agreement that governs certain change of control severance obligations applicable to him, that are designed to promote stability and retention of senior management prior to and following a change of control.
- In December 2015, as a part of a company-wide program for key employees, we made a special one-time award of RSUs to our NEOs, other than our CEO, to bolster retention and also to address the competitive market for talent in the Bay Area, which has been amplified by robust consolidation across the semiconductor industry.
- The advisory vote on executive compensation at our 2015 annual meeting received approval from 97.9% of the votes cast.
- Our shareholders approved two new equity plans, our 2015 equity incentive plan and 2015 employee stock purchase plan, and each received approval by over 90% of the votes cast.
- We maintained high governance standards in our executive compensation practices, including best practices with respect to minimum equity ownership guidelines, perquisites, compensation recovery, independent compensation committee advisors and insider trading. See "Other Policies and Elements of NEO Compensation" below.

OUR COMPENSATION PHILOSOPHY — PAY FOR PERFORMANCE

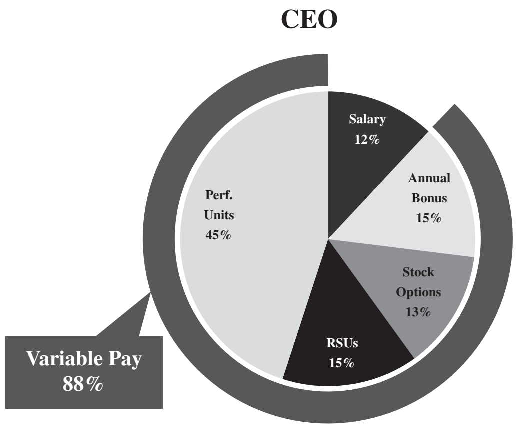
Our NEO compensation program is designed to align NEO compensation to business objectives and company financial performance and to motivate NEOs to enhance long-term stockholder value. The objectives of our executive compensation program are to attract, retain, motivate, and reward executives in order to enhance the long-term profitability of the company, foster stockholder value creation, and align executives' interests with those of our stockholders. The principal components of our executive compensation program in 2015 were base salary, annual cash incentive awards and equity incentive awards. We believe that a substantial portion of total compensation for our executives should be variable and dependent on company and individual performance.

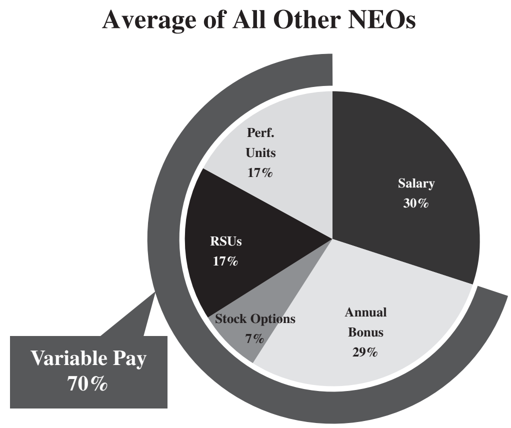
Total Compensation: Opportunity Aligned with Stockholder Value

From December 31, 2012 to December 31, 2015, our stock price has increased 138%. Total compensation for our CEO increased 53% over the same time period. Average total compensation for our NEOs, excluding our CEO, increased 70% over the same time period, excluding the one-time RSU retention awards that reflect a jump in value given that the award was valued when granted in December 2015. See "December 2015 Retention RSU Grants" below for more information regarding these grants.

Pay Mix: Aligned with Financial Performance and Share Price

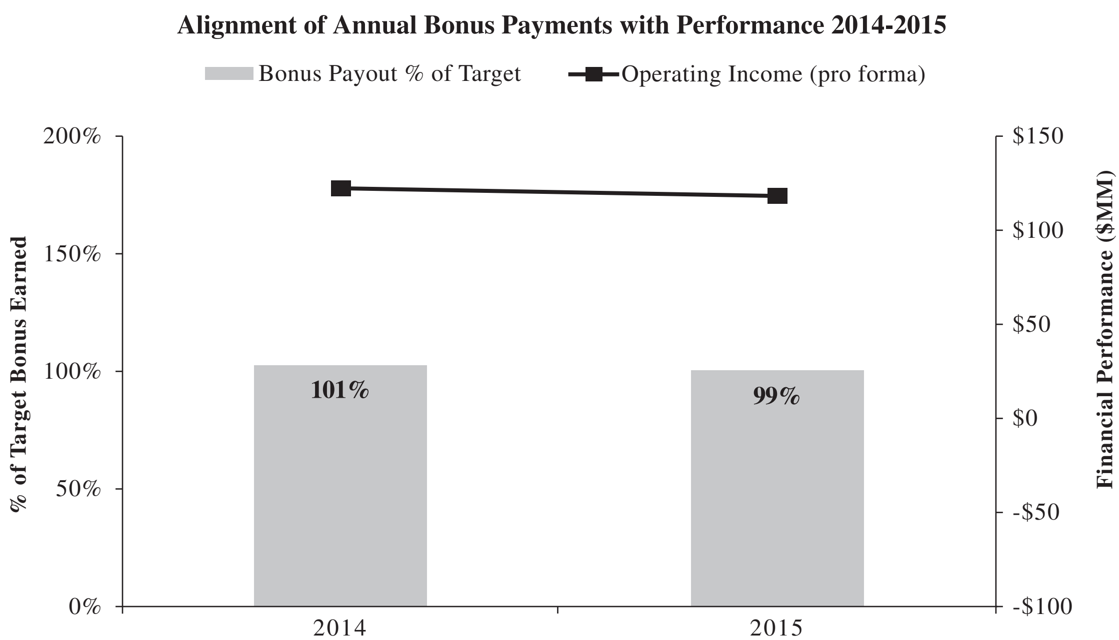
Approximately 88% of our CEO's and on average approximately 70% of our NEOs' 2015 total actual direct compensation was subject to the Company's financial and/or share price performance (excluding one-time RSU retention awards granted in December 2015). This performance mix for our NEOs included equity incentives that consisted of stock options, restricted stock units and performance units. The charts below show the percentage amounts for salary, annual cash incentive awards, and long-term equity incentive awards for our CEO and other NEOs, in other words, the mix of pay.





Annual Incentive Payouts: Aligned with Financial Performance

For our 2015 CIP, we measured our annual financial performance using pro forma operating income (described in more detail in the "Components of NEO Compensation" section). Pro forma operating income is a non-GAAP measure that we believe is a meaningful measure of the Company's core financial performance that supports our short-term and long-term business objectives. The total 2015 NEO annual CIP incentive payout pool was funded at 98.7% of the target bonus amount pursuant to the CIP. Payout levels ranged from 98.7% to 136.2% of target for our NEOs.



NEO COMPENSATION PROCESS

The Role of the Compensation Committee

The Compensation Committee is responsible for determining and approving CEO compensation, approving compensation recommendations for NEOs, recommending to the Board changes to the non-employee director compensation program, approving the overall levels of equity to be granted each year, and determining the amount of funding that will be available for CIP, among other duties expressed in its charter. In performing these duties, the Compensation Committee evaluates the performance of the CEO, and reviews and evaluates the existing NEO compensation programs. The Compensation Committee has the authority to obtain advice and assistance from internal or external compensation consultants, attorneys, accountants, and other advisers. The Board of Directors annually evaluates the independence of its members.

In 2015, the Compensation Committee considered multiple factors to ensure that compensation packages were consistent with our pay for performance philosophy and that we remain competitive in the market for talent. Important factors considered in the decision-making process included Company performance, individual leadership and performance assessments, market compensation levels, job scope, individual skills and experience, the relative importance of the individual's role, internal pay equity, historical pay levels, and equity holdings.

In 2015, the Compensation Committee reviewed comprehensive performance assessments of the NEOs and conducted a review of the CEO's performance. This assessment included an evaluation of pre-established strategic objectives and review of direct feedback from managers, peers and subordinates. The Compensation Committee also held an annual joint meeting with the full Board of Directors to review and discuss Company leadership development, performance objectives and emergency and long-term succession planning.

The Role of the Independent Compensation Consultant

In 2015, the Compensation Committee continued to retain Semler Brossy Consulting Group, LLC ("SBCG") to assist in evaluating executive and director compensation. In addition, SBCG prepared materials and analyses for the Compensation Committee on CEO compensation. The Compensation Committee reviewed and approved CEO compensation, and the CEO was not present for any voting or deliberations regarding CEO compensation. SBCG reports directly to the Compensation Committee, and works collaboratively with management and the Compensation Committee. Pursuant to SEC rules, the Compensation Committee has assessed the independence of SBCG, and concluded that no conflict of interest exists that would prevent SBCG from independently representing the Compensation Committee. SBCG does not perform other services for the Company, and will not do so without the prior consent of the Compensation Committee. SBCG regularly meets with the Compensation Committee outside the presence of management.

The Role of Management

Each year, the CEO and the Senior Vice President of Human Resources present to the Compensation Committee annual performance reviews and compensation recommendations for the NEOs, excluding the CEO. Evaluation of CEO performance and compensation is determined by the Compensation Committee without the presence or consultation of the CEO. Management personnel works with SBCG to prepare compensation information and assessments for the Compensation Committee's consideration.

In addition, once the Compensation Committee determines the amount of funding available for CIP, the CEO allocates this funding to each operating or business unit of the Company based on a measurement of each unit's achievement levels against the unit's specific performance milestones in relation to the Company's overall performance targets, and recommends a specific CIP award for each NEO other than himself. The Compensation Committee reviews and assesses the CEO's proposed CIP award for each NEO.

Peer Group Comparisons

Each year, SBCG, together with senior members of our Human Resources department, defines and assesses the appropriateness of a group of similarly situated companies, referred to as the Compensation Peer Group, for purposes of assisting the Compensation Committee to determine whether the total compensation opportunity available to our NEOs is appropriate and competitive. The Compensation Committee reviews and approves the Compensation Peer Group as recommended by management and SBCG. The Compensation Peer Group for fiscal year 2015 compensation was approved by the Committee in July 2014 and consisted of 16 companies selected based on a number of key attributes, including revenue, technological complexity, industry and business characteristics, market capitalization and number of employees.

2015 Peers

Applied Micro Circuits Corporation	InterDigital, Inc.	Power Integrations Inc.
Cavium Networks, Inc.	Lattice Semiconductor Corporation	Ruckus Wireless Inc.
DSP Group, Inc.	Monolithic Power Systems	Semtech Corporation
FormFactor, Inc.	OmniVision Technologies, Inc.	Silicon Laboratories Inc.
Integrated Device Technology, Inc.	PMC-Sierra, Inc.	Tessera Technologies, Inc.
Integrated Silicon Solution		

The Compensation Committee also reviewed data from the Radford Select Executive Compensation Report to supplement the publicly available Compensation Peer Group data.

The Role of Our 2015 Advisory Vote on Executive Compensation

The advisory vote on executive compensation at our 2015 annual meeting was approved by 97.9% of the votes cast. The Compensation Committee is committed to ensuring that the Company's compensation programs are consistent with the Company's pay for performance philosophy and deliver appropriate results given Company financial performance and business conditions. During the course of our 2015 proxy season, as we have in past years, we continued to engage in ongoing discussions with institutional investors to gather input and feedback on our executive compensation program. Stockholder feedback will remain an important input into the Compensation Committee's work on the compensation programs for the Company.

COMPONENTS OF NEO COMPENSATION

The Company's executive compensation program consists of the following components:

- Annual Base Salary
- Annual Cash Incentive Compensation — Corporate Incentive Plan
- Long Term Equity Incentive Compensation

Annual Base Salary

Salaries are provided to employees as compensation for services to the Company and to meet the objectives of attracting and retaining the talent needed to run our Company. The Compensation Committee evaluates base salaries for our NEOs on an annual basis. The Compensation Committee considers a number of factors, including the NEO's salary history, current compensation levels, responsibilities, experience, individual and Company performance, and market information when determining and approving NEO salary increases. The Compensation Committee also reviews potential changes in CIP and equity when considering changes in base salary.

For 2015, the Compensation Committee approved increases in the base salary for Ms. Stark and Mr. Kim to reflect increased corporate responsibilities and individual performance, and based on a review of market compensation levels. No other NEOs received increases in their base salary levels for 2015.

For 2016, the Compensation Committee approved an increase in the base salary for Mr. Rishi to reflect individual performance and based on a review of market compensation levels. No other NEOs received increases in their base salary levels for 2016, as reflected below under the section "2016 CIP".

Annual Cash Incentive Compensation — Corporate Incentive Plan

2015 CIP

Our annual cash incentive compensation is designed to motivate and reward our NEOs for achieving our annual financial and business objectives. Consistent with our approach in 2014, annual cash incentive bonuses with respect to 2015 performance were based on the achievement of a pre-established and objective performance goal of pro forma operating income. We chose this measure because we believe it provides a meaningful measure of core financial performance and supports our short-term business objectives.

Pro forma operating income is a non-GAAP measure that consists of GAAP operating income, excluding stock-based compensation expense, amortization expense, certain acquisition related expenses, retention bonuses, restructuring expenses and certain other one-time or extraordinary expenses or credits. Other one-time or extraordinary expense or income items may be excluded from pro forma operating income as determined by the Compensation Committee.

To align payouts with Company performance, plan funding has a sliding scale that provides for annual incentive bonus payouts greater than the target bonus if results are greater than target or less than the target bonus if results are lower than the target. CIP funding can range from 0% to 200%. In accordance with the plan, 2015 CIP was measured at mid-year based on estimated expectations of the full year's achievement against the performance target. The measurement resulted in a progress payment of 40% of the full year target payment. Final payments for fiscal 2015 reflected actual Company performance in 2015, net of the mid-year performance payment. The 2015 performance targets and results of pro forma operating income were as follows:

Target	Actual Performance	CIP Funding
$116.5M	$115.0M	98.7%

Individual CIP payouts for NEOs ranged from 98.7% to 136.2% of target based on an assessment of individual performance and the performance of his or her division, business unit or other area of responsibility. In 2015, our NEOs participated in the 2015 CIP for their annual cash incentive compensation on the same terms as other participants.

	2015 CIP Target		2015 CIP Payouts	
Executive	2015 CIP Target	% of Base Salary	Total 2015 CIP Payout	% of Total Target CIP
Ronald Black	$618,000	120%	$610,000	98.7%
Satish Rishi	$280,000	86%	$381,376	136.2%
Laura Stark	$280,000	93%	$322,838	115.3%
Jae Kim	$220,000	73%	$217,140	98.7%

2016 CIP

Our 2016 CIP will be structured in the same way as our 2015 CIP with Company performance tied to a pre-established pro forma operating income target in a similar manner as described above. Individual NEO 2016 CIP targets are as follows:

Executive	2016 Base Salary	2016 CIP Target	% of Base Salary	% of Base Salary Increase from 2015	CIP Target Increase from 2015
Ronald Black	$515,000	$618,000	120%	0%	0%
Satish Rishi	$340,000	$280,000	82%	4.6%	0%
Laura Stark	$300,000	$300,000	100%	0%	7.1%
Jae Kim	$300,000	$230,000	77%	0%	4.6%

Long Term Equity Incentive Compensation

Our equity incentives encourage the achievement of superior results over time and align the interests of our executive officers and stockholders because the value of the equity incentives is based on the price of the Company's stock. Our equity awards are subject to vesting provisions to encourage executive officers to remain employed with us. To determine annual equity awards with respect to a completed fiscal year, the Compensation Committee reviews each NEO's performance and contribution during such year, as well as current market information, external competitive circumstances, overall ownership and vesting schedules of existing equity held by the NEO.

The Compensation Committee annually evaluates the structure of the equity compensation program to ensure that grants appropriately support our strategic and financial objectives. NEO annual equity awards granted in February 2015 represented a mix of stock options, RSUs and performance units as an incentive for share price growth and financial performance. In addition, in December 2015, the Compensation Committee made one-time RSU grants to our NEOs, other than our CEO, designed to act as retention grants with annual vesting over four years, in part to address the competitive market for talent in the Bay Area. In determining the number of shares subject to these grants, the Compensation Committee considered a number of factors, consistent with the approach described above, with a particular focus on individual performance, our stock price and execution of our long-term growth strategy.

February 2015 Equity Incentive Compensation Program

During 2014, we reviewed the structure of our equity incentive compensation program to determine whether any changes were warranted in terms of objectives, mechanics and performance measures. Our primary goal in refining our long-term incentive program was to keep our management team aligned with the interests of our stockholders by driving stock performance. Our secondary goal was to continue the talent retention and recruitment benefits of long-term incentive awards. We sought to balance these goals and outcomes over time through the form of the equity awards we granted. As part of this review, the Compensation Committee considered the input of stockholders, and analysis of our incentive programs provided by SBCG. Based on SBCG's analysis and our current corporate strategy and direction, management developed and proposed changes to our executive compensation program that the Compensation Committee approved.

For 2015, the Compensation Committee approved the introduction of performance units and time based RSUs into the equity incentive compensation program for all executive officers. As implemented in February 2015, this equity program for our CEO and other NEOs was designed to deliver equity awards as follows:

	Stock Options	Time Based RSUs	Performance Units
CEO	20%	20%	60%
Other NEOs	20%	40%	40%

The program was designed such that 80% of the value of the equity awards (options and performance units) granted to our Chief Executive Officer in 2015 was subject to both the risk of the Company's financial and stock performance and 60% of the value of the equity awards (options and performance units) granted to our other NEOs in 2015 was subject to both the risk of the Company's financial and stock performance.

With respect to the performance unit awards, a target number of shares of our common stock subject to such units will be awarded to each of our NEOs and such units will become earned based on the Company's operating margin for the fiscal year period in which the performance unit was awarded. We believe operating margin is a key measure of both growth and cost discipline, which complements our annual CIP bonus plan's measure of pro forma operating income. The ultimate number of shares that become eligible for time-based vesting can range from 0% to 150% of target depending on performance relative to target over the applicable period. Time-based vesting takes place after the performance level is achieved and determined. 100% of the shares that become subject to time-based vesting, vest on the third anniversary of the date of grant, subject to continued service. The performance units are designed to reward performance by linking grants to an objective Company performance measure while promoting employee retention through subsequent time based vesting.

The 2015 performance unit targets and results of operating margin were as follows:

Target	Actual Performance	Achievement
38%	39%	106.3%

As a result of these performance unit achievements, individual NEOs became eligible for time-based vesting in the following share amounts: Mr. Black-173,866; Mr. Rishi-17,000; Ms. Stark-17,000; and Mr. Kim-13,812.

December 2015 Retention RSU Grants

To further bolster retention of key employees Company-wide, in December 2015 the Compensation Committee granted time-based RSUs to all of our NEOs other than our CEO. These RSUs will vest in equal annual installments over a four-year period from the date of grant, subject to continued service. Based on overall market data and the level of long-term equity incentive compensation for these NEOs, our Compensation Committee determined this grant would bolster retention by addressing the competitive market for talent in the Bay Area, which has been amplified by robust consolidation across the semiconductor industry. See "Executive Compensation Tables — Grants of Plan Based Awards" below for specific NEO award amounts.

OTHER POLICIES AND ELEMENTS OF NEO COMPENSATION

Benefits

We do not provide any perquisites to NEOs that are not generally available to the broad employee population with the exception of termination benefits and travel reimbursements to Dr. Black pursuant to his employment agreement and termination benefits to the other NEOs based on change of control severance agreements. Our NEOs are eligible to participate in our 401(k) plan, our health and welfare benefits, our Employee Stock Purchase Plan and our User-Owned Personal Computing Devices reimbursement program on the same terms as other eligible employees.

Stock Ownership Guidelines

Our executives are required to hold 50% of after-tax shares realized upon vesting or exercise of equity awards on an after tax basis until they reach the required levels of 5x base salary for the CEO and 3x base salary for the other executive officers. Our executives are required to achieve the required levels within five years of the date such officer assumes their position. For purposes of these guidelines, ownership includes shares owned outright, unvested restricted stock and restricted stock units, and the value of vested and unexercised stock options. As of December 31, 2015, all of our NEOs were in compliance with this policy.

Hedging

As stated in our Code of Business Conduct and Ethics, all of our employees and directors are prohibited from engaging in hedging transactions in Rambus shares, including short sales and purchases of put options.

Equity Grant Policy

Annual equity awards to NEOs are granted on February 1st of each year or the first trading day thereafter. Currently, awards granted consist of stock options, RSUs and performance units. Stock options are priced at the fair market value on the date that the grant becomes effective while RSUs and performance units are full value awards. The number of shares and key terms of the awards are approved by the Compensation Committee prior to the scheduled award date, February 1st or the first trading day thereafter. On occasion, the Compensation Committee approves other equity awards during the year in addition to the annual equity awards, as was the case with the December 2015 retention RSU grants to our NEOs other than our CEO.

Compensation Recovery

The Compensation Committee reserves the right to reduce or withhold future compensation based on any required restatement or adjustment, and to determine the extent to which recovery of prior compensation may be pursued in the event of future adjustments caused by fraud on the part of an executive of Rambus. The Compensation Committee will adopt a policy that complies with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act when such rules are promulgated.

Change of Control Payments

Outstanding equity awards for our NEOs, including our CEO, may vest upon a "double-trigger" termination in the event of a change of control.

As part of our annual compensation program review, in February 2015, we entered into change of control severance agreements with our executive officers, except our CEO who has an employment agreement that governs certain change of control severance obligations applicable to him. These agreements are designed to promote stability and retention of senior management prior to and following a change of control and to align executive and stockholder interests by enabling executives to consider corporate transactions that are in the best interests of the stockholders and other constituents of the Company without undue concern over whether the transactions may jeopardize the executives' own employment.

Dr. Black's employment agreement with the Company includes, among other terms, certain payments for Dr. Black in the event of his termination, a change of control of the Company, or both. The Compensation Committee believed that including these provisions in Dr. Black's employment agreement was appropriate given the context of changes in the Company's leadership at that time.

See "Executive Compensation Tables — Potential Payments Upon Termination or Change of Control" below for a discussion of potential payments to our NEOs including our CEO.

Tax Considerations

Under Section 162(m), a corporation cannot deduct compensation it pays to its Chief Executive Officer and certain other executive officers in excess of $1 million unless such compensation is considered "qualified performance-based compensation" as defined in Section 162(m). Compensation that qualifies as "performance-based" generally must meet the requirement that it is payable only upon attainment of pre-established, objective performance goals under a plan that has been approved by the corporation's stockholders. The Compensation Committee considers the potential future effects of Section 162(m) when determining NEO compensation and does approve compensation to our NEOs that does not satisfy the requirements of Section 162(m) when it believes that other considerations outweigh the tax deductibility of the compensation. The Compensation Committee intends to continue evaluating all of our executive compensation and may qualify such compensation as performance based compensation under Section 162(m) to the extent applicable, and so long as the Compensation Committee determines that doing so is in the Company's best interests.

Compensation Program Risk Evaluation

The Compensation Committee annually reviews the elements of NEO compensation to determine whether any portion of the overall program encourages excessive risk taking. The Committee's current assessment is that although the majority of compensation provided to our NEOs is performance-based, our compensation programs do not encourage excessive or unnecessary risk taking. The Committee believes that the design of these compensation programs encourages our NEOs to remain focused on both short-term and long-term strategic goals.

COMPENSATION COMMITTEE REPORT

Our Compensation Committee, as of February 17, 2016, reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this report.

THE COMPENSATION COMMITTEE

Penelope A. Herscher (Chairperson)
E. Thomas Fisher
Charles Kissner

EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

The following table shows compensation information for 2013, 2014 and 2015 for the NEOs.

Name and Title	Year	Salary ($)	Stock Awards(1) ($)	Option Awards(1) ($)	Non-Equity Incentive Plan Compensation(2) ($)	All Other Compensation(3) ($)	Total ($)
Ronald Black	2015	515,000	2,456,752	550,656	610,000	63,325	4,195,733
President and Chief	2014	515,000	—	899,783	624,180	12,026	2,050,989
Executive Officer	2013	515,000	241,834	443,251	669,500	17,809	1,887,394
Satish Rishi	2015	325,000	1,021,254	80,304	381,376	44,226	1,852,160
Senior Vice President,	2014	325,000	—	195,605	395,000	9,720	925,325
Finance and Chief Financial Officer	2013	325,000	—	116,645	364,000	9,090	814,735
Laura Stark	2015	299,167	1,021,254	80,304	322,838	47,350	1,770,913
Senior Vice President, GM, Emerging Solutions Division	2014(4)	288,750	—	195,605	240,000	9,720	734,075
Jae Kim	2015	299,167	828,262	64,243	217,140	35,589	1,444,401
Senior Vice President,	2014	288,750	—	176,045	220,000	9,720	694,515
General Counsel and Secretary	2013	272,083	27,300	93,316	350,000	9,090	751,789

(1) Amounts shown do not reflect compensation actually received by the named executive officer. Instead, the amounts shown are the aggregate grant date fair value computed in accordance with the provisions of FASB ASC Topic 718. The assumptions used to calculate the value of stock and stock option awards are set forth under Note 12 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015.

(2) Amounts for 2015 consist of compensation earned for services rendered in 2015 and are based upon the achievement of certain targets under the 2015 Corporate Incentive Plan targets. The target and achievement results were reviewed and approved by the Compensation Committee. The plan is further described under "Compensation Discussion & Analysis — Components of NEO Compensation — Annual Cash Incentive Compensation — Corporate Incentive Plan."

(3) The details of "All Other Compensation" for NEOs for 2015 are described in this Proxy Statement under "Compensation Disclosure and Analysis — Other Policies and Elements of NEO Compensation — Benefits," and "Other Compensation and Governance Policies." For 2015, "All Other Compensation" includes a one-time payment with respect to accrued vacation paid to all employees in connection with the Company's transition to a Flexible Time Off program as follows: Mr. Black — $51,993; Mr. Rishi — $33,636; Ms. Stark — $36,760; and Mr. Kim — $24,999. Under the Flexible Time Off program, employees no longer accrue vacation time or maintain vacation balances, but instead are encouraged to take time off when needed.

(4) Not an NEO in 2013.

Grants of Plan Based Awards

The following table shows all plan-based awards granted to the NEOs during 2015. The option awards and the unvested portion of the stock awards identified in the table below are also reported in the Outstanding Equity Awards at 2015 Year End Table that follows.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payments Under Equity Incentive Plan Awards			All Other Stock Awards; Number of Shares or Stock Units(2)(3) (#)	All Other Option Awards; Number of Securities Underlying Options (2) (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock & Option Awards(4) ($)
Name	Grant Date	Approval Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Ronald Black	2/2/2015	1/21/2015	N/A	$618,000	$1,236,000	—	—	—	—	120,000	11.26	550,656
	2/2/2015	1/21/2015							54,544			614,165
	2/2/2015	1/21/2015				50%	100%	150%	81,820			921,293
	2/2/2015	1/21/2015				50%	100%	150%	81,820			921,293
Satish Rishi	2/2/2015	1/21/2015	N/A	$280,000	$ 560,000	—	—	—	—	17,500	11.26	80,304
	2/2/2015	1/21/2015							16,000			180,160
	2/2/2015	1/21/2015				50%	100%	150%	16,000			180,160
	12/1/2015	12/1/2015							55,032			660,934
Laura Stark	2/2/2015	1/21/2015	N/A	$280,000	$ 560,000	—	—	—	—	17,500	11.26	80,304
	2/2/2015	1/21/2015							16,000			180,160
	2/2/2015	1/21/2015				50%	100%	150%	16,000			180,160
	12/1/2015	12/1/2015							55,032			660,934
Jae Kim	2/2/2015	1/21/2015	N/A	$220,000	$ 440,000	—	—	—	—	14,000	11.26	64,243
	2/2/2015	1/21/2015							13,000			146,380
	2/2/2015	1/21/2015				50%	100%	150%	13,000			146,380
	12/1/2015	12/1/2015							44,588			535,502

(1) Amounts shown are estimated payouts for 2015 to the NEOs based on the 2015 bonus targets under the plan discussed under "Compensation Discussion & Analysis — Components of NEO Compensation — Annual Cash Incentive Compensation — Corporate Incentive Plan." Actual bonuses received by these named executive officers for 2015 are reported in the Summary Compensation for Fiscal Year 2015 table under the column entitled "Non-Equity Incentive Plan Compensation" and described under "Compensation Discussion & Analysis — Components of NEO Compensation — Annual Cash Incentive Compensation — Corporate Incentive Plan."

(2) The stock options, restricted stock units and performance units granted on February 2, 2015 were granted as part of the Company's regular performance review process. The stock options and restricted stock units will vest based on the executive continuing to provide services to the Company through the applicable vesting dates. The performance unit grants will become earned based upon the performance level achieved tied to the Company's operating margin for the fiscal year in which the performance unit was awarded and the executive continuing to provide services to the Company through the applicable vesting dates. The vesting of the performance units will take place on the third anniversary of the date of grant.

(3) The restricted stock units granted to certain executives on December 1, 2015 were granted to further bolster executive retention. The restricted stock units will vest based on the executive continuing to provide services to the Company through the applicable vest dates.

(4) The value of a stock option, restricted stock unit or performance unit grant is based on the fair market value as of the grant date of such award determined pursuant to FASB ASC Topic 718. The exercise price for all options granted to the named executive officer is 100% of the fair market value of the shares on the grant date. The restricted stock unit and performance unit grants are full value awards and do not have an exercise price.

Outstanding Equity Awards at Fiscal Year End

The following table shows all outstanding equity awards held by the NEOs as of December 31, 2015. Unvested stock awards reported in the Grants of Plan Based Awards table above are also included in the table below.

Name	# of Securities Underlying Unexercised Options (#) Exercisable	# of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	# of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (1)($)
Ronald Black	22,285	97,715(2)	$11.26	2/2/2025	—	$ —
	—	—	$ 0.00	—	81,820(3)	$948,294
	—	—	$ 0.00	—	81,820(4)	$948,294
	—	—	$ 0.00	—	54,544(5)	$632,165
	101,857	128,143(6)	$ 8.76	2/3/2024	—	$ —
	133,000	57,000(7)	$ 5.46	2/1/2023	—	$ —
	—	—	$ 0.00	—	14,764(8)	$171,115
	505,750	89,250(9)	$ 5.76	7/2/2022	—	$ —
	—	297,500(10)	$ 5.76	7/2/2022	—	$ —
	—	297,500(11)	$ 5.76	7/2/2022	—	$ —
Satish Rishi	—	—	$ 0.00	—	55,032(12)	$637,821
	3,250	14,250(2)	$11.26	2/2/2025	—	$ —
	—	—	$ 0.00	—	16,000(4)	$185,440
	—	—	$ 0.00	—	16,000(5)	$185,440
	22,142	27,858(6)	$ 8.76	2/3/2024	—	$ —
	35,000	15,000(7)	$ 5.46	2/1/2023	—	$ —
	—	45,000(13)	$ 4.13	8/1/2022	—	$ —
	—	45,000(14)	$ 4.13	8/1/2022	—	$ —
	43,071	1,929(15)	$ 7.31	2/1/2022	—	$ —
	—	—	$ 0.00	—	1,500(16)	$ 17,385
	33,833	1,167(17)	$20.93	2/1/2021	—	$ —
	32,000	— (18)	$22.72	2/1/2020	—	$ —
	40,385	— (19)	$ 8.55	2/2/2019	—	$ —
	40,000	— (20)	$19.86	2/1/2018	—	$ —
	100,000	— (21)	$18.69	2/1/2017	—	$ —
	220,000	— (22)	$40.80	4/11/2016	—	$ —
Laura Stark	—	—	$ 0.00	—	55,032(12)	$637,821
	3,250	14,250(2)	$11.26	2/2/2025	—	$ —
	—	—	$ 0.00	—	16,000(4)	$185,440
	—	—	$ 0.00	—	16,000(5)	$185,440
	22,142	27,858(6)	$ 8.76	2/3/2024	—	$ —
	35,000	15,000(7)	$ 5.46	2/1/2023	—	$ —
	—	55,000(13)	$ 4.13	8/1/2022	—	$ —
	—	55,000(14)	$ 4.13	8/1/2022	—	$ —
	38,285	1,715(15)	$ 7.31	2/1/2022	—	$ —
	—	—	$ 0.00	—	1,250(16)	$ 14,488
	29,000	1,000(17)	$20.93	2/1/2021	—	$ —
	30,000	— (18)	$22.72	2/1/2020	—	$ —
	26,544	— (19)	$ 8.55	2/2/2019	—	$ —
	60,000	— (21)	$18.69	2/1/2017	—	$ —
	70,000	— (23)	$22.94	1/6/2016	—	$ —
Jae Kim	—	—	$ 0.00	—	44,588(12)	$516,775
	2,600	11,400(2)	$11.26	2/2/2025	—	$ —
	—	—	$ 0.00	—	13,000(4)	$150,670
	—	—	$ 0.00	—	13,000(5)	$150,670
	10,227	25,072(6)	$ 8.76	2/3/2024	—	$ —
	3,327	7,500(7)	$ 5.46	2/1/2023	—	$ —
	1,996	4,500(7)	$ 5.46	2/1/2023	—	$ —
	—	—	$ 0.00	—	2,500(24)	$ 28,975
	1,718	— (25)	$ 5.63	8/2/2020	—	$ —
	783	— (25)	$ 5.63	2/1/2021	—	$ —
	5,338	643(15)	$ 7.31	2/1/2022	—	$ —
	—	—	$ 0.00	—	1,000(16)	$ 11,590

(1) The market value is calculated using the closing price of our Common Stock of $11.59 on December 31, 2015 (the last trading day of 2015), as reported on The Nasdaq Global Select Market (NASDAQ), multiplied by the unvested stock amount.

(2) The option was granted on February 2, 2015. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vest in equal monthly installments until they are fully vested on February 2, 2019.

(3) The performance restricted stock units were granted on February 2, 2015. The number of shares earned will range between 0% to 150% of target shares granted. Vesting takes place after the performance level is achieved and determined relative to pro forma operating margin for fiscal year 2015 and service is completed through the third anniversary of the date of grant.

(4) The performance stock units were granted on February 2, 2015. The number of shares earned will range between 0% to 150% of target shares granted. Vesting takes place after the performance level is achieved and determined relative to pro forma operating margin for fiscal year 2015 and service is completed through the third anniversary of the date of grant.

(5) The restricted stock units were granted on February 2, 2015. 25% of the total shares granted will vest annually until fully vested on February 2, 2019.

(6) The option was granted on February 3, 2014. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vest in equal monthly installments until they are fully vested on February 3, 2018.

(7) The option was granted on February 1, 2013. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vest in equal monthly installments until they are fully vested on February 1, 2017.

(8) The restricted stock units were granted on February 1, 2013. 1/3rd of the total shares granted will vest annually until fully vested on February 1, 2016.

(9) The option was granted on July 2, 2012. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vest in equal monthly installments until they are fully vested on July 2, 2016.

(10) The performance option was granted on July 2, 2012. Shares subject to the option fully vest on June 25, 2015 if Rambus common stock has previously attained a closing price on NASDAQ of $15.00 or more over any 60 consecutive trading day period. If such performance milestone is not achieved by June 25, 2015, the option will become fully vested upon the subsequent date, if any, upon which such performance milestone is achieved prior to June 25, 2017, and if such performance milestone is not achieved prior to June 25, 2017, the option will terminate.

(11) The performance option was granted on July 2, 2012. Shares subject to the option fully vest on June 25, 2015 if Rambus common stock has previously attained a closing price on NASDAQ over any 60 consecutive trading day period as follows: 20% will vest with a closing price of $16.00; 20% will vest with a closing price of $17.00; 20% will vest with a closing price of $18.00; 20% will vest with a closing price of $19.00; and 20% will vest with a closing price of $20.00. If the option has not vested, or has only partially vested by June 25, 2015, the option will vest if and to the extent the related performance milestones are achieved prior to June 25, 2017, and if the related performance milestones are not achieved prior to June 25, 2017, the unvested portion of the option will terminate.

(12) The restricted stock units were granted on December 1, 2015. 25% of the total shares granted will vest annually until fully vested on December 1, 2019.

(13) The performance option was granted on August 1, 2012. Shares subject to the option fully vest on August 1, 2015 if Rambus common stock has previously attained a closing price on NASDAQ of $15.00 or more over any 60 consecutive trading day period. If such performance milestone is not achieved by August 1, 2015, the option will become fully vested upon the subsequent date, if any, upon which such performance milestone is achieved prior to August 1, 2017, and if such performance milestone is not achieved prior to August 1, 2017, the option will terminate.

(14) The performance option was granted on August 1, 2012. Shares subject to the option fully vest on August 1, 2015 if Rambus common stock has previously attained a closing price on NASDAQ over any 60

consecutive trading day period as follows: 20% will vest with a closing price of $16.00; 20% will vest with a closing price of $17.00; 20% will vest with a closing price of $18.00; 20% will vest with a closing price of $19.00; and 20% will vest with a closing price of $20.00. If the option has not vested, or has only partially vested by August 1, 2015, the option will vest if and to the extent the related performance milestones are achieved prior to August 1, 2017, and if the related performance milestones are not achieved prior to August 1, 2017, the unvested portion of the option will terminate.

(15) The option was granted on February 1, 2012. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vest in equal monthly installments until they are fully vested on February 1, 2016.

(16) The restricted stock units were granted on February 1, 2012. 25% of the total shares granted will vest annually until fully vested on February 1, 2016.

(17) The option was granted on February 1, 2011. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vest in equal monthly installments until they are fully vested on February 1, 2016.

(18) The option was granted on February 1, 2010. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vest in equal monthly installments until they are fully vested on February 1, 2015.

(19) The option was granted on February 2, 2009. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vested in equal monthly installments until they were fully vested on February 2, 2014.

(20) The option was granted on February 1, 2008. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vested in equal monthly installments until they were fully vested on February 1, 2013.

(21) The option was granted on February 1, 2007. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vested in equal monthly installments until they were fully vested on February 1, 2012.

(22) The option was granted on April 11, 2006. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vested in equal monthly installments until they were fully vested on April 11, 2011.

(23) The option was granted on January 6, 2006. Options representing 1/10th of the total shares granted vested six months from the grant date and the remaining shares vested in equal monthly installments until they were fully vested on January 6, 2011.

(24) The restricted stock units were granted on February 1, 2013. 25% of the total shares granted will vest annually until fully vested on February 1, 2017.

(25) The option was granted on June 22, 2012 pursuant to the Company's Offer to Exchange program. 1/3rd of the total shares granted vested on June 22, 2013 and the remaining shares continued to vest in equal monthly installments until fully vested on June 22, 2015.

Each of the options and other equity awards reflected on the table above were issued under the 1997 Plan, the 2006 Plan or the 2015 Plan, which are plans that were or are available to all of our employees.

Option Exercises and Stock Vested

The following table shows all stock options exercised and value realized upon exercise, and all stock awards vested and value realized upon vesting, by the named executive officers during 2015.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting(1)($)
Ronald Black	—	—	14,764	166,243
Satish Rishi	—	—	3,500	39,410
Laura Stark	—	—	3,125	35,188
Jae Kim	73,139	944,856	3,250	36,595

(1) The value realized equals the market value of our Common Stock on the vesting date multiplied by the number of shares that vested.

Proxy Statement

Potential Payments Upon Termination or Change of Control

Equity Acceleration

In the event of a "change in control" or "merger" of the Company, as defined in the plans, each outstanding option or equity award will be assumed or an equivalent option or right substituted by the successor company. In the event that the successor company refuses to assume or substitute for the option or equity award, the participant will fully vest in and have the right to exercise all of his or her options or stock appreciation rights, including shares as to which such awards would not otherwise be vested or exercisable, all restrictions on restricted stock will lapse, and, with respect to restricted stock units, performance shares and performance units, all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met. In addition, if an option or stock appreciation right becomes fully vested and exercisable in lieu of assumption or substitution in the event of a change of control, the administrator of the plan will notify the participant that the option or stock appreciation right will be fully vested and exercisable for a period of time determined by the administrator, and the option or stock appreciation right will terminate upon the expiration of such period.

The form of option agreement for the 1997 Plan, the 2006 Plan and the 2015 Plan provide that if a successor company assumes outstanding options or awards or substitutes for options or awards with an equivalent award, then if following such assumption or substitution the participant's status as an employee or employee of the successor company, as applicable, is terminated by the successor company as a result of an "Involuntary Termination" other than for "Cause" within 12 months following the change in control, the option or award will immediately vest and become exercisable as to 100% of the shares subject to the option or award.

Change of Control Severance Agreements

As part of our annual compensation program review, in February 2015, we entered into change of control severance agreements with our executive officers, except our CEO who has an employment agreement that governs certain change of control severance obligations applicable to him. These agreements are designed to promote stability and retention of senior management prior to and following a change of control and to align executive and stockholder interests by enabling executives to consider corporate transactions that are in the best interests of the stockholders and other constituents of the company without undue concern over whether the transactions may jeopardize the executives' own employment.

Each agreement has an initial term of three years and will renew automatically for additional one-year terms unless either party to the agreement provides the other with written notice of non-renewal at least 90 days prior to the date of automatic renewal. If we terminate the executive's employment without "Cause" or the executive terminates his employment for "Good Reason", and in each case, such termination occurs during a period beginning three months before a change of control and ending 12 months following a change of control, then subject to the executive signing and not revoking a separation agreement and release of claims and the executive's continued compliance with the terms of the At Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement entered into between the executive and the Company, the executive will receive: (i) a lump sum payment (less applicable withholding taxes) equal to 100% of the executive's annual base salary as in effect immediately prior to the executive's termination date or, if greater, at the level in effect immediately prior to the change of control; (ii) a lump sum payment (less applicable withholding taxes) equal to 100% of the executive's full bonus and commission for the year of termination at target level as in effect immediately prior to the executive's termination date, or, if greater, at the level in effect immediately prior to the change of control; (iii) 100% of the executive's then-outstanding and unvested equity awards will become vested in full (and if the amount of the award to vest is determined based on the achievement of performance criteria, then the equity awards will vest based on achievement at target levels for the relevant performance period(s)); and (iv) if the executive elects continuation coverage pursuant to COBRA for executive and his or her eligible dependents, the Company will reimburse the executive for the COBRA premiums for a maximum period of 12 months.

CEO Employment Agreement

Dr. Black's employment agreement with the Company provides that in the event the Company terminates Dr. Black's employment with the Company without "Cause" and such termination does not occur within the three months prior to or 12 months following a change of control of the Company, Dr. Black will receive: (i) continued payment (over 12 months) of one year of base salary and 100% of his target bonus, (ii) a monthly $3,000 payment (in lieu of continued employee benefits) for a period of 12 months, and (iii) 12 months additional vesting of all equity awards with a service based component (excluding awards with a performance-based component if the performance metric has not been achieved by the termination date). In the event the Company terminates Dr. Black's employment with the Company without "Cause" or Dr. Black voluntarily terminates his employment for "Good Reason", and in either event, such termination occurs within three months prior to or 12 months following a change of control of the Company, Dr. Black will receive: (i) continued payment (over 12 months) of 18 months of base salary and 150% of his target bonus, (ii) a monthly $3,000 payment (in lieu of continued employee benefits) for a period of 18 months, and (iii) 100% vesting of all equity awards with a service based component (excluding awards with a performance-based component if the performance metric has not been achieved by the termination date, provided that all such awards are assumed by the successor company). If equity awards are not assumed by the successor company in a change of control transaction, the awards will be treated as described under "-Equity Acceleration" above.

Potential Change of Control Payments

The value of the benefits that would be payable to Dr. Black assuming a qualifying termination of employment on December 31, 2015 is included in the chart below.

	Salary	Bonus	Equity	Benefits	Total
No Change of Control	$515,000	$618,000	$5,385,956	$36,000	$6,554,956
Change of Control	$772,500	$927,000	$6,127,330	$54,000	$7,880,830

The value of the benefits that would be payable to our NEOs, except for our CEO, assuming a qualifying termination of employment on December 31, 2015 is included in the chart below.

	Salary	Bonus	Equity	Benefits (1)	Total
Satish Rishi	$325,000	$280,000	$2,466,631	$32,427	$3,104,058
Laura Stark	$300,000	$280,000	$2,549,457	$20,728	$3,150,185
Jae Kim	$300,000	$220,000	$1,109,891	$32,427	$1,662,318

Compensation of Directors

The following table shows compensation information for our non-employee directors for 2015.

Name	Fees Earned or Paid in Cash ($)	Stock Awards (1)($)	Option Awards (1)($)	Total ($)
J. Thomas Bentley	65,000	160,012(2)	—	225,012
E. Thomas Fisher	37,742	160,012(3)	183,552(4)	381,306
Penelope Herscher	60,000	160,012(5)	—	220,012
Charles Kissner	40,000	160,012(6)	—	200,012
David Shrigley	40,000	160,012(7)	—	200,012
Eric Stang	75,000	160,012(8)	—	235,012

(1) Amounts shown do not reflect compensation actually received by the non-employee directors. Instead, the amounts shown are the aggregate grant date fair value computed in accordance with the provisions of FASB ASC Topic 718. The assumptions used to calculate the value of stock and stock option awards are set forth under Note 12 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015.

(2) Reflects the compensation costs to be recognized associated with a restricted stock unit award of 13,618 shares of Common stock made on October 1, 2015 with a fair value as of the grant date of $11.75 per share disregarding forfeiture assumptions. Mr. Bentley also had options to purchase an aggregate of 40,000 shares outstanding as of December 31, 2015.

(3) Reflects the compensation costs to be recognized associated with a restricted stock unit award of 13,618 shares of Common stock made on October 1, 2015 with a fair value as of the grant date of $11.75 per share disregarding forfeiture assumptions.

(4) Reflects the compensation costs to be recognized associated with an initial stock option grant of 40,000 shares of Common stock made on February 2, 2015 with a fair value as of the grant date of $4.5888 per share disregarding forfeiture assumptions. Mr. Fisher had the option to purchase an aggregate of 40,000 options outstanding as of December 31, 2015.

(5) Reflects the compensation costs to be recognized associated with a restricted stock unit award of 13,618 shares of Common stock made on October 1, 2015 with a fair value as of the grant date of $11.75 per share disregarding forfeiture assumptions. Ms. Herscher also had options to purchase an aggregate of 60,000 shares outstanding as of December 31, 2015.

(6) Reflects the compensation costs to be recognized associated with a restricted stock unit award of 13,618 shares of Common stock made on October 1, 2015 with a fair value as of the grant date of $11.75 per share disregarding forfeiture assumptions. Mr. Kissner also had options to purchase an aggregate of 40,000 shares outstanding as of December 31, 2015.

(7) Reflects the compensation costs to be recognized associated with a restricted stock unit award of 13,618 shares of Common stock made on October 1, 2015 with a fair value as of the grant date of $11.75 per share disregarding forfeiture assumptions. Mr. Shrigley also had options to purchase an aggregate of 60,000 shares outstanding as of December 31, 2015.

(8) Reflects the compensation costs to be recognized associated with a restricted stock unit award of 13,618 shares of Common stock made on October 1, 2015 with a fair value as of the grant date of $11.75 per share disregarding forfeiture assumptions. Mr. Stang also had options to purchase an aggregate of 40,000 shares outstanding as of December 31, 2015.

Summary of Director Plan

Annual Retainer. Each independent director receives an annual retainer of $40,000 in cash. The Chairpersons of the Board and Audit Committee each receive an additional annual retainer of $25,000. The Chairperson of the Compensation Committee receives an additional annual retainer of $20,000. The Chairperson of the Corporate Governance and Nominating Committee receives an additional annual retainer of $10,000. Each annual retainer is paid in quarterly installments. The annual retainers were not increased for 2015.

Annual Equity Grant. Each independent director receives an annual equity grant of such number of RSUs with an approximate fair market value equal to $160,000 at the time of grant. The RSU grants vest in full at the end of a one-year period, subject to the independent director continuing to serve through each applicable vesting date. If the director discontinues service prior to the vesting of any RSU grant, the Compensation Committee may, in its discretion, permit such grant to vest pro rata for the portion of the year during which such director served.

Initial Equity Grant. Any newly elected independent director joining our Board of Directors will receive an initial option to purchase 40,000 shares of Common Stock when he or she is first elected as a member of the Board. The term of such options will not exceed ten years. The option grants vest over a four-year period, with one-eighth of shares subject to the option vesting six months after the date of grant and the remaining shares vesting ratably each month thereafter, subject to the independent director continuing to serve through each applicable vesting date.

Each of the options granted to our independent directors was issued under the 1997 Plan, the 2006 Plan or the 2015 Plan, which are plans that are available to all of our employees. As described under "Outstanding Equity Awards at Fiscal Year End – Potential Payments Upon Termination or Change in Control," the 1997 Plan provides for certain acceleration upon a "merger" of the Company, as defined under the 1997 Plan, and the 2006 Plan and the 2015 Plan provide for certain acceleration upon a "change in control" of the Company, as defined under such plans. In addition, with respect to options and any other equity awards granted to non-employee directors that are assumed or substituted for upon a change of control under the 2006 Plan or the 2015 Plan, if the non-employee director is terminated other than upon a voluntary resignation, the options and other equity awards granted to such non-employee director will fully vest and be exercisable with respect to 100% of the shares subject to such options and other equity awards.

Pursuant to stock ownership guidelines adopted by the Board in October 2006 and most recently updated in January 2015, each independent director is expected to accumulate and hold an equivalent value of our Common Stock of three times their annual total cash compensation and to achieve this by five years from the date that the director joined the Board. Directors are expected to maintain this minimum amount of stock ownership throughout their tenure on the Board. As of December 31, 2015, all of our directors met their ownership requirements.

AUDIT COMMITTEE REPORT

This section shall not be deemed to be "soliciting material," or to be "filed" with the SEC, is not subject to the liabilities of Section 18 of the Securities Exchange Act and is not to be incorporated by reference into any filing of Rambus under the Securities Act of 1933, as amended, or the Securities Exchange Act, regardless of date or any other general incorporation language in such filing.

Report of the Audit Committee	The following is the report of the Audit Committee of our Board of Directors with respect to our audited financial statements for the fiscal year ended December 31, 2015, which include our consolidated balance sheets as of December 31, 2015 and 2014 and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the fiscal years ended December 31, 2015, 2014 and 2013, and the notes thereto.
Review with Management . .	The Audit Committee has reviewed and discussed our audited financial statements and management's report on internal control over financial reporting with management.
Review and Discussions with the Independent Registered Public Accounting Firm	The Audit Committee has discussed with PricewaterhouseCoopers LLP, our independent registered public accounting firm, the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has also received written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with us concerning independence, as may be modified or supplemented, and has discussed with PricewaterhouseCoopers LLP its independence from us.
Conclusion	Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 for filing with the SEC.
Respectfully submitted by:	THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS J. Thomas Bentley (Chair) Charles Kissner David Shrigley

OTHER MATTERS

The Board does not know of any other matters to be presented at the Annual Meeting. If any additional matters are properly presented or otherwise allowed to be considered at the Annual Meeting, the persons named in the enclosed proxy will have discretion to vote shares they represent in accordance with their own judgment on such matters.

It is important that your shares be represented at the meeting, regardless of the number of shares which you hold. You are, therefore, urged to execute and return, at your earliest convenience, the accompanying proxy card in the envelope which has been enclosed.

BY ORDER OF THE BOARD OF DIRECTORS

Sunnyvale, California
March 9, 2016

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

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2015

or

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

For the transition period from __________ to __________

Commission file number: 000-22339

RAMBUS INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**94-3112828** (I.R.S. Employer Identification Number)
1050 Enterprise Way, Suite 700 Sunnyvale, California (Address of principal executive offices)	**94089** (Zip Code)

Registrant's telephone number, including area code:
(408) 462-8000

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $.001 Par Value	The NASDAQ Stock Market LLC (The NASDAQ Global Select Market)

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

The aggregate market value of the Registrant's Common Stock held by non-affiliates of the Registrant as of June 30, 2015 was approximately $1.5 billion based upon the closing price reported for such date on The NASDAQ Global Select Market. For purposes of this disclosure, shares of Common Stock held by officers and directors of the Registrant and persons that may be deemed to be affiliates under the Act have been excluded. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of outstanding shares of the Registrant's Common Stock, $.001 par value, was 109,514,426 as of January 29, 2016.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information is incorporated into Part III of this report by reference to the Proxy Statement for the Registrant's annual meeting of stockholders to be held on or about April 21, 2016 to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Form 10-K.

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TABLE OF CONTENTS

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Annual Report") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include, without limitation, predictions regarding the following aspects of our future:

- Success in the markets of our products and services or our customers' products;
- Sources of competition;
- Research and development costs and improvements in technology;
- Sources, amounts and concentration of revenue, including royalties;
- Success in signing and renewing license agreements;
- Terms of our licenses and amounts owed under license agreements;
- Technology product development;
- Dispositions, acquisitions, mergers or strategic transactions and our related integration efforts, including our recent acquisition of Smart Card Software Ltd.;
- Impairment of goodwill and long-lived assets;
- Pricing policies of our customers;
- Changes in our strategy and business model, including the expansion of our portfolio of inventions, products and solutions to address additional markets in lighting, chip and system security;
- Deterioration of financial health of commercial counterparties and their ability to meet their obligations to us;
- Effects of security breaches or failures in our or our customers' products and services on our business;
- Engineering, sales and general and administration expenses;
- Contract revenue;
- Operating results;
- International licenses and operations;
- Effects of changes in the economy and credit market on our industry and business;
- Ability to identify, attract, motivate and retain qualified personnel;
- Effects of government regulations on our industry and business;
- Manufacturing and supply partners and/or sale and distribution channels;
- Growth in our business;
- Methods, estimates and judgments in accounting policies;
- Adoption of new accounting pronouncements;
- Effective tax rates;
- Restructurings and plans of termination;
- Realization of deferred tax assets/release of deferred tax valuation allowance;
- Trading price of our common stock;
- Internal control environment;

- The level and terms of our outstanding debt and the repayment or financing of such debt;
- Litigation expenses;
- Protection of intellectual property;
- Any changes in laws, agency actions and judicial rulings that may impact the ability to enforce intellectual property rights;
- Indemnification and technical support obligations;
- Equity repurchase plans;
- Issuances of debt or equity securities, which could involve restrictive covenants or be dilutive to our existing stockholders;
- Outcome and effect of potential future intellectual property litigation and other significant litigation; and
- Likelihood of paying dividends.

You can identify these and other forward-looking statements by the use of words such as “may,” “future,” “shall,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “intends,” “potential,” “continue,” “projecting” or the negative of such terms, or other comparable terminology. Forward-looking statements also include the assumptions underlying or relating to any of the foregoing statements.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under Item 1A, “Risk Factors.” All forward-looking statements included in this document are based on our assessment of information available to us at this time. We assume no obligation to update any forward-looking statements.

PART I

Rambus, RDRAM™, XDR™, FlexIO™, FlexPhase™, R+™, CryptoFirewall™, and MicroLens® are trademarks, registered trademarks or copyrights of Rambus Inc. Other trademarks or copyrights that may be mentioned in this annual report on Form 10-K are the property of their respective owners.

Industry terminology, used widely throughout this annual report, has been abbreviated and, as such, these abbreviations are defined below for your convenience:

Differential Power Analysis	DPA
Double Data Rate	DDR
Dynamic Random Access Memory	DRAM
Field Programmable Gate Arrays	FPGA
Light Emitting Diodes	LED
Rambus Dynamic Random Access Memory	RDRAM™
Simple Power Analysis	SPA
eXtreme Data Rate	XDR™

On occasion we will refer to the abbreviated names of certain entities and, as such, have provided a chart to indicate the full names of those entities for your convenience.

Advanced Micro Devices Inc.	AMD
Broadcom Corporation	Broadcom
Cryptography Research Division	CRD
Eaton Corporation plc	Eaton
Elpida Memory, Inc.	Elpida
Emerging Solutions Division	ESD
Freescale Semiconductor Inc.	Freescale
Fujitsu Limited	Fujitsu
General Electric Company	GE
Intel Corporation	Intel
International Business Machines Corporation	IBM
Lighting and Display Technology	LDT
LSI Corporation (now a division of Avago Technologies Limited)	LSI
Memory and Interfaces Division	MID
Micron Technology, Inc.	Micron
Mobile Technology Division	MTD
Nanya Technology Corporation	Nanya
NVIDIA Corporation	NVIDIA
Qualcomm Incorporated	Qualcomm
Panasonic Corporation	Panasonic
Renesas Electronics	Renesas
Samsung Electronics Co., Ltd.	Samsung
SK hynix, Inc.	SK hynix
Sony Computer Electronics	Sony
ST Microelectronics N.V.	STMicroelectronics
Toshiba Corporation	Toshiba

Item 1. ***Business***

Rambus Inc., referred to as we, us or Rambus, was founded in 1990 and reincorporated in Delaware in March 1997. Our principal executive offices are located at 1050 Enterprise Way, Suite 700, Sunnyvale, California. Our website is www.rambus.com. You can obtain copies of our Forms 10-K, 10-Q, 8-K, and other filings with the SEC, and all amendments to these filings, free of charge, from our website as soon as reasonably practicable following our filing of any of these reports with the SEC. In addition, you may read and copy any material we file with the SEC at the SEC's Public Reference Room at 100 F Street NE, Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy, and information statements, and other information regarding registrants that file electronically with the SEC at www.sec.gov.

Rambus creates cutting-edge semiconductor and IP products, spanning memory and interfaces to security, smart sensors and lighting. Our chips, customizable IP cores, architecture licenses, tools, services, software, training and innovations improve the competitive advantage of our customers. We collaborate with the industry, partnering with leading ASIC and SoC designers, foundries, IP developers, EDA companies and validation labs. Our products are integrated into tens of billions of devices and systems, powering and securing diverse applications, including Big Data, Internet of Things (IoT), mobile, consumer and media platforms. We generate revenue by licensing our inventions and solutions, selling our semiconductor products and providing services to market-leading companies.

While we have historically focused our efforts on the development of technologies for electronics memory and chip interfaces, we have expanded our portfolio of inventions and solutions to address additional markets in lighting, chip and system security, as well as new areas within the semiconductor industry, such as computational sensing and imaging. We intend to continue our growth into new technology fields, consistent with our mission to create great value through our innovations and to make those technologies available through both our licensing and non-licensing business models. Key to our efforts will be hiring and retaining world-class inventors, scientists, engineers, and product managers to lead the development of inventions and technology solutions for our fields of focus, and the management and business support personnel necessary to execute our plans and strategies.

We have four operational units: (1) Memory and Interfaces Division, or MID, which focuses on the design, development and licensing of technology that is related to memory and interfaces; (2) Cryptography Research Division, or CRD, which focuses on the design, development and licensing of technologies for chip and system security, anti-counterfeiting, smart ticketing and mobile payments; (3) Emerging Solutions Division, or ESD, which includes our computational sensing and imaging group along with our development efforts in the area of emerging technologies; and (4) Lighting and Display Technologies, or LDT, which focuses on the design, development and licensing of technologies for lighting.

Our inventions and technology solutions are offered to our customers through patent licenses, technology licenses, software licenses and the shipment of products. Royalties from patent licenses accounted for 84%, 88% and 92% of our consolidated revenue for the years ended December 31, 2015, 2014 and 2013, respectively. Royalties from technology licenses accounted for 5%, 4% and 5% of our consolidated revenue for the years ended December 31, 2015, 2014 and 2013, respectively. Today, a majority of our revenues are derived from patent licenses, through which we provide our customers a license to use a certain portion of our broad portfolio of patented inventions. The license provides our customers with a defined right to use our innovations in the customer's own digital electronics products, systems or services, as applicable. The licenses may also define the specific field of use where our customers may use or employ our inventions in their products. License agreements are structured with fixed, variable or a hybrid of fixed and variable royalty payments over certain defined periods ranging for periods of up to ten years. The majority of our intellectual property was developed in-house and we have expanded our business strategy of monetizing our intellectual property to include the sale of select intellectual property. As any sales executed under this expanded strategy represent a component of our ongoing major or central operations and activities, we will record the related proceeds as revenue.

Our Strategy

Our strategy is to evolve from providing primarily patent licenses to providing additional technology, products and services while creating and leveraging strategic synergies to increase revenue. One of our goals is to supplement our patent licensing business with additional licensing opportunities for our technologies, products and services to be incorporated into our customers' products and/or systems. Our technology licenses are designed to support the implementation and adoption of our technology into our customers' products or services. As part of these offerings, we can provide a range of services that can include access to technical experts, advanced system design and analysis, hardware and software to enhance design and validation, system IP and specifications, and process-specific hard and soft macros, along with other services. These technology license agreements may have both a fixed price (non-recurring) component and ongoing royalties. Further, under technology licenses, our customers typically receive licenses to our patents necessary to implement these solutions in their products with specific rights and restrictions to the applicable patents elaborated in their individual contracts with us.

In 2015, we continued our focus on the development of innovative technology and furthering open and collaborative relationships with the broader industry. We signed or renewed license agreements with IBM, Renesas, SK hynix, and Toshiba. In addition, we announced our first physical product with the introduction of the R+ DDR4 server DIMM chip for RDIMMs and LRDIMMs and, in January 2016, acquired an advanced mobile payment platform and smart ticketing platform which we believe will complement our existing CRD product offerings such as CryptoManager. We also unveiled a research program entitled the Smart Data Acceleration (SDA) platform.

We believe that the successful execution of our strategy requires an exceptional business model that relies on the skills and talent of our employees. Accordingly, we seek to hire and retain world-class scientific and engineering expertise in all of our fields of technological focus, as well as the executive management and operating personnel required to successfully execute our business strategy. In order to attract the quality of employees required for this business model, we have created an environment and culture that encourages, fosters and supports research, development and innovation in breakthrough technologies with significant opportunities for broad industry adoption. We believe we have created a compelling company for inventors and innovators who are able to work within a business model and platform that focuses on technology development and execution to drive strong future growth.

Design and Manufacturing

Our technology solutions are developed with high-volume commercial manufacturing processes in mind. Our solutions can be delivered in a number of ways, from reference designs to full turnkey custom development deliverables to physical products through our manufacturing partners. A reference design engagement might include an architectural specification, data sheet, theory of operation and implementation guides. A custom development project would entail a specific design implementation optimized for the customer's manufacturing process. In some cases, we may provide supply chain enablement services where we assist our customers in designing and establishing certain manufacturing processes to implement our technologies in their product offerings. We often develop test-chips of our designs and have begun the process to deliver our solutions to the market through physical product.

Background

The demand for increased performance and improved power efficiency in computers, tablets, smartphones, consumer electronics and other electronic systems rises dramatically with each passing year. Semiconductor and system designers face key challenges in sustaining the pace of innovation. We strive to offer compelling technologies that provide value to our customers.

Memory and Interfaces

There are four main areas of focus in our Memory and Interface Division: mobile memory, server-based memory, serial link designs, and custom solutions. The primary markets for these technologies include: (1) DRAM devices; (2) NAND devices; (3) System-on-Chip (SoC) devices; (4) silicon physical IP; and (5) memory buffer chips. In these markets, memory technology transitions, serial link transitions and SoC microarchitecture transitions or overall process technology node transitions provide opportunities. Since battery technology improves modestly over time, mobile device designers face challenges in adding increased functionality and higher performance with only small increases in power budget. For plug-in systems, there is a strong desire to reduce power consumption for both economic and environmental reasons while still providing increased computing capability and more visually compelling displays. At the chip level, it becomes increasingly difficult to maintain signal integrity and power efficiency as data transfer speeds rise to support more powerful, multi-core processors.

To address these challenges and enable the continued improvement of electronics systems, ongoing innovation is required. The many contributions and patented innovations developed by Rambus scientists and engineers have been, and continue to be, critical in addressing some of the most difficult chip and system challenges. The foundations of MID are world-class memory architectures and high-performance serial link technologies that are brought to market through three main business initiatives: (1) patent licensing; (2) silicon IP core licensing; and (3) memory buffer chips.

We have developed technologies, advanced designs, and development tools for building high-performance and low-power memory and serial-link interface cores for semiconductor chips. We develop both proprietary and industry-standard interfaces that we provide to our customers under technology license agreements. We also offer a range of services as part of our technology licenses which can include know-how and technology transfer, product design and development, system integration, and other services. We offer a set of solutions under the name R+™ enhanced standard solutions. Fully compatible with industry standards, R+ solutions offer compelling benefits that enable our customers to differentiate their products. We recently announced the R+ DDR4 Server DIMM chip, the RCD26, which is designed to enable top-of-the-line performance and capacity with optimized power efficiency to advance critical data center and enterprise server infrastructure. We focus our resources and effort to help bring products to market under technology license agreements with leading companies in the industry as well as our Rambus-branded buffer chip product that is currently under development and not yet commercially available.

Chip and System Security Technology

Security challenges are increasingly prevalent in a multitude of industries, including high-growth sectors such as mobile and content distribution, providing a variety of opportunities for our security technologies and services. This market trend provides us with the opportunity to provide critical technologies, and we are deploying and developing products to enable us to achieve this objective. Through our Cryptography Research Division, we own a portfolio of patented inventions and technology solutions that are needed for creating secure tamper-resistant electronic devices and systems. These patented DPA countermeasures are critical in protecting devices against side channel attacks such as differential power analysis, which involve monitoring the variations in power consumption or electromagnetic emissions of a device. In addition, our hardware-based cores provide a robust hardware-based solution to protect electronics systems from side-channel attacks, counterfeiting, piracy, and other forms of attack.

For DPA countermeasures, our business model is to provide a combination of patent licenses, technology, consulting services (training, evaluation, and design), and test equipment as well as DPA resistant cores and software libraries. We are recognized worldwide for our expertise in this area, and our strategy is to strengthen our offering beyond stand-alone patent licensing. We discovered the existence of SPA and DPA vulnerabilities in the 1990s, and patented the fundamental techniques for preventing against this method of attack. DPA protections are a critical security ingredient in tamper-resistant products, and are important or required for a broad range of applications and devices (including smart cards, mobile devices, FPGAs, government/defense applications, consumer set-top boxes, postage meters and security tokens).

In addition to the DPA countermeasures portfolio, we have developed technologies, expertise, advanced designs, and development tools for building highly secure cryptographic semiconductor cores. We have successfully deployed our semiconductor cores in two primary application areas where effective security is valued and paid for by customers: content protection and anti-counterfeiting. For our content protection cores, our most common business model is to partner with chip manufacturers to integrate our technology, and then license it to downstream customers.

Secure Foundation for Connected Devices

In 2014, we introduced the Rambus CryptoManager™ feature management platform from our Cryptography Research Division. As connected products, including mobile phones and Internet of Things (IoT) devices, have a critical need for security, a robust security system is critical. Robust security starts with the design of the SoC and continues with the manufacturing supply chain. The Rambus CryptoManager™ solution brings revolutionary security improvements to the semiconductor chips and supply chains that enable our mobile world.

The CryptoManager platform provides chip and device companies with an advanced hardware root-of-trust for their SoCs, as well as an Infrastructure Suite for end-to-end security throughout the SoC design and manufacturing process. The CryptoManager platform has been developed with a services-based architecture that enables a secure, two-way communication channel across the manufacturing stages. This fully integrated solution is built on a foundation that simplifies, automates, and reduces costs for global enterprise IT, manufacturing, and operations functions. The platform is designed to support the enablement of in-field provisioning and downstream services, such as media, ticketing and mobile payments.

In addition, as a result of the acquisition of Smart Card Software Ltd. ("Smart Card Software") in January 2016, we will incorporate Smart Card Software's advanced mobile payment platform and smart ticketing platform into CRD. Bell ID, one division of Smart Card Software, provides banks, governments and enterprises with the ability to issue and manage credentials on smartphones, smart cards and other connected devices. The Bell ID technology supports all of the leading mobile payment platforms via host card emulation technology. Ecebs, the second division of Smart Card Software, provides smart card solutions to national and local governments, transport operators, banks and system integrators. Ecebs is known for its smart ticketing solutions that is compliant with the ITSO standard in the United Kingdom and is working to expand in the broader European Union.

Lighting and Display Technology

The continued evolution of LED as a bright, reliable and energy-efficient light source creates significant market opportunities in consumer electronics and in general lighting. Harnessing the benefits of LEDs, however, presents a new set of challenges for companies that offer and provide electronics and lighting products and solutions. Our technology allows customers to efficiently and uniformly spread the point source of light emitted from an LED over a large area in a very cost effective way. Moreover, we can control and direct the emitted light to improve the overall product performance or application efficiency. This technology enables class-leading price/performance and freedom of design in the general lighting field. We believe our patented technology, software and know-how, which enables precise placement of MicroLens® optics on light guides, provides our customers with a fundamental competitive advantage over alternative products in the market. We continue to focus resources and effort to help our customers bring new products to market under technology license agreements. Our business model is a blend of patent and technology licensing, product sales and services to help bring innovative products to market.

Research and Development and Employees

Our ability to compete in the future will be substantially dependent on our ability to develop key innovations that meet the future needs of a dynamic market. To this end, we have assembled a team of highly skilled inventors, engineers and scientists whose activities are focused on continually developing new innovations within our chosen technology fields. Using this foundation of innovations, our technical teams develop new solutions that enable increased performance, greater power efficiency, increased levels of security, as well as other improvements and benefits. Our solution design and development process is a multi-disciplinary effort requiring expertise in multiple fields across all of our operational units.

As of December 31, 2015, we had approximately 330 employees in our engineering departments, representing 67% of our total number of approximately 495 employees. None of our employees are covered by collective bargaining agreements. As noted, we believe our future success is dependent on our continued ability to identify, attract, motivate and retain qualified personnel. To date, we believe that we have been successful in recruiting qualified employees and that our relationship with our employees is good.

A significant number of our scientists and engineers spend all or a portion of their time on research and development. For the years ended December 31, 2015, 2014 and 2013, research and development expenses were $111.1 million, $110.0 million and $118.0 million, respectively, including stock-based compensation of approximately $6.8 million, $7.2 million and $6.6 million, respectively. For the years ended December 31, 2014 and 2013, research and development expenses also included $1.5 million and $8.6 million, respectively, for the accrual of retention bonuses for engineers. There was no accrual for retention bonuses for engineers as of December 31, 2015. Since innovation is critical to our future success, we expect to continue to invest substantial funds in research and development activities. In addition, because our customer agreements often call for us to provide engineering support, a portion of our total engineering costs are allocated to the cost of contract revenue.

Competition

Our selected industries are intensely competitive and have been impacted by price erosion, rapid technological change, short product life cycles, cyclical market patterns and increasing foreign and domestic competition. We face competition from semiconductor and digital electronics products and systems companies, other semiconductor intellectual property companies that provide security cores and non-edge lit LED lighting options that are available to the market.

We believe the principal competition for our technologies may come from our prospective customers, some of whom are evaluating and developing products based on technologies that they contend or may contend will not require a license from us. Some of our competitors use a system-level design approach similar to ours, including activities such as board and package design, power and signal integrity analysis, and thermal management. Many of these companies are larger and may have better access to financial, technical and other resources than we possess.

To the extent that alternatives might provide comparable system performance at lower or similar cost to our technologies, or are perceived to require the payment of no or lower royalties, or to the extent other factors influence the industry, our customers and prospective customers may adopt and promote alternative technologies. Even to the extent we determine that such alternative technologies infringe our patents, there can be no assurance that we would be able to negotiate agreements that would result in royalties being paid to us without litigation, which could be costly and the results of which would be uncertain. In the past, litigation has been and in the future may be required to enforce and protect our intellectual property rights, as well as the substantial investments undertaken to research and develop our innovations and technologies.

Patents and Intellectual Property Protection

We maintain and support an active program to protect our intellectual property, primarily through the filing of patent applications and the defense of issued patents against infringement. As of December 31, 2015, our semiconductor, lighting, security and other technologies are covered by 1,832 U.S. and foreign patents, having expiration dates ranging from 2016 to 2038. Additionally, we have 681 patent applications pending. Some of the patents and pending patent applications are derived from a common parent patent application or are foreign counterpart patent applications. We believe our patented innovations provide our customers with the ability to achieve improved performance, lower risk, greater cost-effectiveness and other benefits in their products and services.

We have a program to file applications for and obtain patents in the United States and in selected foreign countries where we believe filing for such protection is appropriate and would further our overall business strategy and objectives. In some instances, obtaining appropriate levels of protection may involve prosecuting continuation and counterpart patent applications based on a common parent application. In addition, we attempt to protect our trade secrets and other proprietary information through agreements with current and prospective customers, and confidentiality agreements with employees and consultants and other security measures. We also rely on copyright, trademarks and trade secret laws to protect our intellectual property.

Information concerning revenue, results of operations and revenue by geographic area is set forth in Item 6, “Selected Financial Data,” in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in Note 6, “Segments and Major Customers,” of Notes to Consolidated Financial Statements of this Form 10-K, all of which are incorporated herein by reference. Information concerning identifiable assets and segment reporting is also set forth in Note 6, “Segments and Major Customers,” of Notes to Consolidated Financial Statements of this Form 10-K. Information on customers that comprise 10% or more of our consolidated revenue and risks attendant to our foreign operations is set forth below in Item 1A, “Risk Factors.”

Item 1A. *Risk Factors*

RISK FACTORS

Because of the following factors, as well as other variables affecting our operating results, past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. See also "Note Regarding Forward-Looking Statements" at the beginning of this report.

Risks Associated With Our Business, Industry and Market Conditions

The success of our business depends on sustaining or growing our licensing revenue and the failure to achieve such revenue would lead to a material decline in our results of operations.

Our revenue consists mainly of patent and technology license fees paid for access to our patents, developed technology and development and support services provided to our customers. Our ability to secure and renew the licenses from which our revenues are derived depends on our customers adopting our technology and using it in the products they sell. Once secured, license revenue may be negatively affected by factors within and outside our control, including reductions in our customers' sales prices, sales volumes, our failure to timely complete engineering deliverables, and the terms of such licenses. In addition, we cannot provide any assurance that we will be successful in renewing existing license agreements on equal or favorable terms or at all. As an example, for the year ended December 31, 2015, our revenue attributable to royalties declined 3.4% from the year ended December 31, 2014. If we do not achieve our revenue goals, our results of operations could decline.

We have traditionally operated in, and may enter other, industries that are highly cyclical and competitive.

Our target customers are companies that develop and market high volume business and consumer products in semiconductors, computing, tablets, handheld devices, mobile applications, gaming and graphics, high-definition televisions and displays, general lighting, cryptography and data security. The electronics industry is intensely competitive and has been impacted by price erosion, rapid technological change, short product life cycles, cyclical market patterns and increasing foreign and domestic competition. We are subject to many risks beyond our control that influence whether or not we are successful in winning target customers or retaining existing customers, including, primarily, competition in a particular industry, market acceptance of such customers' products and the financial resources of such customers. In particular, DRAM manufacturers, which make up a significant part of our revenue, have suffered material losses and other adverse effects to their businesses, leading to industry consolidation from time-to-time that may result in loss of revenues under our existing license agreements or loss of target customers. As a result of ongoing competition in the industries in which we operate and volatility in various economies around the world, we may achieve a reduced number of licenses or may experience tightening of customers' operating budgets, difficulty or inability of our customers to pay our licensing fees, lengthening of the approval process for new licenses and consolidation among our customers. All of these factors may adversely affect the demand for our technology and may cause us to experience substantial fluctuations in our operating results.

We face competition from semiconductor and digital electronics products and systems companies, other semiconductor intellectual property companies that provide security cores and non-edge lit LED lighting options that are available to the market. We believe the principal competition for our technologies may come from our prospective customers, some of whom are evaluating and developing products based on technologies that they contend or may contend will not require a license from us. Some of our competitors use a system-level design approach similar to ours, including activities such as board and package design, power and signal integrity analysis, and thermal management. Many of these companies are larger and may have better access to financial, technical and other resources than we possess.

To the extent that alternatives might provide comparable system performance at lower or similar cost to our technologies, or are perceived to require the payment of no or lower royalties, or to the extent other factors influence the industry, our customers and prospective customers may adopt and promote alternative technologies. Even to the extent we determine that such alternative technologies infringe our patents, there can be no assurance that we would be able to negotiate agreements that would result in royalties being paid to us without litigation, which could be costly and the results of which would be uncertain.

In addition, our expansion into new markets subjects us to additional risks. We may have limited or no experience in new products and markets, including our recently announced buffer chip set, our CryptoManager platform and new offerings that will result from our acquisition of Smart Card Software in the mobile credential and smart card solution spaces, and our customers may not adopt our new offerings. These and other new offerings may present new and difficult challenges, which could negatively affect our operating results.

We may have to invest more resources in research and development than anticipated, which could increase our operating expenses and negatively impact our operating results.

If new competitors, technological advances by existing competitors, and/or development of new technologies or other competitive factors require us to invest significantly greater resources than anticipated in our research and development efforts, our operating expenses could increase. If we are required to invest significantly greater resources than anticipated in research and development efforts without an increase in revenue, our operating results would decline. We expect these expenses to increase in the foreseeable future as our technology development efforts continue.

Our revenue is concentrated in a few customers, and if we lose any of these customers through contract terminations or acquisitions, our revenue may decrease substantially.

We have a high degree of revenue concentration. Our top five customers represented approximately 65% and 62% of our revenues for the years ended December 31, 2015 and 2014, respectively. For both of the years ended December 31, 2015 and 2014, revenues from Micron, Samsung and SK hynix each accounted for 10% or more of our total revenue in each year. We extended our license agreement with Samsung in December 2013, and we expect Samsung to continue to account for a significant portion of our licensing revenue. We also entered into settlement agreements with each of SK hynix and Micron (which included Elpida, which Micron had acquired in July 2013) in June 2013 and December 2013, respectively. In June 2015, we also extended our license agreement with SK hynix. As a result of the renewal and such settlements, we expect each of Samsung, SK hynix and Micron to account for a significant portion of our licensing revenue in the future. We expect to continue to experience significant revenue concentration for the foreseeable future.

In addition, our license agreements are complex and some contain terms that require us to provide certain customers with the lowest royalty rate that we provide to other customers for similar technologies, volumes and schedules. These clauses may limit our ability to effectively price differently among our customers, to respond quickly to market forces, or otherwise to compete on the basis of price. These clauses may also require us to reduce royalties payable by existing customers when we enter into or amend agreements with other customers. Any adjustment that reduces royalties from current customers or licensees may have a material adverse effect on our operating results and financial condition.

We continue to negotiate with customers and prospective customers to enter into license agreements. Any future agreement may trigger our obligation to offer comparable terms or modifications to agreements with our existing customers, which may be less favorable to us than the existing license terms. We expect licensing fees will continue to vary based on our success in renewing existing license agreements and adding new customers, as well as the level of variation in our customers' reported shipment volumes, sales price and mix, offset in part by the proportion of customer payments that are fixed. In particular, under our license agreement with Samsung, the license fees payable by Samsung are subject to certain adjustments and conditions, and we therefore cannot provide assurances that the revenues generated by this license will not decline in the future. In addition, some of our material license agreements may contain rights by the customer to terminate for convenience, or upon certain other events, such as change of control, material breach, insolvency or bankruptcy proceedings. If we are unsuccessful in entering into license agreements with new customers or renewing license agreements with existing customers, on favorable terms or at all, or if they are terminated, our results of operations may decline significantly.

Our business and operations could suffer in the event of security breaches.

Attempts by others to gain unauthorized access to our information technology systems are becoming more sophisticated. These attempts, which might be related to industrial or other espionage, include covertly introducing malware to our computers and networks and impersonating authorized users, among others. We seek to detect and investigate all security incidents and to prevent their recurrence, but in some cases, we might be unaware of an incident or its magnitude and effects. While we have not identified any material incidents of unauthorized access to date, the theft, unauthorized use or publication of our intellectual property and/or confidential business information could harm our competitive position and reputation, reduce the value of our investment in research and development and other strategic initiatives or otherwise adversely affect our business. To the extent that any future security breach results in inappropriate disclosure of our customers' confidential information, we may incur liability.

Failures in our products and services or in the products of our customers, including those resulting from security vulnerabilities, defects, bugs or errors, could harm our business.

Our products and services are highly technical and complex, and among our various businesses our products and services are crucial to providing security, payment and other critical functions for our customers' operations. Our products and services have from time to time contained and may in the future contain undetected errors, bugs defects or other security vulnerabilities. Some errors in our products and services may only be discovered after a product or service has been deployed and used by customers, and may in some cases only be detected under certain circumstances or after extended use. In addition, because the techniques used by hackers to access or sabotage our products and services and other technologies change and evolve frequently and generally are not recognized until launched against a target, we may be unable to anticipate, detect or prevent these techniques and may not address them in our data security technologies. Any errors, bugs, defects or security vulnerabilities discovered in our solutions after commercial release could adversely affect our revenue, our customer relationships and the market's perception of our products and services. We may not be able to correct any errors, bugs, defects, security flaws or vulnerabilities promptly, or at all. Any breaches, defects, errors or vulnerabilities in our products and services could result in:

- expenditure of significant financial and research and development resources in efforts to analyze, correct, eliminate or work around breaches, errors, bugs or defects or to address and eliminate vulnerabilities;
- financial liability to customers for breach of certain contract provisions, including indemnification obligations;
- loss of existing or potential customers;
- delayed or lost revenue;
- delay or failure to attain market acceptance;
- negative publicity, which would harm our reputation; and
- litigation, regulatory inquiries or investigations that would be costly and harm our reputation.

Some of our revenue is subject to the pricing policies of our customers over whom we have no control.

We have no control over our customers' pricing of their products and there can be no assurance that licensed products will be competitively priced or will sell in significant volumes. Any premium charged by our customers in the price of memory and controller chips or other products over alternatives must be reasonable. If the benefits of our technology do not match the price premium charged by our customers, the resulting decline in sales of products incorporating our technology could harm our operating results.

Our licensing cycle is lengthy and costly, and our marketing and licensing efforts may be unsuccessful.

The process of persuading customers to adopt and license our chip interface, lighting, data security, and other technologies can be lengthy. Even if successful, there can be no assurance that our technologies will be used in a product that is ultimately brought to market, achieves commercial acceptance or results in significant royalties to us. We generally incur significant marketing and sales expenses prior to entering into our license agreements, generating a license fee and establishing a royalty stream from each customer. The length of time it takes to establish a new licensing relationship can take many months or even years. We may incur costs in any particular period before any associated revenue stream begins, if at all. If our marketing and sales efforts are very lengthy or unsuccessful, then we may face a material adverse effect on our business and results of operations as a result of failure to obtain or an undue delay in obtaining royalties.

Future revenue is difficult to predict for several reasons, and our failure to predict revenue accurately may result in our stock price declining.

Our lengthy license negotiation cycles could make our future revenue difficult to predict because we may not be successful in entering into licenses with our customers on our anticipated timelines.

In addition, while some of our license agreements provide for fixed, quarterly royalty payments, many of our license agreements provide for volume-based royalties, and may also be subject to caps on royalties in a given period. The sales volume and prices of our customers' products in any given period can be difficult to predict. As a result, our actual results may differ substantially from analyst estimates or our forecasts in any given quarter.

Furthermore, a portion of our revenue comes from development and support services provided to our customers. Depending upon the nature of the services, a portion of the related revenue may be recognized ratably over the support period, or may be recognized according to contract revenue accounting. Contract revenue accounting may result in deferral of the service fees to the completion of the contract, or may result in the recognition of service fees over the period in which services are performed on a percentage-of-completion basis.

We may not be successful in entering into new markets, and our new product offerings, such as our recently announced buffer chip set, our CryptoManager platform and new offerings in the mobile credential and smart card solution spaces, may not be adopted. In addition, once we commercially launch our products, the sales volume of such products in any given period will be difficult to predict.

We may fail to meet our publicly announced guidance or other expectations about our business, which would likely cause our stock price to decline.

We provide guidance regarding our expected financial and business performance including our anticipated future revenues and operating expenses. Correctly identifying the key factors affecting business conditions and predicting future events is inherently an uncertain process.

Such guidance may not always be accurate or may vary from actual results due to our inability to meet our assumptions and the impact on our financial performance that could occur as a result of the various risks and uncertainties to our business as set forth in these risk factors. We offer no assurance that such guidance will ultimately be accurate, and investors should treat any such guidance with appropriate caution. If we fail to meet our guidance or if we find it necessary to revise such guidance, even if such failure or revision is seemingly insignificant, investors and analysts may lose confidence in us and the market value of our common stock could be materially adversely affected.

We have in the past made and may in the future make acquisitions or enter into mergers, strategic investments, sales of assets or other arrangements that may not produce expected operating and financial results.

From time to time, we engage in acquisitions, strategic transactions and strategic investments, such as our acquisition of Smart Card Software in January 2016. Many of our acquisitions or strategic investments entail a high degree of risk, including those involving new areas of technology and such investments may not become liquid for several years after the date of the investment, if at all. Our acquisitions or strategic investments may not provide the advantages that we anticipated or generate the financial returns we expect, we may discover unidentified issues not discovered in due diligence, and we may be subject to liabilities that either are not covered by indemnification protection we may obtain or become subject to litigation. Achieving the anticipated benefits of business acquisitions depends in part upon our ability to integrate the acquired businesses in an efficient and effective manner. The integration of companies that have previously operated independently may result in significant challenges, including, among others: retaining key employees; successfully integrating new employees, business systems and technology; retaining customers of the acquired business; minimizing the diversion of management's and other employees' attention from ongoing business matters; coordinating geographically separate organizations; consolidating research and development operations; and consolidating corporate and administrative infrastructures.

Our strategic investments in new areas of technology may involve significant risks and uncertainties, including distraction of management from current operations, greater than expected liabilities and expenses, inadequate return of capital, and unidentified issues not discovered in due diligence. These investments are inherently risky and may not be successful.

In addition, we may record impairment charges related to our acquisitions or strategic investments. Any losses or impairment charges that we incur related to acquisitions, strategic investments or sales of assets will have a negative impact on our financial results, and we may continue to incur new or additional losses related to acquisitions or strategic investments.

We may have to incur debt or issue equity securities to pay for any future acquisition, which debt could involve restrictive covenants or which equity security issuance could be dilutive to our existing stockholders.

From time to time, we may also divest certain assets, where we may be required to provide certain representations, warranties and covenants to their buyers. While we would seek to ensure the accuracy of such representations and warranties and fulfillment of any ongoing obligations, we may not be completely successful and consequently may be subject to claims by a purchaser of such assets.

A substantial portion of our revenue is derived from sources outside of the United States and this revenue and our business generally are subject to risks related to international operations that are often beyond our control.

For the years ended December 31, 2015 and 2014, revenues received from our international customers constituted approximately 60% and 63%, respectively, of our total revenue. We expect that future revenue derived from international sources will continue to represent a significant portion of our total revenue.

To the extent that customer sales are not denominated in U.S. dollars, any royalties which are based on a percentage of the customers' sales that we receive as a result of such sales could be subject to fluctuations in currency exchange rates. In addition, if the effective price of licensed products sold by our foreign customers were to increase as a result of fluctuations in the exchange rate of the relevant currencies, demand for licensed products could fall, which in turn would reduce our royalties. We do not use financial instruments to hedge foreign exchange rate risk.

We currently have international business operations in the United Kingdom and the Netherlands, international design operations in Canada, India, Finland and France, and business development operations in Japan, Korea, Singapore and Taiwan. Our international operations and revenue are subject to a variety of risks which are beyond our control, including:

- hiring, maintaining and managing a workforce and facilities remotely and under various legal systems, including compliance with local labor and employment laws;
- non-compliance with our code of conduct or other corporate policies;
- natural disasters, acts of war, terrorism, widespread illness or security breaches;
- export controls, tariffs, import and licensing restrictions and other trade barriers;
- profits, if any, earned abroad being subject to local tax laws and not being repatriated to the United States or, if repatriation is possible, limited in amount;
- adverse tax treatment of revenue from international sources and changes to tax codes, including being subject to foreign tax laws and being liable for paying withholding, income or other taxes in foreign jurisdictions;
- unanticipated changes in foreign government laws and regulations;
- increased financial accounting and reporting burdens and complexities;
- lack of protection of our intellectual property and other contract rights by jurisdictions in which we may do business to the same extent as the laws of the United States;
- potential vulnerability to computer system, internet or other systemic attacks, such as denial of service, viruses or other malware which may be caused by criminals, terrorists or other sophisticated organizations;
- social, political and economic instability;
- geopolitical issues, including changes in diplomatic and trade relationships; and
- cultural differences in the conduct of business both with customers and in conducting business in our international facilities and international sales offices.

We and our customers are subject to many of the risks described above with respect to companies which are located in different countries. There can be no assurance that one or more of the risks associated with our international operations will not result in a material adverse effect on our business, financial condition or results of operations.

Weak global economic conditions may adversely affect demand for the products and services of our customers.

Our operations and performance depend significantly on worldwide economic conditions. Uncertainty about global or regional economic conditions poses a risk as consumers and businesses may postpone spending in response to tighter credit, negative financial news and declines in income or asset values, which could have a material negative effect on the demand for the products of our customers in the foreseeable future. If our customers experience reduced demand for their products as a result of global or regional economic conditions or otherwise, this could result in reduced royalty revenue and our business and results of operations could be harmed.

If our counterparties are unable to fulfill their financial and other obligations to us, our business and results of operations may be affected adversely.

Any downturn in economic conditions or other business factors could threaten the financial health of our counterparties, including companies with whom we have entered into licensing and/or settlement agreements, and their ability to fulfill their financial and other obligations to us. Such financial pressures on our counterparties may eventually lead to bankruptcy proceedings or other attempts to avoid financial obligations that are due to us. Because bankruptcy courts have the power to modify or cancel contracts of the petitioner which remain subject to future performance and alter or discharge payment obligations related to pre-petition debts, we may receive less than all of the payments that we would otherwise be entitled to receive from any such counterparty as a result of bankruptcy proceedings.

If we are unable to attract and retain qualified personnel, our business and operations could suffer.

Our success is dependent upon our ability to identify, attract, compensate, motivate and retain qualified personnel, especially engineers, senior management and other key personnel. We recently have faced retention issues, such as when our employee turnover accelerated after our reduction-in-force efforts in 2012 and 2013 and subsequent voluntary and involuntary separations. We may experience a similar acceleration in employee turnover due to the restructuring and plan of termination instituted in the fourth quarter of 2015. The loss of the services of any key employees could be disruptive to our development efforts or business relationships and could cause our business and operations to suffer.

We are subject to various government restrictions and regulations, including on the sale of products and services that use encryption technology and those related to privacy and other consumer protection matters.

Various countries have adopted controls, license requirements and restrictions on the export, import and use of products or services that contain encryption technology. In addition, governmental agencies have proposed additional requirements for encryption technology, such as requiring the escrow and governmental recovery of private encryption keys. Restrictions on the sale or distribution of products or services containing encryption technology may impact the ability of CRD to license its data security technologies to the manufacturers and providers of such products and services in certain markets or may require CRD or its customers to make changes to the licensed data security technology that is embedded in such products to comply with such restrictions. Government restrictions, or changes to the products or services of CRD's customers to comply with such restrictions, could delay or prevent the acceptance and use of such customers' products and services. In addition, the United States and other countries have imposed export controls that prohibit the export of encryption technology to certain countries, entities and individuals. Our failure to comply with export and use regulations concerning encryption technology of CRD could subject us to sanctions and penalties, including fines, and suspension or revocation of export or import privileges.

We are subject to a variety of laws and regulations in the United States, the European Union and other countries that involve, for example, user privacy, data protection and security, content and consumer protection. A number of proposals are pending before federal, state, and foreign legislative and regulatory bodies that could significantly affect our business. Existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, result in negative publicity, increase our operating costs and subject us to claims or other remedies.

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC established new disclosure and reporting requirements for those companies who use "conflict" minerals mined from the

Democratic Republic of Congo and adjoining countries in their products, whether or not these products are manufactured by third parties. These requirements could affect the sourcing and availability of minerals that are used in the manufacture of our products. We have to date incurred costs and expect to incur significant additional costs associated with complying with the disclosure requirements, including for example, due diligence in regard to the sources of any conflict minerals used in our products, in addition to the cost of remediation and other changes to products, processes, or sources of supply as a consequence of such verification activities. Additionally, we may face reputational challenges with our customers and other stakeholders if we are unable to sufficiently verify the origins of all minerals used in our products through the due diligence procedures that we implement. We may also face challenges with government regulators and our customers and suppliers if we are unable to sufficiently verify that the metals used in our products are conflict free.

Our operations are subject to risks of natural disasters, acts of war, terrorism, widespread illness or security breach at our domestic and international locations, any one of which could result in a business stoppage and negatively affect our operating results.

Our business operations depend on our ability to maintain and protect our facilities, computer systems and personnel, which are primarily located in the San Francisco Bay Area and Bangalore, India. The San Francisco Bay Area is in close proximity to known earthquake fault zones. Our facilities and transportation for our employees are susceptible to damage from earthquakes and other natural disasters such as fires, floods and similar events. Should a catastrophe disable our facilities, we do not have readily available alternative facilities from which we could conduct our business, so any resultant work stoppage could have a negative effect on our operating results. We also rely on our network infrastructure and technology systems for operational support and business activities which are subject to physical and cyber damage, and also susceptible to other related vulnerabilities common to networks and computer systems. Acts of terrorism, widespread illness, war and any event that causes failures or interruption in our network infrastructure and technology systems could have a negative effect at our international and domestic facilities and could harm our business, financial condition, and operating results.

We do not have extensive experience in manufacturing and marketing products and, as a result, may be unable to sustain and grow a profitable commercial market for new and existing products.

We do not have extensive experience in creating, manufacturing and marketing products, including our recently announced buffer chip set, our CryptoManager platform and new offerings that will result from our acquisition of Smart Card Software in the mobile credential and smart card solution spaces. These and other new offerings may present new and difficult challenges, and we may be subject to claims if customers of these offerings experience failures or other quality issues. In particular, we may experience difficulties with product design, qualification, manufacturing, marketing or certification that could delay or prevent our development, introduction or marketing of new products. Although we intend to design our products to be fully compliant with applicable industry standards, proprietary enhancements may not in the future result in full conformance with existing industry standards under all circumstances.

If we fail to introduce products that meet the demand of our customers or penetrate new markets in which we expend significant resources, our revenues will decrease over time and our financial condition could suffer. Additionally, if we concentrate resources on a new market that does not prove profitable or sustainable, it could damage our reputation and limit our growth, and our financial condition could decline.

We rely on a number of third-party providers for data center hosting facilities, equipment, maintenance and other services, and the loss of, or problems with, one or more of these providers may impede our growth or cause us to lose customers.

We rely on third-party providers to supply data center hosting facilities, equipment, maintenance and other services in order to provide some of our services, including in our offerings of our advanced mobile payment platform and smart ticketing platform, and have entered into various agreements for such services. The continuous availability of our service depends on the operations of those facilities, on a variety of network service providers and on third-party vendors. In addition, we depend on our third-party facility providers' ability to protect these facilities against damage or interruption from natural disasters, power or telecommunications failures, criminal acts, cyber-attacks and similar events. If there are any lapses of service or damage to a facility, we could experience lengthy interruptions in our service as well as delays and additional expenses in arranging new facilities and services. Even with current and planned disaster recovery arrangements, our business could be harmed. Any interruptions or delays in our service, whether as a result of third-party error, our own error, natural disasters, criminal acts, security breaches or other causes, whether accidental or willful, could harm our relationships with customers, harm our reputation and cause our revenue to decrease and/or our expenses to increase. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability and cause us to issue credits or cause us to lose customers, any of which could materially adversely affect our business.

We rely on third parties for a variety of services, including manufacturing, and these third parties' failure to perform these services adequately could materially and adversely affect our business.

We rely on third parties for a variety of services, including our manufacturing supply chain partners and third parties within our sales and distribution channels. Certain of these third parties are, and may be, our sole manufacturer or sole source of production materials. If we fail to manage our relationship with these manufacturers and suppliers effectively, or if they experience delays, disruptions, capacity constraints or quality control problems in their operations, our ability to ship products to our customers could be impaired and our competitive position and reputation could be harmed. In addition, any adverse change in any of our manufacturers and suppliers' financial or business condition could disrupt our ability to supply quality products to our customers. If we are required to change our manufacturers, we may lose revenue, incur increased costs and damage our end-customer relationships. In addition, qualifying a new manufacturer and commencing production can be an expensive and lengthy process. If our third party manufacturers or suppliers are unable to provide us with adequate supplies of high-quality products for any other reason, we could experience a delay in our order fulfillment, and our business, operating results and financial condition would be adversely affected. In the event these and other third parties we rely on fail to provide their services adequately, including as a result of errors in their systems or events beyond their control, or refuse to provide these services on terms acceptable to us or at all, and we are not able to find suitable alternatives, our business may be materially and adversely affected. In addition, our orders may represent a relatively small percentage of the overall orders received by our manufacturers from their customers. As a result, fulfilling our orders may not be considered a priority in the event our manufacturers are constrained in their ability to fulfill all of their customer obligations in a timely manner. If our manufacturers are unable to provide us with adequate supplies of high-quality products, or if we or our manufacturers are unable to obtain adequate quantities of components, it could cause a delay in our order fulfillment, in which case our business, operating results and financial condition could be adversely affected.

Warranty and product liability claims brought against us could cause us to incur significant costs and adversely affect our operating results as well as our reputation and relationships with customers.

We may from time to time be subject to warranty and product liability claims with regard to product performance and our services. We could incur losses as a result of warranty, support, repair or replacement costs in response to customer complaints or in connection with the resolution of contemplated or actual legal proceedings relating to such claims. In addition to potential losses arising from claims and related legal proceedings, warranty and product liability claims could affect our reputation and our relationship with customers.

Any failure in our delivery of high-quality technical support services may adversely affect our relationships with our customers and our financial results.

Our customers depend on our support organization to resolve technical issues and provide ongoing maintenance relating to our products and services. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services. Increased customer demand for these services, without corresponding revenues, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on our offerings and business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality technical support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, our ability to sell our solutions to existing and prospective customers, and our business, operating results and financial position.

Certain software that we use in certain of our products is licensed from third parties and, for that reason, may not be available to us in the future, which has the potential to delay product development and production or cause us to incur additional expense, which could materially adversely affect our business, financial condition, operating results and cash flow.

Some of our products and services contain software licensed from third parties. Some of these licenses 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 offerings or the enhancement of existing products and services. We may also choose to pay a premium price for such a license in certain circumstances where continuity of the licensed product would outweigh the premium cost of the license. The unavailability of these licenses or the necessity of agreeing to commercially unreasonable terms for such licenses could materially adversely affect our business, financial condition, operating results and cash flow.

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

We use open source software in our services, including our advanced mobile payment platform and smart ticketing platform, and we intend to continue to use open source software in the future. From time to time, there have been claims challenging the ownership of open source software against companies that incorporate open source software into their products or alleging that these companies have violated the terms of an open source license. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open source software or alleging that we have violated the terms of an open source license. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our solutions. In addition, if we were to combine our proprietary software solutions with open source software in certain manners, we could, under certain open source licenses, be required to publicly release the source code of our proprietary software solutions. If we inappropriately use open source software, we may be required to re-engineer our solutions, discontinue the sale of our solutions, release the source code of our proprietary software to the public at no cost or take other remedial actions. There is a risk that open source licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions, which could adversely affect our business, operating results and financial condition.

Our business and operating results could be harmed if we undertake any restructuring activities.

From time to time, we may undertake restructurings of our business, such as the restructuring and plan of termination that we undertook in the fourth quarter of 2015. There are several factors that could cause restructurings to have adverse effects on our business, financial condition and results of operations. These include potential disruption of our operations, the development of our technology, the deliveries to our customers and other aspects of our business. Loss of sales, service and engineering talent, in particular, could damage our business. Any restructuring would require substantial management time and attention and may divert management from other important work. Employee reductions or other restructuring activities also would cause us to incur restructuring and related expenses such as severance expenses. Moreover, we could encounter delays in executing any restructuring plans, which could cause further disruption and additional unanticipated expense.

Risks Related to Capitalization Matters and Corporate Governance

The price of our common stock may continue to fluctuate.

Our common stock is listed on The NASDAQ Global Select Market under the symbol "RMBS." The trading price of our common stock has at times experienced price volatility and may continue to fluctuate significantly in response to various factors, some of which are beyond our control. Some of these factors include:

- any progress, or lack of progress, real or perceived, in the development of products that incorporate our innovations and technology companies' acceptance of our products, including the results of our efforts to expand into new target markets;
- our signing or not signing new licenses and the loss of strategic relationships with any customer;
- announcements of technological innovations or new products by us, our customers or our competitors;
- changes in our strategies, including changes in our licensing focus and/or acquisitions of companies with business models or target markets different from our own;
- positive or negative reports by securities analysts as to our expected financial results and business developments;
- developments with respect to patents or proprietary rights and other events or factors;
- new litigation and the unpredictability of litigation results or settlements; and
- issuance of additional securities by us, including in acquisitions.

In addition, the stock market in general, and prices for companies in our industry in particular, have experienced extreme volatility that often has been unrelated to the operating performance of such companies. These broad market and industry fluctuations may adversely affect the price of our common stock, regardless of our operating performance.

We have outstanding senior convertible notes in an aggregate principal amount totaling $138.0 million. Because these notes are convertible into shares of our common stock, volatility or depressed prices of our common stock could have a similar effect on the trading price of such notes. In addition, the existence of these notes may encourage short selling in our common stock by market participants because the conversion of the notes could depress the price of our common stock.

We have been party to, and may in the future be subject to, lawsuits relating to securities law matters which may result in unfavorable outcomes and significant judgments, settlements and legal expenses which could cause our business, financial condition and results of operations to suffer.

We and certain of our current and former officers and directors, as well as our current auditors, were subject from 2006 to 2011 to several stockholder derivative actions, securities fraud class actions and/or individual lawsuits filed in federal court against us and certain of our current and former officers and directors. The complaints generally alleged that the defendants violated the federal and state securities laws and stated state law claims for fraud and breach of fiduciary duty. Although to date these complaints have either been settled or dismissed, the amount of time to resolve any future lawsuits is uncertain, and these matters could require significant management and financial resources. Unfavorable outcomes and significant judgments, settlements and legal expenses in litigation related to any future securities law claims could have material adverse impacts on our business, financial condition, results of operations, cash flows and the trading price of our common stock.

We are leveraged financially, which could adversely affect our ability to adjust our business to respond to competitive pressures and to obtain sufficient funds to satisfy our future research and development needs, to protect and enforce our intellectual property, and to meet other needs.

We have material indebtedness. In August 2013, we issued $138.0 million aggregate principal amount of our 2018 Notes which remain outstanding. The degree to which we are leveraged could have negative consequences, including, but not limited to, the following:

- we may be more vulnerable to economic downturns, less able to withstand competitive pressures and less flexible in responding to changing business and economic conditions;
- our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, litigation, general corporate or other purposes may be limited;
- a substantial portion of our cash flows from operations in the future may be required for the payment of the principal amount of our existing indebtedness when it becomes due at maturity in August 2018; and
- we may be required to make cash payments upon any conversion of the 2018 Notes, which would reduce our cash on hand.

A failure to comply with the covenants and other provisions of our debt instruments could result in events of default under such instruments, which could permit acceleration of all of our outstanding 2018 Notes. Any required repurchase of the 2018 Notes as a result of a fundamental change or acceleration of the 2018 Notes would reduce our cash on hand such that we would not have those funds available for use in our business.

If we are at any time unable to generate sufficient cash flows from operations to service our indebtedness when payment is due, we may be required to attempt to renegotiate the terms of the instruments relating to the indebtedness, seek to refinance all or a portion of the indebtedness or obtain additional financing. There can be no assurance that we will be able to successfully renegotiate such terms, that any such refinancing would be possible or that any additional financing could be obtained on terms that are favorable or acceptable to us.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure have historically created uncertainty for companies such as ours. Any new or changed laws, regulations and standards are subject to varying interpretations due to their lack of specificity, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Our certificate of incorporation and bylaws, Delaware law and our outstanding convertible notes contain provisions that could discourage transactions resulting in a change in control, which may negatively affect the market price of our common stock.

Our certificate of incorporation, our bylaws and Delaware law contain provisions that might enable our management to discourage, delay or prevent a change in control. In addition, these provisions could limit the price that investors would be willing to pay in the future for shares of our common stock. Pursuant to such provisions:

- our board of directors is authorized, without prior stockholder approval, to create and issue preferred stock, commonly referred to as “blank check” preferred stock, with rights senior to those of common stock, which means that a stockholder rights plan could be implemented by our board;

- our board of directors is staggered into two classes, only one of which is elected at each annual meeting;
- stockholder action by written consent is prohibited;
- nominations for election to our board of directors and the submission of matters to be acted upon by stockholders at a meeting are subject to advance notice requirements;
- certain provisions in our bylaws and certificate of incorporation such as notice to stockholders, the ability to call a stockholder meeting, advance notice requirements and action of stockholders by written consent may only be amended with the approval of stockholders holding 66 2/3% of our outstanding voting stock;
- our stockholders have no authority to call special meetings of stockholders; and
- our board of directors is expressly authorized to make, alter or repeal our bylaws.

We are also subject to Section 203 of the Delaware General Corporation Law, which provides, subject to enumerated exceptions, that if a person acquires 15% or more of our outstanding voting stock, the person is an "interested stockholder" and may not engage in any "business combination" with us for a period of three years from the time the person acquired 15% or more of our outstanding voting stock.

Certain provisions of our outstanding 2018 Notes could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of certain transactions constituting a fundamental change, holders of such 2018 Notes will have the right, at their option, to require us to repurchase, at a cash repurchase price equal to 100% of the principal amount plus accrued and unpaid interest on such 2018 Notes, all or a portion of their 2018 Notes. We may also be required to increase the conversion rate of such 2018 Notes in the event of certain fundamental changes.

Unanticipated changes in our tax rates or in the tax laws and regulations could expose us to additional income tax liabilities which could affect our operating results and financial condition.

We are subject to income taxes in both the United States and various foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes and, in the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. Our effective tax rate could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws and regulations as well as other factors. Our tax determinations are regularly subject to audit by tax authorities and developments in those audits could adversely affect our income tax provision, and we are currently undergoing such audits of certain of our tax returns. Although we believe that our tax estimates are reasonable, the final determination of tax audits or tax disputes may be different from what is reflected in our historical income tax provisions which could affect our operating results.

Litigation, Regulation and Business Risks Related to our Intellectual Property

We have in the past, and may in the future, become engaged in litigation stemming from our efforts to protect and enforce our patents and intellectual property and make other claims, which could adversely affect our intellectual property rights, distract our management and cause substantial expenses and declines in our revenue and stock price.

We seek to diligently protect our intellectual property rights and will continue to do so. While we are not currently involved in intellectual property litigation, any future litigation, whether or not determined in our favor or settled by us, would be expected to be costly, may cause delays applicable to our business (including delays in negotiating licenses with other actual or potential customers), would be expected to tend to discourage future design partners, would tend to impair adoption of our existing technologies and would divert the efforts and attention of our management and technical personnel from other business operations. In addition, we may be unsuccessful in any litigation if we have difficulty obtaining the cooperation of former employees and agents who were involved in our business during the relevant periods related to our litigation and are now needed to assist in cases or testify on our behalf. Furthermore, any adverse determination or other resolution in litigation could result in our losing certain rights beyond the rights at issue in a particular case, including, among other things: our being effectively barred from suing others for violating certain or all of our intellectual property rights; our patents being held invalid or unenforceable or not infringed; our being subjected to significant liabilities; our being required to seek licenses from third parties; our being prevented from licensing our patented technology; or our being required to renegotiate with current customers on a temporary or permanent basis.

From time to time, we are subject to proceedings by government agencies that may result in adverse determinations against us and could cause our revenue to decline substantially.

An adverse resolution by or with a governmental agency could result in severe limitations on our ability to protect and license our intellectual property, and could cause our revenue to decline substantially. Third parties have and may attempt to use adverse findings by a government agency to limit our ability to enforce or license our patents in private litigations, to challenge or otherwise act against us with respect to such government agency proceedings.

Further, third parties have sought and may seek review and reconsideration of the patentability of inventions claimed in certain of our patents by the U.S. Patent and Trademark Office ("PTO") and/or the European Patent Office (the "EPO"). Any re-examination proceedings may be reviewed by the PTO's Patent Trial and Appeal Board ("PTAB"). The PTAB and the related former Board of Patent Appeals and Interferences ("BPAI") have previously issued decisions in a few cases, finding some challenged claims of Rambus' patents to be valid, and others to be invalid. Decisions of the PTAB are subject to further PTO proceedings and/or appeal to the Court of Appeals for the Federal Circuit. A final adverse decision, not subject to further review and/or appeal, could invalidate some or all of the challenged patent claims and could also result in additional adverse consequences affecting other related U.S. or European patents, including in any intellectual property litigation. If a sufficient number of such patents are impaired, our ability to enforce or license our intellectual property would be significantly weakened and could cause our revenue to decline substantially.

The pendency of any governmental agency acting as described above may impair our ability to enforce or license our patents or collect royalties from existing or potential customers, as any litigation opponents may attempt to use such proceedings to delay or otherwise impair any pending cases and our existing or potential customers may await the final outcome of any proceedings before agreeing to new licenses or to paying royalties.

Litigation or other third-party claims of intellectual property infringement could require us to expend substantial resources and could prevent us from developing or licensing our technology on a cost-effective basis.

Our research and development programs are in highly competitive fields in which numerous third parties have issued patents and patent applications with claims closely related to the subject matter of our programs. We have also been named in the past, and may in the future be named, as a defendant in lawsuits claiming that our technology infringes upon the intellectual property rights of third parties. As we develop additional products and technology, we may face claims of infringement of various patents and other intellectual property rights by third parties. In the event of a third-party claim or a successful infringement action against us, we may be required to pay substantial damages, to stop developing and licensing our infringing technology, to develop non-infringing technology, and to obtain licenses, which could result in our paying substantial royalties or our granting of cross licenses to our technologies. We may not be able to obtain licenses from other parties at a reasonable cost, or at all, which could cause us to expend substantial resources, or result in delays in, or the cancellation of, new products.

If we are unable to protect our inventions successfully through the issuance and enforcement of patents, our operating results could be adversely affected.

We have an active program to protect our proprietary inventions through the filing of patents. There can be no assurance, however, that:

- any current or future U.S. or foreign patent applications will be approved and not be challenged by third parties;
- our issued patents will protect our intellectual property and not be challenged by third parties;
- the validity of our patents will be upheld;
- our patents will not be declared unenforceable;
- the patents of others will not have an adverse effect on our ability to do business;
- Congress or the U.S. courts or foreign countries will not change the nature or scope of rights afforded patents or patent owners or alter in an adverse way the process for seeking or enforcing patents;
- changes in law will not be implemented, or changes in interpretation of such laws will occur, that will affect our ability to protect and enforce our patents and other intellectual property;
- new legal theories and strategies utilized by our competitors will not be successful;
- others will not independently develop similar or competing chip interfaces or design around any patents that may be issued to us; or
- factors such as difficulty in obtaining cooperation from inventors, pre-existing challenges or litigation, or license or other contract issues will not present additional challenges in securing protection with respect to patents and other intellectual property that we acquire.

If any of the above were to occur, our operating results could be adversely affected.

Furthermore, recent patent reform legislation, such as the Leahy-Smith America Invents Act, could increase the uncertainties and costs surrounding the prosecution of any patent applications and the enforcement or defense of our licensed patents. The federal courts, the USPTO, the Federal Trade Commission, and the U.S. International Trade Commission have also recently taken certain actions and issued rulings that have been viewed as unfavorable to patentees. While we cannot predict what form any new patent reform laws or regulations may ultimately take, or what impact recent or future reforms may have on our business, any laws or regulations that restrict or negatively impact our ability to enforce our patent rights against third parties could have a material adverse effect on our business.

In addition, our patents will continue to expire according to their terms, with expiration dates ranging from 2016 to 2038. Our failure to continuously develop or acquire successful innovations and obtain patents on those innovations could significantly harm our business, financial condition, results of operations, or cash flows.

Our inability to protect and own the intellectual property we create would cause our business to suffer.

We rely primarily on a combination of license, development and nondisclosure agreements, trademark, trade secret and copyright law and contractual provisions to protect our non-patentable intellectual property rights. If we fail to protect these intellectual property rights, our customers and others may seek to use our technology without the payment of license fees and royalties, which could weaken our competitive position, reduce our operating results and increase the likelihood of costly litigation. The growth of our business depends in part on the use of our intellectual property in the products of third party manufacturers, and our ability to enforce intellectual property rights against them to obtain appropriate compensation. In addition, effective trade secret protection may be unavailable or limited in certain foreign countries. Although we intend to protect our rights vigorously, if we fail to do so, our business will suffer.

Effective protection of trademarks, copyrights, domain names, patent rights, and other intellectual property rights is expensive and difficult to maintain, both in terms of application and maintenance costs, as well as the costs of defending and enforcing those rights. The efforts we have taken to protect our intellectual property rights may not be sufficient or effective. Our intellectual property rights may be infringed, misappropriated, or challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. In addition, the laws or practices of certain countries do not protect our proprietary rights to the same extent as do the laws of the United States. Significant impairments of our intellectual property rights, and limitations on our ability to assert our intellectual property rights against others, could have a material and adverse effect on our business.

Third parties may claim that our products or services infringe on their intellectual property rights, exposing us to litigation that, regardless of merit, may be costly to defend.

Our success and ability to compete are also dependent upon our ability to operate without infringing upon the patent, trademark and other intellectual property rights of others. Third parties may claim that our current or future products or services infringe upon their intellectual property rights. Any such claim, with or without merit, could be time consuming, divert management's attention from our business operations and result in significant expenses. We cannot assure you that we would be successful in defending against any such claims. In addition, parties making these claims may be able to obtain injunctive or other equitable relief affecting our ability to license the products that incorporate the challenged intellectual property. As a result of such claims, we may be required to obtain licenses from third parties, develop alternative technology or redesign our products. We cannot be sure that such licenses would be available on terms acceptable to us, if at all. If a successful claim is made against us and we are unable to develop or license alternative technology, our business, financial condition, operating results and cash flows could be materially adversely affected.

We rely upon the accuracy of our customers' recordkeeping, and any inaccuracies or payment disputes for amounts owed to us under our licensing agreements may harm our results of operations.

Many of our license agreements require our customers to document the manufacture and sale of products that incorporate our technology and report this data to us on a quarterly basis. While licenses with such terms give us the right to audit books and records of our customers to verify this information, audits rarely are undertaken because they can be expensive, time consuming, and potentially detrimental to our ongoing business relationship with our customers. Therefore, we typically rely on the accuracy of the reports from customers without independently verifying the information in them. Our failure to audit our customers' books and records may result in our receiving more or less royalty revenue than we are entitled to under the terms of our license agreements. If we conduct royalty audits in the future, such audits may trigger disagreements over contract terms with our customers and such disagreements could hamper customer relations, divert the efforts and attention of our management from normal operations and impact our business operations and financial condition.

Any dispute regarding our intellectual property may require us to indemnify certain customers, the cost of which could severely hamper our business operations and financial condition.

In any potential dispute involving our patents or other intellectual property, our customers could also become the target of litigation. While we generally do not indemnify our customers, some of our license agreements provide indemnities, and some require us to provide technical support and information to a customer that is involved in litigation involving use of our technology. In addition, we may be exposed to indemnification obligations, risks and liabilities that were unknown at the time of acquisitions, including with respect to our acquisition of Smart Card Software, and we may agree to indemnify others in the future. Any of these indemnification and support obligations could result in substantial expenses. In addition to the time and expense required for us to indemnify or supply such support to our customers, a customer's development, marketing and sales of licensed semiconductors, lighting, mobile communications and data security technologies could be severely disrupted or shut down as a result of litigation, which in turn could severely hamper our business operations and financial condition as a result of lower or no royalty payments.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

As of December 31, 2015, we occupied offices in the leased facilities described below:

Number of Offices Under Lease	Location	Primary Use
6	United States	
	Sunnyvale, CA (Corporate Headquarters)	Executive and administrative offices, research and development, sales and marketing and service functions
	Chapel Hill, NC	Research and development
	Brecksville, OH (2)	Research and development, prototyping and light manufacturing facility
	San Francisco, CA	Research and development
	Richardson, TX	Research and development
1	Bangalore, India	Administrative offices, research and development and service functions
1	Tokyo, Japan	Business development
1	Seoul, Korea	Business development
1	Taipei, Taiwan	Business development
1	Paris, France	Research and development
1	Newmarket, Canada	Research and development
1	Espoo, Finland	Research and development

Item 3. *Legal Proceedings*

We are not currently a party to any material pending legal proceeding; however, from time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our business, operating results, financial position or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

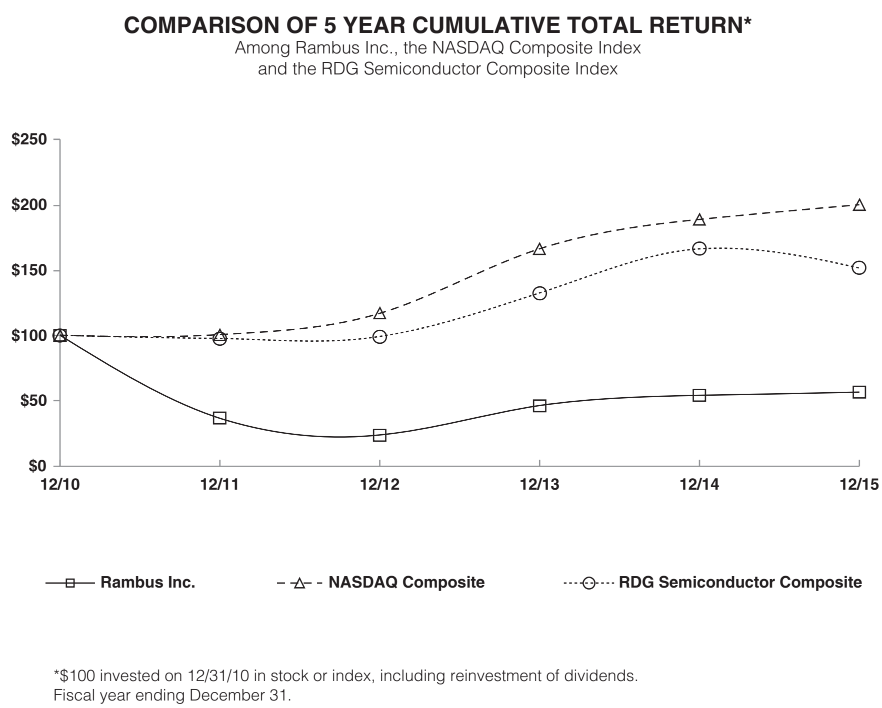
Our Common Stock is listed on The NASDAQ Global Select Market under the symbol "RMBS." The following table sets forth for the periods indicated the high and low sales price per share of our common stock as reported on The NASDAQ Global Select Market.

	Year Ended December 31, 2015		Year Ended December 31, 2014	
	High	**Low**	**High**	**Low**
First Quarter	$12.88	$10.01	$11.00	$ 8.38
Second Quarter	$15.49	$12.44	$14.82	$10.74
Third Quarter	$14.80	$10.36	$14.77	$11.27
Fourth Quarter	$14.07	$ 9.86	$12.55	$ 9.87

The graph below compares the cumulative 5-year total return of holders of Rambus Inc.'s common stock with the cumulative total returns of the NASDAQ Composite index and the RDG Semiconductor Composite index. The graph tracks the performance of a $100 investment in our common stock and in each of the indexes (with the reinvestment of all dividends) from December 31, 2010 to December 31, 2015.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Rambus Inc., the NASDAQ Composite Index and the RDG Semiconductor Composite Index



* $100 invested on 12/31/10 in stock or index, including reinvestment of dividends.

Fiscal years ending:

	12/10	12/11	12/12	12/13	12/14	12/15
Rambus Inc.	100.00	36.87	23.78	46.24	54.15	56.59
NASDAQ Composite	100.00	100.53	116.92	166.19	188.78	199.95
RDG Semiconductor Composite	100.00	97.51	99.00	132.42	166.28	151.75

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Information regarding our securities authorized for issuance under equity compensation plans will be included in Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," of this report on Form 10-K.

As of January 29, 2016, there were 534 holders of record of our common stock. Since many of the shares of our common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial stockholders represented by these record holders.

We have never paid or declared any cash dividends on our common stock or other securities.

Share Repurchase Program

On January 21, 2015, our Board approved a share repurchase program authorizing the repurchase of up to an aggregate of 20.0 million shares. Share repurchases under the plan may be made through the open market, established plans or privately negotiated transactions in accordance with all applicable securities laws, rules, and regulations. There is no expiration date applicable to the plan. After giving effect to the accelerated share repurchase program detailed in the table below, we had remaining authorization to repurchase approximately 12.2 million shares.

We record stock repurchases as a reduction to stockholders' equity. We record a portion of the purchase price of the repurchased shares as an increase to accumulated deficit when the price of the shares repurchased exceeds the average original proceeds per share received from the issuance of common stock.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs	Total Paid (1)
10/1/2015 — 10/31/15	7,812,500	$10.24	7,812,500	12,187,500	$100,000,000
Total	7,812,500		7,812,500		$100,000,000

(1) In the fourth quarter of 2015, we entered into an accelerated share repurchase program to repurchase an aggregate of $100.0 million of our common stock and received an initial delivery of 7.8 million shares which were retired and recorded as a $80.0 million reduction to stockholders' equity. The remaining $20.0 million of the initial payment was recorded as a reduction to stockholders' equity as an unsettled forward contract indexed to our stock. The number of shares to be ultimately purchased by us will be determined based on the volume weighted average price of the common stock during the terms of the transaction, minus an agreed upon discount between the parties. The program is expected to be completed by June 2016. See Note 13, "Stockholders' Equity," of Notes to Consolidated Financial Statements of this Form 10-K for further discussion.

Item 6. *Selected Financial Data*

The following selected consolidated financial data for and as of the years ended December 31, 2015, 2014, 2013, 2012 and 2011 was derived from our consolidated financial statements. The following selected consolidated financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 8, "Financial Statements and Supplementary Data," and other financial data included elsewhere in this report. Our historical results of operations are not necessarily indicative of results of operations to be expected for any future period.

	Years Ended December 31,				
	2015 (2) (3) (4)	2014 (2)	2013 (1) (2)	2012 (1)	2011 (2)
	(In thousands, except per share amounts)				
Total revenue	$296,278	$296,558	$271,501	$ 234,051	$312,363
Net income (loss)	$211,388	$ 26,201	$ (33,748)	$(134,336)	$ (43,053)
Net income (loss) per share:					
Basic	$ 1.84	$ 0.23	$ (0.30)	$ (1.21)	$ (0.39)
Diluted	$ 1.80	$ 0.22	$ (0.30)	$ (1.21)	$ (0.39)
Consolidated Balance Sheet Data:					
Cash, cash equivalents and marketable securities	$287,706	$300,109	$387,662	$ 203,330	$289,456
Total assets	$719,504	$588,279	$713,379	$ 587,812	$693,654
Convertible notes	$120,901	$115,089	$273,676	$ 147,556	$133,493
Stockholders' equity	$526,533	$391,622	$340,229	$ 321,594	$429,794

(1) The net loss for the years ended December 31, 2013 and 2012 included $17.8 million and $35.5 million, respectively, of impairment of goodwill and long-lived assets.
(2) The net income (loss) for the years ended December 31, 2015, 2014, 2013 and 2011 included $2.0 million, $2.0 million, $0.5 million and $6.2 million, respectively, of gain from settlement which was reflected as a reduction of operating costs and expenses.
(3) The net income for the year ended December 31, 2015 included $174.5 million related to the reversal of the deferred tax asset valuation allowance.
(4) Stockholders' equity includes $100.0 million paid under the accelerated share repurchase program as well as the $174.5 million net impact of the reversal of the deferred tax asset valuation allowance.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion contains forward-looking statements, including, without limitation, our expectations and statements regarding our outlook and future revenues, expenses, results of operations, liquidity, plans, strategies and objectives of management and any assumptions underlying any of the foregoing. Our actual results may differ significantly from those projected in the forward-looking statements. Our forward-looking statements and factors that might cause future actual results to differ materially from our recent results or those projected in the forward-looking statements include, but are not limited to, those discussed in the section titled "Note Regarding Forward-Looking Statements" and "Risk Factors" of this Annual Report on Form 10-K. Except as required by law, we assume no obligation to update the forward-looking statements or our risk factors for any reason.

Business Overview

Rambus creates cutting-edge semiconductor and IP products, spanning memory and interfaces to security, smart sensors and lighting. Our chips, customizable IP cores, architecture licenses, tools, services, software, training and innovations improve the competitive advantage of our customers. We collaborate with the industry, partnering with leading ASIC and SoC designers, foundries, IP developers, EDA companies and validation labs. Our products are integrated into tens of billions of devices and systems, powering and securing diverse applications, including Big Data, Internet of Things (IoT), mobile, consumer and media platforms. We generate revenue by licensing our inventions and solutions, selling our semiconductor products and providing services to market-leading companies.

While we have historically focused our efforts on the development of technologies for electronics memory and chip interfaces, we have expanded our portfolio of inventions and solutions to address additional markets in lighting, chip and system security, as well as new areas within the semiconductor industry, such as computational sensing and imaging. We intend to continue our growth into new technology fields, consistent with our mission to create great value through our innovations and to make those technologies available through both our licensing and non-licensing business models. Key to our efforts will be hiring and retaining world-class inventors, scientists and engineers to lead the development of inventions and technology solutions for our fields of focus, and the management and business support personnel necessary to execute our plans and strategies.

We have four operational units: (1) Memory and Interfaces Division, or MID, which focuses on the design, development and licensing of technology that is related to memory and interfaces; (2) Cryptography Research Division, or CRD, which focuses on the design, development and licensing of technologies for chip and system security, anti-counterfeiting, smart ticketing and mobile payments; (3) ESD, which includes our computational sensing and imaging group along with our development efforts in the area of emerging technologies; and (4) Lighting and Display Technologies, or LDT, which focuses on the design, development and licensing of technologies for lighting. As of December 31, 2015, MID and CRD were considered reportable segments as they met the quantitative thresholds for disclosure as a reportable segment. The results of the remaining operating segments were shown under “Other.” For additional information concerning segment reporting, see Note 6, “Segments and Major Customers,” of Notes to Consolidated Financial Statements of this Form 10-K.

Our strategy is to evolve from providing primarily patent licenses to providing additional technology, products and services while creating and leveraging strategic synergies to increase revenue. One of our goals is to supplement our patent licensing business with additional licensing opportunities for our technologies, products and services to be incorporated into our customers’ products and/or systems. Our technology licenses are designed to support the implementation and adoption of our technology into our customers’ products or services. As part of these offerings, we can provide a range of services that can include access to technical experts, advanced system design and analysis, hardware and software to enhance design and validation, system IP and specifications, and process-specific hard and soft macros, along with other services. These technology license agreements may have both a fixed price (non-recurring) component and ongoing royalties. Further, under technology licenses, our customers typically receive licenses to our patents necessary to implement these solutions in their products with specific rights and restrictions to the applicable patents elaborated in their individual contracts with us.

As of December 31, 2015, our semiconductor, lighting, security and other technologies are covered by 1,832 U.S. and foreign patents. Additionally, we have 681 patent applications pending. Some of the patents and pending patent applications are derived from a common parent patent application or are foreign counterpart patent applications. We have a program to file applications for and obtain patents in the United States and in selected foreign countries where we believe filing for such protection is appropriate and would further our overall business strategy and objectives. In some instances, obtaining appropriate levels of protection may involve prosecuting continuation and counterpart patent applications based on a common parent application. We believe our patented innovations provide our customers with the ability to achieve improved performance, lower risk, greater cost-effectiveness and other benefits in their products and services.

Our inventions and technology solutions are offered to our customers through either a patent license, a technology license or a software license. Today, a majority of our revenues are derived from patent licenses, through which we provide our customers a license to use a certain portion of our broad portfolio of patented inventions. The license provides our customers with a defined right to use our innovations in the customer’s own digital electronics products, systems or services, as applicable. The licenses may also define the specific field of use where our customers may use or employ our inventions in their products. License agreements are structured with fixed, variable or a hybrid of fixed and variable royalty payments over certain defined periods ranging for periods of up to ten years. Leading consumer product, semiconductor and system companies such as AMD, Broadcom, Cisco, Freescale, Fujitsu, GE, IBM, Intel, LSI, Micron, Nanya, Panasonic, Qualcomm, Renesas, Samsung, SK hynix, STMicroelectronics and Toshiba have licensed our patents for use in their own products. The majority of our intellectual property in MID was developed in-house and we have expanded our business strategy of monetizing our MID intellectual property to include the sale of select intellectual property. As any sales executed under this expanded strategy represent a component of our ongoing major or central operations and activities, we will record the related proceeds as revenue.

We also offer our customers technology licenses to support the implementation and adoption of our technology in their products or services. Our customers include leading companies such as Eaton, GE, IBM, Panasonic, Qualcomm, Samsung, Sony and Toshiba. Our technology license offerings include a range of technologies for incorporation into our customers' products and systems. We also offer a range of services as part of our technology licenses which can include know-how and technology transfer, product design and development, system integration, and other services. These technology license agreements may have both a fixed price (non-recurring) component and ongoing royalties. Further, under technology licenses, our customers typically receive licenses to our patents necessary to implement these solutions in their products with specific rights and restrictions to the applicable patents elaborated in their individual contracts with us.

The remainder of our revenue is contract services revenue which includes license fees and engineering services fees, although we expect the acquisition of Smart Card Software to be accretive to revenue within the first twelve months. The timing and amounts invoiced to customers can vary significantly depending on specific contract terms and can therefore have a significant impact on deferred revenue or account receivables in any given period.

We intend to continue making significant expenditures associated with engineering, sales, general and administration and expect that these costs and expenses will continue to be a significant percentage of revenue in future periods. Whether such expenses increase or decrease as a percentage of revenue will be substantially dependent upon the rate at which our revenue or expenses change.

Executive Summary

During 2015, we signed and renewed key license agreements with IBM, Renesas, SK hynix and Toshiba. We also revealed our Smart Data Acceleration research program which improves data center performance. Additionally, we initiated a $100 million accelerated share repurchase program. Furthermore, we introduced the R+ DDR4 server memory chipset, RCD26, for RDIMMs and LRDIMMs.

Engineering expenses continues to play a key role in our efforts to maintain product innovations. Our engineering expenses for the year ended December 31, 2015 increased $4.4 million as compared to 2014 primarily due to increased expenses related to software design tools of $3.5 million, increased headcount related expenses of $2.1 million, increased bonus accrual expense of $1.5 million and increased cost of sales associated with increased sales of light guides and security products and engineering services of $1.5 million, offset by decreased accrual of retention bonuses of $1.5 million, decreased amortization costs of $1.5 million and decreased equipment and software maintenance costs of $0.7 million.

Sales, general and administrative expenses for the year ended December 31, 2015 decreased $4.2 million as compared to 2014 primarily due to decreased consulting costs of $3.1 million, decreased depreciation expense of $1.3 million, decreased software and equipment maintenance costs of $0.9 million and decreased litigation costs of $0.5 million, offset by increased headcount related expenses of $0.9 million and increased stock-based compensation expense of $0.8 million.

Trends

There are a number of trends that may have a material impact on us in the future, including but not limited to, the evolution of memory technology, adoption of LEDs in general lighting, the use and adoption of our inventions or technologies and global economic conditions with the resulting impact on sales of consumer electronic systems.

We have a high degree of revenue concentration, with our top five customers representing approximately 65%, 62% and 62% of our revenue for the years ended December 31, 2015, 2014 and 2013, respectively. As a result of renewing with Samsung in 2013 and settling with SK hynix and Micron in 2013, as well as extending our license agreement with SK hynix in June 2015, Samsung, SK hynix and Micron are expected to account for a significant portion of our ongoing licensing revenue. For both of the years ended December 31, 2015 and 2014, revenue from Micron, Samsung and SK hynix each accounted for 10% or more of our total revenue. For the year ended December 31, 2013, revenue from Samsung accounted for 10% or more of our total revenue in each year.

The particular customers which account for revenue concentration have varied from period to period as a result of the addition of new contracts, expiration of existing contracts, renewals of existing contracts, industry consolidation and the volumes and prices at which the customers have recently sold to their customers. These variations are expected to continue in the foreseeable future.

Our licensing cycle is lengthy, costly and unpredictable with any degree of certainty. We may incur costs in any particular period before any associated revenue stream begins, if at all. Our lengthy license negotiation cycles could make our future revenue difficult to predict because we may not be successful in entering into licenses with our customers in the amounts projected, or on our anticipated timelines. In addition, while some of our license agreements provide for fixed, quarterly royalty payments, many of our license agreements provide for volume-based royalties, and may also be subject to caps on royalties in a given period. The sales volume and prices of our customers' products in any given period can be difficult to predict. As a result, our actual results may differ substantially from analyst estimates or our forecasts in any given quarter or over the next year.

The semiconductor industry is intensely competitive and highly cyclical, limiting our visibility with respect to future sales. To the extent that macroeconomic fluctuations negatively affect our principal customers, the demand for our technology may be significantly and adversely impacted and we may experience substantial period-to-period fluctuations in our operating results. The royalties we receive from our semiconductor customers are partly a function of the adoption of our technologies by system companies. Many system companies purchase semiconductors containing our technologies from our customers and do not have a direct contractual relationship with us. Our customers generally do not provide us with details as to the identity or volume of licensed semiconductors purchased by particular system companies. As a result, we face difficulty in analyzing the extent to which our future revenue will be dependent upon particular system companies. System companies face intense competitive pressure in their markets, which are characterized by extreme volatility, frequent new product introductions and rapidly shifting consumer preferences.

Global demand for effective security technologies continues to increase. In particular, highly integrated devices such as smart phones and tablets are increasingly used for applications requiring security such as mobile payments, content protection, corporate information and user data. Our CRD is primarily focused on positioning its DPA countermeasures, CryptoFirewall™ and CryptoManager™ technology solutions, and the introduction of mobile payments and smart ticketing solutions to our offerings to capitalize on these trends and growing adoption among technology partners and customers.

The highly fragmented general lighting industry is undergoing a fundamental shift from incandescent technology to cold cathode fluorescent lights and LED driven technology due to the need to reduce energy consumption and to comply with government mandates. LED lighting typically saves energy costs as compared to existing installed lighting. Our LDT group's patents in LED edge-lit light guide technology can be applied in the design of next generation LED lighting products.

The strategy of the LDT group focuses on providing the market with novel, patented light guide technologies and products to customers who are leading the transition to solid-state LED-based general lighting fixtures.

In 2013, we sold a set of patent assets related to our core display patents where the purchaser of the patents can proceed independently with a licensing program. We have a net proceeds-sharing program in place with the purchaser of the patents upon their licensing of these patent assets. We retain the rights to use certain application techniques and may selectively engage with customers to license our intellectual property and technology for use and applications as permitted under our agreement, including without limitation, display panel and designs.

During the third quarter of 2015 we announced that we are in technical development of the buffer chipset which we are currently sampling to key potential customers and critical ecosystem partners. We are currently working to make the chipset commercially available, but we do not expect any material contribution to revenue from the chipset through 2016.

Our revenue from companies headquartered outside of the United States accounted for approximately 60%, 63% and 70% of our total revenue for the years ended December 31, 2015, 2014 and 2013, respectively. We expect that revenue derived from international customers will continue to represent a significant portion of our total revenue in the future. To date, all of the revenue from international customers has been denominated in U.S. dollars. However, to the extent that such customers' sales to their customers are not denominated in U.S. dollars, any revenue that we receive as a result of such sales could be subject to fluctuations in currency exchange rates. In addition, if the effective price of licensed products sold by our foreign customers were to increase as a result of fluctuations in the exchange rate of the relevant currencies, demand for licensed products could fall, which in turn would reduce our revenue. We do not use financial instruments to hedge foreign exchange rate risk.

For additional information concerning international revenue, see Note 6, "Segments and Major Customers," of Notes to Consolidated Financial Statements of this Form 10-K.

Engineering costs in the aggregate and as a percentage of revenue increased during the year ended December 31, 2015 as compared to the prior year. In the near term, we expect engineering costs in the aggregate to be higher as we intend to continue to make investments in the infrastructure and technologies required to maintain our product innovation in semiconductor, lighting, security and other technologies, including the acquisition of Smart Card Software in January 2016.

Sales, general and administrative expenses in the aggregate and as a percentage of revenue decreased during the year ended December 31, 2015 as compared to the prior year. In the past, our litigation expenses have been high and difficult to predict. Because we successfully negotiated settlements and license agreements with SK hynix, Micron and Nanya during the course of 2013 and 2014, we have settled all outstanding litigation and should no longer have material litigation expenses related to these specific matters. In the near term, we expect our sales, general and administrative costs in the aggregate to be higher due to the acquisition of Smart Card Software. To the extent litigation is again necessary, our expectations on the amount and timing of any future general and administrative costs is uncertain.

Our continued investment in research and development projects, involvement in any future litigation or other legal proceedings and any lower revenue from our customers in the future, will negatively affect our cash from operations.

As a part of our overall business strategy, from time to time, we evaluate businesses and technologies for potential acquisition that are aligned with our core business and designed to supplement our growth. On January 25, 2016, we acquired Smart Card Software Ltd., a privately held company who is a leader in mobile payments and a leading supplier of smart ticketing systems, which includes Bell Identification Ltd. and Ecebs

Ltd. through the purchase of all outstanding shares of Smart Card Software Ltd., for approximately $93 million in cash.

To provide us with more flexibility in returning capital back to our shareholders, on January 21, 2015, our Board authorized a new share repurchase program authorizing the repurchase of up to an aggregate of 20.0 million shares. In the fourth quarter of 2015, we entered into an accelerated share repurchase program to repurchase an aggregate of $100.0 million of our common stock and received an initial delivery of 7.8 million shares. We may continue to tactically execute the share repurchase program from time to time.

Results of Operations

The following table sets forth, for the periods indicated, the percentage of total revenue represented by certain items reflected in our consolidated statements of operations:

	Years Ended December 31,		
	2015	2014	2013
Revenue:			
Royalties	88.6%	91.6%	97.3%
Contract and other revenue	11.4%	8.4%	2.7%
Total revenue	100.0%	100.0%	100.0%
Operating costs and expenses:			
Cost of revenue*	15.3%	14.1%	12.2%
Research and development*	37.5%	37.1%	43.5%
Sales, general and administrative*	23.8%	25.2%	28.2%
Restructuring charges	1.2%	0.0%	2.0%
Impairment of goodwill and long-lived assets	—%	—%	6.5%
Gain from sale of intellectual property	(1.2)%	(1.2)%	(0.5)%
Gain from settlement	(0.7)%	(0.6)%	(0.2)%
Total operating costs and expenses	75.9%	74.6%	91.7%
Operating income	24.1%	25.4%	8.3%
Interest income and other income, net	0.3%	(0.1)%	(0.6)%
Interest expense	(4.2)%	(8.4)%	(12.1)%
Interest and other income (expense), net	(3.9)%	(8.5)%	(12.7)%
Income (loss) before income taxes	20.2%	16.9%	(4.4)%
Provision for (benefit from) income taxes	(51.0)%	8.1%	8.0%
Net income (loss)	71.2%	8.8%	(12.4)%

* Includes stock-based compensation:

Cost of revenue	0.0%	0.0%	0.0%
Research and development	2.3%	2.4%	2.4%
Sales, general and administrative	2.8%	2.5%	3.1%

Segment Results

Revenue from the MID reportable segment decreased approximately $4.3 million to $222.0 million for the year ended December 31, 2015 from $226.3 million for the year ended December 31, 2014. The decrease was primarily due to lower royalty revenue from AMD, Nanya, NVIDIA, Renesas and STMicroelectronics, offset by higher royalty revenue from IBM and SK hynix.

Segment operating income from the MID reportable segment decreased approximately $11.3 million to $174.2 million for the year ended December 31, 2015 from $185.5 million for the year ended December 31, 2014. The decrease was primarily due to decrease in revenue as discussed above and increased expenses related to software design tools and increased prototyping costs.

Revenue from the CRD reportable segment increased approximately $1.2 million to $50.5 million for the year ended December 31, 2015 from $49.3 million for the year ended December 31, 2014. The increase was primarily due to higher revenue from security products, offset by lower royalty revenue from Qualcomm, STMicroelectronics and a smartphone and tablet manufacturer.

Segment operating income from the CRD reportable segment remained relatively flat at $21.4 million for the year ended December 31, 2015 as compared to $21.7 million for the year ended December 31, 2014.

Revenue from the Other segment increased approximately $2.9 million to $23.8 million for the year ended December 31, 2015 from $20.9 million for the year ended December 31, 2014. The increase was primarily due to increased lighting technology development projects and sales of light guides.

Segment operating loss from the Other segment decreased approximately $4.9 million to $8.3 million for the year ended December 31, 2015 from $13.2 million for the year ended December 31, 2014. The decrease was primarily due to increase in revenue as discussed above and lower prototyping costs.

Revenue from the MID reportable segment decreased approximately $5.7 million to $226.3 million for the year ended December 31, 2014 from $232.0 million for the year ended December 31, 2013. The decrease was primarily due to lower royalty revenue from Samsung, NVIDIA and XDR™ DRAM associated with decreased shipments of the Sony PlayStation®3 product. The decreased revenue was partially offset by revenue from license agreements signed with SK hynix, Micron, Nanya and Qualcomm.

Segment operating income from the MID reportable segment decreased approximately $11.7 million to $185.5 million for the year ended December 31, 2014 from $197.2 million for the year ended December 31, 2013. The decrease was primarily due to decrease in revenue as discussed above and increased headcount related costs due to higher number of employees in 2014.

Revenue from the CRD reportable segment increased approximately $16.7 million to $49.3 million for the year ended December 31, 2014 from $32.6 million for the year ended December 31, 2013. The increase was primarily due to the license agreement signed with Qualcomm during 2014, the license agreement signed with Samsung during 2013 and new technology development contracts during 2014.

Segment operating income from the CRD reportable segment increased approximately $9.4 million to $21.7 million for the year ended December 31, 2014 from $12.3 million for the year ended December 31, 2013. The increase was primarily due to increase in revenue as discussed above, partially offset by increased headcount related costs from additional employees to support our cryptography development efforts.

Revenue from the Other segment increased approximately $14.1 million to $20.9 million for the year ended December 31, 2014 from $6.8 million for the year ended December 31, 2013. The increase was primarily due to increased lighting technology development projects and sales of light guides.

Segment operating loss from the Other segment decreased approximately $22.3 million to $13.2 million for the year ended December 31, 2014 from $35.5 million for the year ended December 31, 2013. The decrease was primarily due to increase in revenue as discussed above, gain from additional proceeds from sale of portfolio of patent assets covering lighting technologies during 2013 and decreased headcount related costs due to fewer average number of employees in 2014. The decrease was partially offset by increase in cost of sales associated with increased lighting product sales in 2014.

	Years Ended December 31,			2014 to 2015 Change	2013 to 2014 Change
	2015	2014	2013		
	(Dollars in millions)				
Total Revenue					
Royalties	$262.4	$271.5	$264.1	(3.4)%	2.8%
Contract and other revenue	33.9	25.1	7.4	35.3%	NM*
Total revenue	$296.3	$296.6	$271.5	(0.1)%	9.2%

* NM — percentage is not meaningful

Royalty Revenue

Patent Licenses

Our patent royalties decreased approximately $12.0 million to $248.9 million for the year ended December 31, 2015 from $260.9 million for the same period in 2014. The decrease in 2015 was primarily due to lower royalty revenue recognized from AMD, NVIDIA, Renesas, STMicroelectronics and a smartphone and tablet manufacturer, offset by higher royalty revenue from IBM and SK hynix. Of the $248.9 million patent royalties for the year ended December 31, 2015, $86.0 million is related to royalty revenue from settlement of past legal proceedings with SK hynix and Micron.

Our patent royalties increased approximately $11.8 million to $260.9 million for the year ended December 31, 2014 from $249.1 million for the same period in 2013. The increase was primarily due to revenue recognized from new license agreements signed with SK hynix and Micron during 2013 and Nanya and Qualcomm during 2014, partially offset by lower royalty payments from Samsung and NVIDIA. Of the $260.9 million patent royalties for the year ended December 31, 2014, $86.0 million is related to royalty revenue from settlement of past legal proceedings with SK hynix and Micron.

We are continuously in negotiations for licenses with prospective customers. We expect patent royalties will continue to vary from period to period based on our success in adding new customers, renewing or extending existing agreements, as well as the level of variation in our customers' reported shipment volumes, sales price and mix, offset in part by the proportion of customer payments that are fixed or hybrid in nature.

Technology Licenses

Royalties from technology licenses increased approximately $2.9 million to $13.5 million for the year ended December 31, 2015 from $10.6 million for the same period in 2014. The increase was primarily due to higher royalties from security and lighting technology license revenue, offset by lower royalties from XDR™ DRAM associated with decreased shipments of the Sony PlayStation®3 product.

Royalties from technology licenses decreased approximately $4.4 million to $10.6 million for the year ended December 31, 2014 from $15.0 million for the same period in 2013. The decrease was primarily due to lower royalties from XDR™ DRAM associated with decreased shipments of the Sony PlayStation®3 product.

In the future, we expect technology royalties will continue to vary from period to period based on our customers' shipment volumes, sales prices, and product mix.

Royalty Revenue by Reportable Segment

Royalty revenue from the MID reportable segment, which includes patent and technology license royalties, decreased approximately $5.8 million to $217.7 million for the year ended December 31, 2015 from $223.5 million for the year ended December 31, 2014. The decrease was primarily due to lower royalty revenue from AMD, Nanya, NVIDIA, Renesas and STMicroelectronics, offset by higher royalty revenue from IBM and SK hynix.

Royalty revenue from the CRD reportable segment, which includes patent and technology license royalties, decreased approximately $4.3 million to $41.4 million for the year ended December 31, 2015 from $45.7 million for the year ended December 31, 2014. The decrease was primarily due to lower royalty revenue from Qualcomm, STMicroelectronics and a smartphone and tablet manufacturer.

Royalty revenue from the Other segment increased $1.0 million to $3.3 million for the year ended December 31, 2015 from $2.3 million for the year ended December 31, 2014. The increase was due to increased royalties from technology licenses associated with increased shipments of lighting products.

Royalty revenue from the MID reportable segment decreased approximately $8.2 million to $223.5 million for the year ended December 31, 2014 from $231.7 million for the year ended December 31, 2013. The decrease was primarily due to lower royalty revenue from Samsung, NVIDIA and XDR™ DRAM associated with decreased shipments of the Sony PlayStation®3 product. The decreased revenue was partially offset by revenue from license agreements signed with SK hynix, Micron, Nanya and Qualcomm.

Royalty revenue from the CRD reportable segment increased approximately $14.5 million to $45.7 million for the year ended December 31, 2014 from $31.2 million for the year ended December 31, 2013. The increase was primarily due to the new license agreements signed with Qualcomm during 2014 and Samsung during 2013.

Royalty revenue from the Other segment increased $1.1 million to $2.3 million for the year ended December 31, 2014 from $1.2 million for the year ended December 31, 2013. The increase was due to increased royalties from technology licenses associated with increased shipments of lighting products.

Contract and Other Revenue

Contract and other revenue consists of revenue from technology development, sale of security and lighting products as well as sale of selected intellectual property developed by our MID business unit. Contract and other revenue increased approximately $8.8 million to $33.8 million for the year ended December 31, 2015 from $25.0 million for the year ended December 31, 2014. The increase was primarily due to increased revenue from security technology development projects and products as well as lighting technology development projects and sales of light guides, offset by lower revenue from the sale of selected intellectual property.

Contract and other revenue increased approximately $17.6 million to $25.0 million for the year ended December 31, 2014 from $7.4 million for the year ended December 31, 2013. The increase was primarily due to increased lighting technology development projects, sales of light guides and sale of selected intellectual property.

We believe that contract and other revenue will fluctuate over time based on our ongoing technology development contractual requirements, the amount of work performed, the timing of completing engineering deliverables, and the changes to work required, as well as new technology development contracts booked in the future.

Contract and Other Revenue by Reportable Segments

Contract and other revenue from the MID reportable segment increased approximately $1.4 million to $4.3 million for the year ended December 31, 2015 from $2.9 million for the year ended December 31, 2014, primarily due to new technology development contracts in 2015. Contract and other revenue from the CRD reportable segment increased approximately $5.5 million to $9.1 million for the year ended December 31, 2015 from $3.6 million for the year ended December 31, 2014, primarily due to higher revenue from security products. Contract and other revenue from the Other segment increased approximately $1.9 million to $20.5 million for the year ended December 31, 2015 from $18.6 million for the year ended December 31, 2014, primarily due to increased lighting technology development projects and sales of light guides.

Contract and other revenue from the MID reportable segment increased approximately $2.6 million to $2.9 million for the year ended December 31, 2014 from $0.3 million for the year ended December 31, 2013, primarily due to sale of selected intellectual property. Contract and other revenue from the CRD reportable segment increased approximately $2.2 million to $3.6 million for the year ended December 31, 2014 from $1.4 million for the year ended December 31, 2013, primarily due to new technology development contracts. Contract and other revenue from the Other segment increased approximately $12.9 million to $18.6 million for the year ended December 31, 2014 from $5.7 million for the year ended December 31, 2013, primarily due to increased lighting technology development projects and sales of light guides.

Engineering costs:

	Years Ended December 31,			2014 to 2015 Change	2013 to 2014 Change
	2015	2014	2013		
	(Dollars in millions)				
Engineering costs					
Cost of revenue	$ 22.7	$ 19.1	$ 7.3	19.0%	NM*
Amortization of intangible assets	22.6	22.9	25.9	(1.1)%	(11.8)%
Total cost of revenue	45.3	42.0	33.2	8.1%	26.3%
Research and development	104.3	102.8	111.4	1.5%	(7.7)%
Stock-based compensation	6.8	7.2	6.6	(6.3)%	9.4%
Total research and development	111.1	110.0	118.0	1.0%	(6.7)%
Total engineering costs	$156.4	$152.0	$151.2	2.9%	0.5%

* NM — percentage is not meaningful

Engineering costs are allocated between cost of revenue and research and development expenses. Cost of revenue reflects the portion of the total engineering costs which are specifically devoted to individual customer development and support services, costs of security and lighting products sold as well as amortization expense related to various acquired intellectual property for patent licensing. The balance of engineering costs, incurred for the development of applicable technologies, is charged to research and development. In a given period, the allocation of engineering costs between these two components is a function of the timing of the development and implementation schedules of individual customer contracts.

For the year ended December 31, 2015 as compared to the same period in 2014, total engineering costs increased 2.9% primarily due to increased expenses related to software design tools of $3.5 million, increased headcount related expenses of $2.1 million, increased bonus accrual expense of $1.5 million and increased cost of sales associated with increased sales of light guides and security products and engineering services of $1.5 million, offset by decreased accrual of retention bonuses of $1.5 million, decreased amortization costs of $1.5 million and decreased equipment and software maintenance costs of $0.7 million.

For the year ended December 31, 2014 as compared to the same period in 2013, total engineering costs increased 0.5% primarily due to increased cost of sales associated with sales of light guides of $6.5 million, increased headcount related costs of $1.8 million from higher number of employees in 2014, increased expenses related to software design tools of $1.9 million, increased prototyping costs of $1.7 million and legal patent costs of $0.7 million, offset by decreased accrual of retention bonuses related to acquisitions of $7.1 million as a result of the payouts, decreased amortization costs of $2.2 million and decreased information technology costs of $1.1 million.

In the near term, we expect engineering costs to be higher as we continue to make investments in the infrastructure and technologies required to maintain our product innovation in semiconductor, lighting, security and other technologies, including costs related to the acquisition of Smart Card Software.

Sales, general and administrative costs:

	Years Ended December 31,			2014 to 2015 Change	2013 to 2014 Change
	2015	2014	2013		
	(Dollars in millions)				
Sales, general and administrative costs					
Sales, general and administrative costs	$62.0	$66.5	$70.7	(6.7)%	(6.0)%
Litigation expense	0.3	0.8	(2.6)	(67.3)%	NM*
Stock-based compensation	8.3	7.5	8.3	10.7%	(10.7)%
Total sales, general and administrative costs	$70.6	$74.8	$76.4	(5.6)%	(2.2)%

* NM — percentage is not meaningful

Sales, general and administrative expenses include expenses and costs associated with trade shows, public relations, advertising, litigation, general legal, insurance and other sales, marketing and administrative efforts. Litigation expenses have historically been a significant portion of our sales, general and administrative expenses and has declined over the past three years. Consistent with our business model, our licensing, sales and marketing activities aim to develop or strengthen relationships with potential new and current customers. In addition, we work with current customers through marketing, sales and technical efforts to drive adoption of their products that use our innovations and solutions, by system companies. Due to the long business development cycles we face and the semi-fixed nature of sales, general and administrative expenses in a given period, these expenses generally do not correlate to the level of revenue in that period or in recent or future periods.

For the year ended December 31, 2015 as compared to 2014, total sales, general and administrative costs decreased 5.6% primarily due to decreased consulting costs of $3.1 million, decreased depreciation expense of $1.3 million, decreased software and equipment maintenance costs of $0.9 million and decreased litigation costs of $0.5 million, offset by increased headcount related expenses of $0.9 million and increased stock-based compensation expense of $0.8 million.

For the year ended December 31, 2014 as compared to 2013, total sales, general and administrative costs decreased 2.2% due to decreased consulting costs of $2.5 million, decreased depreciation expense of $1.7 million, decreased stock-based compensation expenses of $0.9 million, decreased accrual of retention bonuses related to acquisitions of $0.8 million and decreased facilities costs of $0.6 million partially offset by the one-time reversal of accrued SK hynix and Micron related litigation costs of $9.0 million in the same period of 2013 and increased headcount related costs of $1.2 million from higher number of employees in 2014.

In the future, sales, general and administrative costs will vary from period to period based on the trade shows, advertising, legal, acquisition and other sales, marketing and administrative activities undertaken, and the change in sales, marketing and administrative headcount in any given period. In the near term, we expect our sales, general and administrative costs to be higher due to the acquisition of Smart Card Software.

Restructuring charges:

	Years Ended December 31,			2014 to 2015 Change	2013 to 2014 Change
	2015	2014	2013		
	(Dollars in millions)				
Restructuring charges	$3.6	$0.0	$5.5	NM*	(99.3)%

* NM — percentage is not meaningful

During 2015, we initiated a restructuring program to reduce overall corporate expenses which is expected to improve future profitability by reducing spending on sales, general and administrative programs and refining some of our research and development efforts. As a result of the restructuring program, we recorded a charge of $3.6 million during 2015 related primarily to the reduction in workforce.

During 2013, we initiated a restructuring program related primarily to our LDT group as a result of the change in our business strategy to reduce our focus on the lower margin bulb products. Additionally, we curtailed spending on our immersive media platform. As a result of these actions, we recorded an immaterial charge related to this plan during 2014 and a charge of $3.4 million related primarily to the reduction in workforce in 2013. The restructuring plan was completed in 2014. Additionally, we recorded a charge of $2.1 million during 2013 related primarily to the consolidation of certain facilities and the reduction in workforce which was part of our approved 2012 plan.

Refer to Note 15, "Restructuring Charges," of Notes to Consolidated Financial Statements of this Form 10-K for further discussion.

Impairment of goodwill and long-lived assets:

	Years Ended December 31,			2014 to 2015	2013 to 2014
	2015	2014	2013	Change	Change
	(Dollars in millions)				
Impairment of goodwill and long-lived assets	$—	$—	$17.8	0.0%	(100.0)%

During 2015 and 2014, we did not record a charge for the impairment of long-lived assets or goodwill.

During 2013, we recorded a charge for the impairment of long-lived assets of $9.7 million related primarily to our LDT group as a result of the change in our business strategy to reduce our focus on the lower margin bulb products. Additionally, we recorded a charge for the impairment of goodwill of $8.1 million related to our MTD group as we curtailed our immersive media platform spending. Under generally accepted accounting principles, when indicators of potential impairment are identified, companies are required to conduct a review of the carrying amounts of goodwill and other long-lived assets to determine if impairment exists. We conducted this impairment review as a result of the change in our strategy related to the groups.

Refer to Note 5 "Intangible Assets and Goodwill," of Notes to Consolidated Financial Statements of this Form 10-K for further discussion.

Gain from sale of intellectual property:

	Years Ended December 31,			2014 to 2015	2013 to 2014
	2015	2014	2013	Change	Change
	(Dollars in millions)				
Gain from sale of intellectual property	$3.7	$3.5	$1.4	4.4%	NM*

* NM — percentage is not meaningful

During 2013, we sold portfolios of our patent assets covering lighting technologies. As part of these transactions, we received an initial upfront payment and expect to receive subsequent payments when the purchaser of the patents is successful in licensing that portfolio. During 2015 and 2014, we received $3.7 million and $3.4 million, respectively, from the purchaser of the patents related to this transaction which was recorded as gain from sale of intellectual property.

During 2014, we sold portfolios of our patent assets covering wireless and other technologies.

Gain from settlement:

	Years Ended December 31,			2014 to 2015 Change	2013 to 2014 Change
	2015	2014	2013		
	(Dollars in millions)				
Gain from settlement	$2.0	$2.0	$0.5	0.0%	NM*

* NM — percentage is not meaningful

The settlements with SK hynix and Micron are multiple element arrangements for accounting purposes. For a multiple element arrangement, we are required to determine the fair value of the elements. We considered several factors in determining the accounting fair value of the elements of the settlement with SK hynix and the settlement with Micron which included a third party valuation using an income approach (the "SK hynix Fair Value" and "Micron Fair Value", respectively). The total gain from settlement related to the settlements with SK hynix and Micron was $1.9 million and $3.3 million, respectively. During the years ended December 31, 2015 and 2014, we recognized $2.0 million as gain from settlement in each year, which represents the portion of the SK hynix Fair Value and Micron Fair Value of the cash consideration allocated to the resolution of the antitrust litigation settlements. Refer to Note 18, "Agreements with SK hynix and Micron," of Notes to Consolidated Financial Statements of this Form 10-K for further discussion.

Interest and other income (expense), net:

	Years Ended December 31,			2014 to 2015 Change	2013 to 2014 Change
	2015	2014	2013		
	(Dollars in millions)				
Interest income and other income (expense), net	$ 1.2	$ (0.3)	$ (1.6)	NM*	(82.7)%
Interest expense	(12.4)	(24.8)	(32.9)	(50.0)%	(24.5)%
Interest and other income (expense), net	$(11.2)	$(25.1)	$(34.5)	(55.4)%	(27.2)%

* NM — percentage is not meaningful

Interest income and other income (expense), net, consists primarily of interest income generated from investments in high quality fixed income securities. Additionally, in 2013, during our review of the fair value of our $2.0 million investment in a non-marketable equity security of a private company, based on the information provided by the private company, we determined that there was a decrease in the security's fair value. The fair value of the non-marketable equity security was determined based on an income approach, using level 3 fair value inputs, as it was deemed to be the most indicative of the security's fair value. Accordingly, we recorded an impairment charge of $1.4 million related to our investment in the non-marketable equity security in 2013. In 2014, during our review of the remaining fair value of our $0.6 million investment in the non-marketable equity security of a private company, based on the information provided by the private company, we determined that there was a decrease in the security's fair value. Accordingly, we recorded an impairment charge for the entire remaining amount of $0.6 million related to our investment in the non-marketable equity security in 2014.

Interest expense consists of interest expense associated with our imputed facility lease obligations on the Sunnyvale and Ohio facilities and non-cash interest expense related to the amortization of the debt discount and issuance costs on the 5% convertible senior notes due 2014 (the "2014 Notes") and the 1.125% convertible senior notes due 2018 (the "2018 Notes"), as well as the coupon interest related to these notes. Interest expense decreased in 2015 as compared to the same period in 2014 primarily due to the repayment of the 2014 Notes in the second quarter of 2014. Interest expense decreased in 2014 as compared to the same period in 2013 primarily due to the repayment of the 2014 Notes in second quarter of 2014. For the years ended December 31, 2015, 2014 and 2013, we recognized $4.5 million, $4.5 million and $4.4 million, respectively, of interest expense in connection with the imputed financing obligations in our statements of operations. We expect our non-cash interest expense to increase steadily as the notes reach maturity. See Note 10, "Convertible Notes," of Notes to Consolidated Financial Statements of this Form 10-K for additional details.

Provision for (benefit from) income taxes:

	Years Ended December 31, 2015	2014	2013	2014 to 2015 Change	2013 to 2014 Change
	(Dollars in millions)				
Provision for (benefit from) income taxes	$(151.2)	$24.0	$ 21.7	NM*	10.7%
Effective tax rate	(251.0)%	47.9%	(180.8)%		

* NM — percentage is not meaningful

Our effective tax rates for the year ended December 31, 2015 was different from the U.S. statutory tax primarily due to the release of the valuation allowance on our U.S. federal and state deferred tax assets, offset by federal, state, and foreign taxes. Our effective tax rates for the years ended December 31, 2014 and 2013 were different from the U.S. statutory tax rate primarily due to the valuation allowance on our U.S. deferred tax assets and foreign withholding and income taxes.

We recorded a benefit from income taxes of $151.2 million for the year ended December 31, 2015, which was primarily comprised of tax benefit from the release of the valuation allowance on deferred taxes offset by federal state and foreign taxes. For the year ended December 31, 2015, we paid withholding taxes of $20.4 million. We recorded a provision for income taxes of $24.0 million for the year ended December 31, 2014, which was primarily comprised of withholding taxes, other foreign taxes and current state taxes. For the year ended December 31, 2014, we paid withholding taxes of $19.4 million. We recorded a provision for income taxes of $21.7 million for the year ended December 31, 2013, which was primarily comprised of withholding taxes, other foreign taxes and current state taxes. For the year ended December 31, 2013, we paid withholding taxes of $19.3 million.

We periodically evaluate the realizability of our net deferred tax assets based on all available evidence, both positive and negative. The realizability of our net deferred tax assets is dependent on our ability to generate sufficient future taxable income during periods prior to the expiration of tax attributes to fully utilize these assets. We evaluated the realizability of our net deferred tax assets based on all available evidence, both positive and negative, in determining that it was appropriate to release the valuation allowance for our U.S. federal and other state deferred tax assets of $174.5 million during the third quarter of 2015 in accordance with FASB ASC 740-10-30-16 to 25.

We emerged from a cumulative loss position over the previous three years during the first quarter of 2015. The cumulative three-year pre-tax income is considered positive evidence which is objective and verifiable, and thus, received significant weighting. The continued stability in our operations along with the increased visibility into the adoption of our security technology in the third quarter of 2015 provided additional evidence to our belief that we will generate sufficient taxable income in the future. Additional positive evidence considered by us in our assessment included a lack of unused operating loss carryforwards in our history as well as anticipated future benefits from our cost management. Negative evidence we considered included economic uncertainties such as volatility of the semiconductor industry and uncertainties associated with the development of new products that could impact our ability to generate a sustained level of future profits.

Upon considering the relative impact of all evidence during the third quarter of 2015, both negative and positive, and the weight accorded to each, we concluded that it was more likely than not that our deferred tax assets would be realizable with the exception of primarily our California deferred tax assets that have not met the "more likely than not" realization threshold criteria. As a result, we released the related valuation allowance against such deferred tax assets which is included as a component of the benefit from income taxes in the accompanying consolidated statement of operations. We continue to maintain a deferred tax asset valuation allowance of $20.7 million as of December 31, 2015.

Liquidity and Capital Resources

	December 31, 2015	December 31, 2014
	(In millions)	
Cash and cash equivalents	$143.8	$154.1
Marketable securities	143.9	146.0
Total cash, cash equivalents, and marketable securities	$287.7	$300.1

	Years Ended December 31,		
	2015	2014	2013
	(In millions)		
Net cash provided by operating activities	$ 76.4	$ 76.5	$ 51.0
Net cash provided by (used in) investing activities	$ 1.1	$ (97.9)	$ (2.3)
Net cash provided by (used in) financing activities	$(87.8)	$(163.0)	$141.1

Liquidity

We currently anticipate that existing cash, cash equivalents and marketable securities balances and cash flows from operations will be adequate to meet our cash needs for at least the next 12 months. Additionally, substantially all of our cash and cash equivalents are in the United States. Our cash needs for the year ended December 31, 2015 were funded primarily from cash collected from our customers.

We do not anticipate any liquidity constraints as a result of either the current credit environment or investment fair value fluctuations. Additionally, we have the intent and ability to hold our debt investments that have unrealized losses in accumulated other comprehensive gain (loss) for a sufficient period of time to allow for recovery of the principal amounts invested. Additionally, we have no significant exposure to European sovereign debt. We continually monitor the credit risk in our portfolio and mitigate our credit risk exposures in accordance with our policies.

As a part of our overall business strategy, from time to time, we evaluate businesses and technologies for potential acquisition that are aligned with our core business and designed to supplement our growth. On January 25, 2016, the Company acquired Smart Card Software, a privately held company who is a leader in mobile payments and a leading supplier of smart ticketing systems, which includes Bell Identification Ltd. and Ecebs Ltd. through the purchase of all outstanding shares of Smart Card Software for approximately $93 million in cash.

On January 21, 2015, our Board approved a share repurchase program authorizing the repurchase of up to an aggregate of 20.0 million shares. Share repurchases under the plan may be made through the open market, established plans or privately negotiated transactions in accordance with all applicable securities laws, rules, and regulations. There is no expiration date applicable to the plan.

On October 26, 2015, we initiated an accelerated share repurchase program with Citibank, N.A. The accelerated share repurchase program is part of the broader share repurchase program previously authorized by our Board on January 21, 2015. Under the accelerated share repurchase program, we pre-paid to Citibank, N.A., the $100.0 million purchase price for our common stock and, in turn, we received an initial delivery of approximately 7.8 million shares of our common stock from Citibank, N.A, which were retired and recorded as a $80.0 million reduction to stockholders' equity. The remaining $20.0 million of the initial payment was recorded as a reduction to stockholders' equity as an unsettled forward contract indexed to our stock. The number of shares to be ultimately purchased by us will be determined based on the volume weighted average price of the common stock during the terms of the transaction, minus an agreed upon discount between the parties. The program is expected to be completed by June 2016.

As of December 31, 2015, there remained an outstanding authorization to repurchase approximately 12.2 million shares of our outstanding common stock under the current share repurchase program.

We record stock repurchases as a reduction to stockholders' equity. We record a portion of the purchase price of the repurchased shares as an increase to accumulated deficit when the price of the shares repurchased exceeds the average original proceeds per share received from the issuance of common stock. During the year ended December 31, 2015, the cumulative price of $54.2 million was recorded as an increase to accumulated deficit. See "Share Repurchase Program" below.

Operating Activities

Cash provided by operating activities of $76.4 million for the year ended December 31, 2015 was primarily attributable to the cash generated from customer licensing. Additionally, there was a non-cash deferred tax adjustment to reconcile net income to net cash provided by operating activities due to the release of the valuation allowance on our U.S. deferred tax assets of approximately $174.5 million during the third quarter of 2015. Changes in operating assets and liabilities for the year ended December 31, 2015 primarily included an increase in accounts receivable arising from a renewal of a license agreement with a technology licensing customer in the fourth quarter of 2015, an increase in prepaids and other current assets, and decrease in accrued salaries and benefits and other liabilities.

Cash provided by operating activities of $76.5 million for the year ended December 31, 2014 was primarily attributable to the cash generated from customer licensing. Changes in operating assets and liabilities for the year ended December 31, 2014 primarily included a decrease in accrued salaries and benefits and other accrued liabilities primarily due to the payment of retention bonuses and an increase in accounts receivable, offset by increases in income taxes payable and deferred revenue.

Cash provided by operating activities of $51.0 million for the year ended December 31, 2013 was primarily attributable to cash generated from customer licensing. Changes in operating assets and liabilities for the year ended December 31, 2013 primarily included decreases in accrued litigation expenses primarily due to the one-time reversal of accrued SK hynix and Micron related litigation costs and accrued salaries and benefits and other accrued liabilities primarily due to the payment of retention bonuses, offset by decreases in prepaid expenses and other assets.

Investing Activities

Cash provided by investing activities of $1.1 million for the year ended December 31, 2015 primarily consisted of proceeds from the maturities and sales of available-for-sale marketable securities of $112.7 million and $48.4 million, respectively. This was partially offset by cash paid for purchases of available-for-sale marketable securities of $157.8 million and $6.1 million paid to acquire property, plant and equipment. In addition, we received $3.9 million from the sale of intellectual property and the sale of property, plant and equipment.

Cash used in investing activities of $97.9 million for the year ended December 31, 2014 primarily consisted of cash paid for purchases of available-for-sale marketable securities of $240.3 million, offset by proceeds from the maturities and sales of available-for-sale marketable securities of $118.7 million and $25.0 million, respectively. In addition, we paid $7.2 million to acquire property, plant and equipment. We also received $5.9 million from the sale of intellectual property.

Cash used in investing activities of $2.3 million for the year ended December 31, 2013 primarily consisted of purchases of available-for-sale marketable securities of $125.6 million, partially offset by maturities of available-for-sale marketable securities of $119.6 million and proceeds from the sale of intellectual property of $2.3 million.

Financing Activities

Cash used in financing activities was $87.8 million for the year ended December 31, 2015 and was primarily due to an aggregate payment of $100.0 million to Citibank, N.A., as part of our accelerated share repurchase program. We also paid $0.1 million in fees related to the accelerated share repurchase program. We received proceeds of $13.8 million from the issuance of common stock under equity incentive plans, paid $1.7 million due to payments under installment payment arrangements to acquire fixed assets and paid $0.5 million related to the principal payments against the lease financing obligation.

Cash used in financing activities was $163.0 million for the year ended December 31, 2014. We repaid the principal of the 2014 convertible senior notes amounting to $172.5 million, which became due in June 2014. We also received proceeds of $11.1 million from the issuance of common stock under equity incentive plans, paid $1.8 million due to payments under installment payment arrangements to acquire fixed assets and paid $0.3 million related to the principal payments against the lease financing obligation.

Cash provided by financing activities was $141.1 million for the year ended December 31, 2013. We received net proceeds of $134.4 million from the issuance of the 2018 Notes. Additionally, we received proceeds of $8.4 million from the issuance of common stock under our plans.

Contractual Obligations

On December 15, 2009, we entered into a lease agreement for approximately 125,000 square feet of office space located at 1050 Enterprise Way in Sunnyvale, California commencing on July 1, 2010 and expiring on June 30, 2020. The office space is used for our corporate headquarters, as well as engineering, sales, marketing and administrative operations and activities. We have two options to extend the lease for a period of 60 months each and a one-time option to terminate the lease after 84 months in exchange for an early termination fee. Pursuant to the terms of the lease, the landlord agreed to reimburse us approximately $9.1 million, which was received by the year ended December 31, 2011. We recognized the reimbursement as an additional imputed financing obligation as such payment from the landlord is deemed to be an imputed financing obligation. On November 4, 2011, to better plan for future expansion, we entered into an amended lease for our Sunnyvale facility for approximately an additional 31,000 square feet of space commencing on March 1, 2012 and expiring on June 30, 2020. Additionally, a tenant improvement allowance to be provided by the landlord was approximately $1.7 million. On September 29, 2012, we entered into a second amended Sunnyvale lease to reduce the tenant improvement allowance to approximately $1.5 million. On January 31, 2013, we entered into a third amendment to the Sunnyvale lease to surrender the 31,000 square-foot space from the first amendment back to the landlord and recorded a total charge of $2.0 million related to the surrender of the amended lease.

On March 8, 2010, we entered into a lease agreement for approximately 25,000 square feet of office and manufacturing areas, located in Brecksville, Ohio. The office space is used for LDT's engineering activities while the manufacturing space is used for the manufacturer of prototypes. This lease was amended on September 29, 2011 to expand the facility to approximately 51,000 total square feet and the amended lease will expire on July 31, 2019. We have an option to extend the lease for a period of 60 months.

We undertook a series of structural improvements to ready the Sunnyvale and Brecksville facilities for our use. Since certain improvements to be constructed by us were considered structural in nature and we were responsible for any cost overruns, for accounting purposes, we were treated in substance as the owner of the construction project during the construction period. At the completion of each construction, we concluded that we retained sufficient continuing involvement to preclude de-recognition of the building under the FASB authoritative guidance applicable to the sale leasebacks of real estate. As such, we continue to account for the building as owned real estate and to record an imputed financing obligation for our obligation to the legal owners.

Monthly lease payments on the facility are allocated between the land element of the lease (which is accounted for as an operating lease) and the imputed financing obligation. The imputed financing obligation is amortized using the effective interest method and the interest rate was determined in accordance with the requirements of sale leaseback accounting. For the years ended December 31, 2015, 2014 and 2013, we recognized in our Consolidated Statements of Operations \$4.5 million, \$4.5 million and \$4.4 million, respectively, of interest expense in connection with the imputed financing obligation on these facilities. At December 31, 2015 and 2014, the imputed financing obligation balance in connection with these facilities was \$39.3 million and \$39.5 million, respectively, which was primarily classified under long-term imputed financing obligation.

In November 2011, we entered into a lease agreement for approximately 26,000 square feet of office space in San Francisco, California to be used for CRD's office space and is treated as an operating lease. This lease has a commencement date of February 1, 2012 and a lease term of 75 months from the commencement date. The annual base rent includes certain rent abatement and increases annually over the lease term.

In connection with the June 3, 2011 acquisition of CRD, we were obligated to pay a retention bonus to certain CRD employees and contractors, subject to certain eligibility and acceleration provisions including the condition of employment, in three equal amounts of approximately \$16.7 million. All three payments have been paid as of December 31, 2014 with the last portion paid in 2014.

On June 29, 2009, we entered into an Indenture with U.S. Bank, National Association, as trustee, relating to the issuance by us of \$150.0 million aggregate principal amount of the 2014 Notes. On July 10, 2009, an additional \$22.5 million in aggregate principal amount of 2014 Notes were issued as a result of the underwriters exercising their overallotment option. During the second quarter of 2014, we paid upon maturity the entire \$172.5 million in aggregate principal amount of the 2014 Notes. See Note 10, "Convertible Notes," of Notes to Consolidated Financial Statements of this Form 10-K for additional details.

On August 16, 2013, we entered into an Indenture with U.S. Bank, National Association, as trustee, relating to the issuance by us of \$138.0 million aggregate principal amount of the 2018 Notes. The aggregate principal amount of the 2018 Notes as of December 31, 2015 and 2014 was \$138.0 million, offset by unamortized debt discount of \$17.1 million and \$22.9 million, respectively, on the accompanying consolidated balance sheets. The unamortized discount related to the 2018 Notes is being amortized to interest expense using the effective interest method over the remaining 32 months until maturity of the 2018 Notes on August 15, 2018. See Note 10, "Convertible Notes," of Notes to Consolidated Financial Statements of this Form 10-K for additional details.

As of December 31, 2015, our material contractual obligations are as follows (in thousands):

	Total	2016	2017	2018	2019	2020	Thereafter
Contractual obligations (1)							
Imputed financing obligation (2)	$ 28,376	$ 6,156	$6,302	$ 6,447	$6,602	$2,869	$—
Leases and other contractual obligations	6,646	4,321	1,569	546	210	—	—
Software licenses (3)	3,166	2,427	549	190	—	—	—
Convertible notes	138,000	—	—	138,000	—	—	—
Interest payments related to convertible notes	4,658	1,553	1,553	1,552	—	—	—
Total	$180,846	$14,457	$9,973	$146,735	$6,812	$2,869	$—

(1) The above table does not reflect possible payments in connection with uncertain tax benefits of approximately $20.8 million including $18.6 million recorded as a reduction of long-term deferred tax assets and $2.2 million in long-term income taxes payable, as of December 31, 2015. As noted in Note 16, "Income Taxes," of Notes to Consolidated Financial Statements of this Form 10-K, although it is possible that some of the unrecognized tax benefits could be settled within the next 12 months, we cannot reasonably estimate the outcome at this time.

(2) With respect to the imputed financing obligation, the main components of the difference between the amount reflected in the contractual obligations table and the amount reflected on the Consolidated Balance Sheets are the interest on the imputed financing obligation and the estimated common area expenses over the future periods. The amount includes the amended Ohio lease and the amended Sunnyvale lease.

(3) We have commitments with various software vendors for non-cancellable agreements generally having terms longer than one year.

Share Repurchase Program

On January 21, 2015, our Board approved a share repurchase program authorizing the repurchase of up to an aggregate of 20.0 million shares. Share repurchases under the plan may be made through the open market, established plans or privately negotiated transactions in accordance with all applicable securities laws, rules, and regulations. There is no expiration date applicable to the plan.

On October 26, 2015, we initiated an accelerated share repurchase program with Citibank, N.A. The accelerated share repurchase program is part of the broader share repurchase program previously authorized by our Board on January 21, 2015. Under the accelerated share repurchase program, we pre-paid to Citibank, N.A., the $100.0 million purchase price for our common stock and, in turn, we received an initial delivery of approximately 7.8 million shares of our common stock from Citibank, N.A, which were retired and recorded as a $80.0 million reduction to stockholders' equity. The remaining $20.0 million of the initial payment was recorded as a reduction to stockholders' equity as an unsettled forward contract indexed to our stock. The number of shares to be ultimately purchased by us will be determined based on the volume weighted average price of the common stock during the terms of the transaction, minus an agreed upon discount between the parties. The program is expected to be completed by June 2016.

As of December 31, 2015, there remained an outstanding authorization to repurchase approximately 12.2 million shares of our outstanding common stock under the current share repurchase program.

We record stock repurchases as a reduction to stockholders' equity. We record a portion of the purchase price of the repurchased shares as an increase to accumulated deficit when the price of the shares repurchased exceeds the average original proceeds per share received from the issuance of common stock. During the year ended December 31, 2015, the cumulative price of $54.2 million was recorded as an increase to accumulated deficit.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to revenue recognition, investments, income taxes, litigation and other contingencies. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

Overview

We recognize revenue when persuasive evidence of an arrangement exists, we have delivered the product or performed the service, the fee is fixed or determinable and collection is reasonably assured. If any of these criteria are not met, we defer recognizing the revenue until such time as all criteria are met. Determination of whether or not these criteria have been met may require us to make judgments, assumptions and estimates based upon current information and historical experience.

Certain revenue contracts consist of service fees associated with integration of our solutions into our customers' products and fees associated with providing training, evaluation and test equipment to our customers. Under the accounting guidance, if the deliverables have standalone value upon delivery, we account for each deliverable separately. When multiple deliverables included in an arrangement are separated into different units of accounting, the arrangement consideration is allocated to the identified separate units based on a relative selling price hierarchy. We determine the relative selling price for a deliverable based on our best estimate of selling price ("BESP"). We have determined that vendor-specific objective evidence of selling price for each deliverable is not available as there lacks a consistent number of standalone sales and third-party evidence is not a practical alternative due to differences in our service offerings compared to other parties and the availability of relevant third-party pricing information. We determined BESP by considering our overall pricing objectives and market conditions. Significant pricing practices taken into consideration include our discounting practices, the size and volume of our transactions, the customer demographic, the geographic area where our services are sold, our price lists, our go-to-market strategy, historical standalone sales and contract prices. The determination of BESP is made through consultation with and approval by management, taking into consideration the go-to-market strategy. As our go-to-market strategies evolve, we may modify our pricing practices in the future, which could result in changes in relative selling prices. In most cases, the relative values of the undelivered components are not significant to the overall arrangement and are typically delivered within twelve months after the core product has been delivered. In such agreements, selling price is determined for each component and any difference between the total of the separate BESP and total contract consideration (i.e. discount) is allocated pro-rata across each of the components in the arrangement.

During 2013, we expanded our business strategy of monetizing our patent portfolio to include the sale of selected intellectual property. Our MID business continues to grow its patent portfolio and actively engage with various external parties to monetize the patent portfolio and explore new revenue opportunities. As the sales of such patents developed by our MID business unit under this expanded strategy represents a component of our ongoing major or central operations, we record the related proceeds as revenue. As patent sales executed under this expanded strategy represent a component of our ongoing major or central operations and activities, we will record the related proceeds as revenue. We will recognize the revenue when there is persuasive evidence of a sales arrangement, fees are fixed or determinable, delivery has occurred and collectibility is reasonably assured. These requirements are generally fulfilled upon closing of the patent sale transaction.

Our revenue consists of royalty revenue and contract and other revenue derived from MID, CRD and LDT operating segments. Royalty revenue consists of patent license and technology license royalties. Contract and other revenue consists of fixed license fees, fixed engineering fees and service fees associated with integration of our technology solutions into our customers' products as well as sale of products.

Royalty Revenue

We generally recognize royalty revenue upon notification by our customers and when deemed collectible. The terms of the royalty agreements generally either require customers to give us notification and to pay the royalties within a specified period or are based on a fixed royalty that is due within a specified period. Many of our customers have the right to cancel their licenses. In such arrangements, revenue is only recognized to the extent that is consistent with the cancellation provisions. Cancellation provisions within such contracts generally provide for a prospective cancellation with no refund of fees already remitted by customers for products provided and payment for services rendered prior to the date of cancellation. We have two types of royalty revenue: (1) patent license royalties and (2) technology license royalties.

Patent licenses — We license our broad portfolio of patented inventions to companies who use these inventions in the development and manufacture of their own products. Such licensing agreements may cover the license of part, or all, of our patent portfolio. The contractual terms of the agreements generally provide for payments over an extended period of time. For the licensing agreements with fixed royalty payments, we generally recognize revenue from these arrangements as amounts become due. For the licensing agreements with variable royalty payments which can be based on either a percentage of sales or number of units sold, we earn royalties at the time that the customers' sales occur. Our customers, however, do not report and pay royalties owed for sales in any given quarter until after the conclusion of that quarter. As we are unable to estimate the customers' sales in any given quarter to determine the royalties due to us, we recognize royalty revenues based on royalties reported by customers during the quarter and when other revenue recognition criteria are met.

In addition, we may enter into certain settlements of patent infringement disputes. The amount of consideration received upon any settlement (including but not limited to past royalty payments, future royalty payments and punitive damages) is allocated to each element of the settlement based on the fair value of each element. In addition, revenues related to past royalties are recognized upon execution of the agreement by both parties, provided that the amounts are fixed or determinable, there are no significant undelivered obligations and collectability is reasonably assured. We do not recognize any revenues prior to execution of the agreement since there is no reliable basis on which we can estimate the amounts for royalties related to previous periods or assess collectability. Elements that are related to royalty revenue in nature (including but not limited to past royalty payments and future royalty payments) will be recorded as royalty revenue in the consolidated statements of operations. Elements that are not related to royalty revenue in nature (including but not limited to punitive damage and settlement) will be recorded as gain from settlement which is reflected as a separate line item within the operating expenses section in the consolidated statements of operations.

Technology licenses — We develop proprietary and industry-standard products that we provide to our customers under technology license agreements. These arrangements include royalties, which can be based on either a percentage of sales or number of units sold. We earn royalties on such licensed products sold worldwide by our customers at the time that the customers' sales occur. Our customers, however, do not report and pay royalties owed for sales in any given quarter until after the conclusion of that quarter. As we are unable to estimate the customers' sales in any given quarter to determine the royalties due to us, we recognize royalty revenues based on royalties reported by customers during the quarter and when other revenue recognition criteria are met.

Contract and Other Revenue

We recognize revenue from the sale of products when risk of loss and title have transferred to customers provided all other revenue recognition criteria have been met. We accrue for sales returns and warranty based on experience, none of which are currently material.

We generally recognize revenue using percentage of completion or proportional performance for development contracts related to licenses of our solutions that involve significant engineering and integration services. For all license and service agreements accounted for using the percentage-of-completion method, we determine progress to completion using input measures based upon contract costs incurred. We have evaluated use of output measures versus input measures and have determined that our output is not sufficiently uniform with respect to cost, time and effort per unit of output to use output measures as a measure of progress to completion.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. Goodwill is not subject to amortization, but is subject to at least an annual assessment for impairment, applying a fair-value based test. We perform our impairment analysis of goodwill on an annual basis during the fourth quarter of the year unless conditions arise that warrant a more frequent evaluation.

Goodwill is allocated to the various reporting units which are generally operating segments. The goodwill impairment test involves a two-step process. In the first step, we compare the fair value of each reporting unit to its carrying value. The fair values of the reporting units are estimated using an income or discounted cash flows approach.

Under the income approach, we measure fair value of the reporting unit based on a projected cash flow method using a discount rate determined by our management which is commensurate with the risk inherent in our current business model. Our discounted cash flow projections are based on our annual financial forecasts developed internally by management for use in managing our business. If the fair value of the reporting unit exceeds its carrying value, goodwill is not impaired and no further testing is required. If the fair value of the reporting unit is less than the carrying value, we must perform the second step of the impairment test to measure the amount of impairment loss. In the second step, the reporting unit's fair value is allocated to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that calculates the implied fair value of goodwill in the same manner as if the reporting unit was being acquired by a market participant in a business combination. If the implied fair value of the reporting unit's goodwill is less than the carrying value, the difference is recorded as an impairment loss.

As of December 31, 2015, the fair value of the MID reporting unit, with $19.9 million of goodwill, exceeded the carrying value of its net assets by approximately 226% and the fair value of the CRD reporting unit, with $97.0 million of goodwill, exceeded the carrying value of its net assets by approximately 45%. Key assumptions used to determine the fair value of the MID and CRD reporting units at December 31, 2015, were the revenue growth rates for the forecast period and terminal year, terminal growth rates and discount rates. Certain estimates used in the income approach involve information for new product lines with limited financial history and developing revenue models which increase the risk of differences between the projected and actual performance. The discount rate of 13% for MID and 20% for CRD is based on the reporting units' overall risk profile relative to other guideline companies, market adoption of our technology, the reporting units' respective industry as well as the visibility of future expected cash flows. The terminal growth rate applied to determine fair value for both reporting units was 3%, which was based on historical experience as well as anticipated economic conditions, industry data and long term outlook for the business. These assumptions are inherently uncertain.

Given the current economic environment and the uncertainties regarding the impact on our business, there can be no assurance that the estimates and assumptions made for purposes of our goodwill impairment testing in the fourth quarter of 2015 will prove to be accurate predictions of the future. If our assumptions regarding forecasted revenues or operating margin rates are not achieved, we may be required to record goodwill impairment charges in future periods, whether in connection with the next annual impairment testing or prior to that if any change constitutes a triggering event outside of the period when the annual goodwill impairment test is performed. It is not possible at this time to determine if any such future impairment charge would result or, if it does, whether such charge would be material. We believe that the assumptions and rates used in our impairment test are reasonable. However, they are judgmental, and variations in any of the assumptions or rates could result in materially different calculations of impairment amounts.

Intangible Assets

Intangible assets are comprised of existing technology, customer contracts and contractual relationships, and other intangible assets. Identifiable intangible assets resulting from the acquisitions of entities accounted for using the purchase method of accounting are estimated by management based on the fair value of assets received. Identifiable intangible assets are being amortized over the period of estimated benefit using the straight-line method and estimated useful lives ranging from 1 to 10 years.

We amortize long-lived assets over their estimated useful lives. We evaluate long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. The carrying value is not recoverable if it exceeds the undiscounted cash flows resulting from the use of the asset and its eventual disposition. Our estimates of future cash flows attributable to our long-lived assets require significant judgment based on our historical and anticipated results and are subject to many factors. Factors we consider important which could trigger an impairment review include significant negative industry or economic trends, significant loss of clients, and significant changes in the manner of our use of the acquired assets or the strategy for our overall business.

When we determine that the carrying value of the long-lived assets may not be recoverable based upon the existence of one or more of the above indicators of impairment, we measure the potential impairment based on a projected discounted cash flow method using a discount rate determined by our management to be commensurate with the risk inherent in our current business model. An impairment loss is recognized only if the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. Different assumptions and judgments could materially affect the calculation of the fair value of our long-lived assets.

Income Taxes

As part of preparing our consolidated financial statements, we are required to calculate the income tax expense or benefit which relates to the pretax income or loss for the period. In addition, we are required to assess the realization of the deferred tax asset or liability to be included on the consolidated balance sheet as of the reporting dates.

As of December 31, 2015, our consolidated balance sheet included net deferred tax assets, before valuation allowance, of approximately $183.2 million, which consists of net operating loss carryovers, tax credit carryovers, amortization, employee stock-based compensation expenses and certain liabilities, partially reduced by deferred tax liabilities associated with the convertible debt instruments. As of December 31, 2015, we have a valuation allowance of $20.7 million resulting in net deferred tax assets of $162.5 million.

We periodically evaluate the realizability of our net deferred tax assets based on all available evidence, both positive and negative. The realizability of our net deferred tax assets is dependent on our ability to generate sufficient future taxable income during periods prior to the expiration of tax attributes to fully utilize these assets. We evaluated the realizability of our net deferred tax assets based on all available evidence, both positive and negative, in determining that it was appropriate to release the valuation allowance for our U.S. federal and other state deferred tax assets of $174.5 million during the third quarter of 2015 in accordance with FASB ASC 740-10-30-16 to 25.

We emerged from a cumulative loss position over the previous three years during the first quarter of 2015. The cumulative three-year pre-tax income is considered positive evidence which is objective and verifiable, and thus, received significant weighting. The continued stability in our operations along with the increased visibility into the adoption of our security technology in the third quarter of 2015 provided additional evidence to our belief that we will generate sufficient taxable income in the future. Additional positive evidence considered by us in our assessment included a lack of unused operating loss carryforwards in our history as well as anticipated future benefits from our cost management. Negative evidence we considered included economic uncertainties such as volatility of the semiconductor industry and uncertainties associated with the development of new products that could impact our ability to generate a sustained level of future profits.

Upon considering the relative impact of all evidence during the third quarter of 2015, both negative and positive, and the weight accorded to each, we concluded that it was more likely than not that our deferred tax assets would be realizable with the exception of primarily our California deferred tax assets that have not met the "more likely than not" realization threshold criteria. As a result, we released the related valuation allowance against such deferred tax assets which is included as a component of the benefit from income taxes in the accompanying consolidated statement of operations. We continue to maintain a deferred tax asset valuation allowance of $20.7 million as of December 31, 2015.

We maintain liabilities for uncertain tax positions within our long-term income taxes payable accounts and as a reduction to existing deferred tax assets to the extent tax attributes are available to offset such liabilities. These liabilities involve judgment and estimation and are monitored by us based on the best information available including changes in tax regulations, the outcome of relevant court cases and other information.

Tax attributes related to stock option windfall deductions are not to be recognized until they result in a reduction of cash taxes payable. The benefit of these excess tax benefits will be recorded to equity when they reduce cash taxes payable. We will only recognize a tax benefit from stock-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes currently available have been utilized. In addition, we have elected to account for the indirect effects of stock-based awards on other tax attributes, such as the research tax credits, through the consolidated statement of operations as part of the tax effect of stock-based compensation.

The calculation of our tax liabilities involves uncertainties in the application of complex tax law and regulations in a multitude of jurisdictions. Although ASC 740 Income Taxes, provides further clarification on the accounting for uncertainty in income taxes, significant judgment is required by us. If the ultimate resolution of tax uncertainties is different from what is currently estimated, it could materially affect income tax expense.

Stock-Based Compensation

We maintained stock plans covering a broad range of potential equity grants including stock options, nonvested equity stock and equity stock units and performance based instruments. In addition, we sponsor an Employee Stock Purchase Plan ("ESPP"), whereby eligible employees are entitled to purchase Common Stock semi-annually, by means of limited payroll deductions, at a 15% discount from the fair market value of the Common Stock as of specific dates.

The accounting guidance for share-based payments requires the measurement and recognition of compensation expense in our statement of operations for all share-based payment awards made to our employees, directors and consultants including employee stock options, nonvested equity stock and equity stock units, and employee stock purchase grants. Stock-based compensation expense is measured at grant date, based on the estimated fair value of the award, reduced by an estimate of the annualized rate of expected forfeitures, and is recognized as expense over the employees' expected requisite service period, generally using the straight-line method. In addition, the accounting guidance for share-based payments requires the benefits of tax deductions in excess of recognized compensation expense to be reported as a financing cash flow, rather than as an operating cash flow as prescribed under previous accounting rules. Our forfeiture rate represents the historical rate at which our stock-based awards were surrendered prior to vesting. The accounting guidance for share-based payments requires forfeitures to be estimated at the time of grant and revised on a cumulative basis, if necessary, in subsequent periods if actual forfeitures differ from those estimates. See Note 12, "Equity Incentive Plans and Stock-Based Compensation," of Notes to Consolidated Financial Statements of this Form 10-K for more information regarding the valuation of stock-based compensation.

Recent Accounting Pronouncements

See Note 3, "Recent Accounting Pronouncements," of Notes to Consolidated Financial Statements of this Form 10-K for a full description of recent accounting pronouncements including the respective expected dates of adoption.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to financial market risks, primarily arising from the effect of interest rate fluctuations on our investment portfolio. Interest rate fluctuation may arise from changes in the market's view of the quality of the security issuer, the overall economic outlook, and the time to maturity of our portfolio. We mitigate this risk by investing only in high quality, highly liquid instruments. Securities with original maturities of one year or less must be rated by two of the three industry standard rating agencies as follows: A1 by Standard & Poor's, P1 by Moody's and/or F-1 by Fitch. Securities with original maturities of greater than one year must be rated by two of the following industry standard rating agencies as follows: AA− by Standard & Poor's, Aa3 by Moody's and/or AA− by Fitch. By corporate investment policy, we limit the amount of exposure to $15.0 million or 10% of the portfolio, whichever is lower, for any single non-U.S. Government issuer. A single U.S. Agency can represent up to 25% of the portfolio. No more than 20% of the total portfolio may be invested in the securities of an industry sector, with money market fund investments evaluated separately. Our policy requires that at least 10% of the portfolio be in securities with a maturity of 90 days or less. We may make investments in U.S. Treasuries, U.S. Agencies, corporate bonds and municipal bonds and notes with maturities up to 36 months. However, the bias of our investment portfolio is shorter maturities. All investments must be U.S. dollar denominated. Additionally, we have no significant exposure to European sovereign debt.

We invest our cash equivalents and marketable securities in a variety of U.S. dollar financial instruments such as U.S. Treasuries, U.S. Government Agencies, commercial paper and corporate notes. Our policy specifically prohibits trading securities for the sole purposes of realizing trading profits. However, we may liquidate a portion of our portfolio if we experience unforeseen liquidity requirements. In such a case, if the environment has been one of rising interest rates we may experience a realized loss, similarly, if the environment has been one of declining interest rates we may experience a realized gain. As of December 31, 2015, we had an investment portfolio of fixed income marketable securities of $252.7 million including cash equivalents. If market interest rates were to increase immediately and uniformly by 1.0% from the levels as of December 31, 2015, the fair value of the portfolio would decline by approximately $0.6 million. Actual results may differ materially from this sensitivity analysis.

The fair value of our convertible notes is subject to interest rate risk, market risk and other factors due to the convertible feature. The fair value of the convertible notes will generally increase as interest rates fall and decrease as interest rates rise. In addition, the fair value of the convertible notes will generally increase as our common stock price increases and will generally decrease as our common stock price declines in value. The interest and market value changes affect the fair value of our convertible notes but do not impact our financial position, cash flows or results of operations due to the fixed nature of the debt obligation.

We invoice our customers in U.S. dollars. Although the fluctuation of currency exchange rates may impact our customers, and thus indirectly impact us, we do not attempt to hedge this indirect and speculative risk. Our overseas operations consist primarily of design centers in Canada, India, Finland and France and small business development offices in Japan, Korea and Taiwan. We monitor our foreign currency exposure; however, as of December 31, 2015, we believe our foreign currency exposure is not material enough to warrant foreign currency hedging.

Item 8. ***Financial Statements and Supplementary Data***

See Item 15 "Exhibits and Financial Statement Schedules" of this Form 10-K for required financial statements and supplementary data.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in the reports we file or submit pursuant to the Securities and Exchange Act of 1934 as amended ("Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2015, our disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our board of directors, management and other personnel, 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, and includes those policies and procedures that:

(i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2015. In making this assessment, our management used the criteria set forth in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on the results of this assessment, management has concluded that, as of December 31, 2015, our internal control over financial reporting was effective based on the criteria in *Internal Control — Integrated Framework (2013)* issued by the COSO.

The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers, LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

There was no change in internal control over financial reporting during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2016 annual meeting of stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K. The information under the heading "Our Executive Officers" in Part I, Item 1 of this Annual Report on Form 10-K is also incorporated herein by reference.

We have a Code of Business Conduct and Ethics for all of our directors, officers and employees. Our Code of Business Conduct and Ethics is available on our website at http://investor.rambus.com/corporate-governance-document.cfm?DocumentID=8379. To date, there have been no waivers under our Code of Business Conduct and Ethics. We will post any amendments or waivers, if and when granted, of our Code of Business Conduct and Ethics on our website.

Item 11. ***Executive Compensation***

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2016 annual meeting of stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2016 annual meeting of stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2016 annual meeting of stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. ***Principal Accountant Fees and Services***

The information responsive to this item is incorporated herein by reference to our Proxy Statement for our 2016 annual meeting of stockholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

(a) (1) Financial Statements

The following consolidated financial statements of the Registrant and Report of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, are included herewith:

(a) (2) Financial Statement Schedule

All schedules are omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or the notes thereto.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Rambus Inc.:

In our opinion, the accompanying consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Rambus Inc. and its subsidiaries at December 31, 2015 and December 31, 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 3, "Recent Accounting Pronouncements," to the consolidated financial statements, the Company changed the manner in which it has classified deferred taxes on its consolidated balance sheet as of December 31, 2015, on a prospective basis.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

San Jose, California
February 19, 2016

RAMBUS INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2015	December 31, 2014
	(In thousands, except shares and per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 143,764	$ 154,126
Marketable securities	143,942	145,983
Accounts receivable	16,408	6,001
Prepaids and other current assets	11,476	8,541
Deferred taxes	—	187
Total current assets	315,590	314,838
Intangible assets, net	64,266	89,371
Goodwill	116,899	116,899
Property, plant and equipment, net	56,616	64,023
Deferred taxes, long term	162,485	536
Other assets	3,648	2,612
Total assets	$ 719,504	$ 588,279
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,096	$ 6,962
Accrued salaries and benefits	12,278	14,840
Deferred revenue	5,780	4,133
Other current liabilities	6,212	8,723
Total current liabilities	28,366	34,658
Convertible notes, long-term	120,901	115,089
Long-term imputed financing obligation	38,625	39,063
Long-term income taxes payable	2,903	2,769
Other long-term liabilities	2,176	5,078
Total liabilities	192,971	196,657
Commitments and contingencies (Notes 11 and 17)		
Stockholders' equity:		
Convertible preferred stock, $.001 par value: Authorized: 5,000,000 shares; Issued and outstanding: no shares at December 31, 2015 and December 31, 2014	—	—
Common Stock, $.001 par value: Authorized: 500,000,000 shares; Issued and outstanding: 109,287,591 shares at December 31, 2015 and 115,161,675 shares at December 31, 2014	109	115
Additional paid in capital	1,130,368	1,153,435
Accumulated deficit	(604,317)	(761,526)
Accumulated other comprehensive income (loss)	373	(402)
Total stockholders' equity	526,533	391,622
Total liabilities and stockholders' equity	$ 719,504	$ 588,279

See Notes to Consolidated Financial Statements

RAMBUS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2015	2014	2013
	(In thousands, except per share amounts)		
Revenue:			
Royalties	$ 262,415	$271,521	$264,111
Contract and other revenue	33,863	25,037	7,390
Total revenue	296,278	296,558	271,501
Operating costs and expenses:			
Cost of revenue*	45,344	41,947	33,215
Research and development*	111,110	110,025	117,981
Sales, general and administrative*	70,554	74,770	76,467
Restructuring charges	3,576	39	5,546
Impairment of goodwill and long-lived assets	—	—	17,751
Gain from sale of intellectual property	(3,686)	(3,529)	(1,388)
Gain from settlement	(2,040)	(2,040)	(535)
Total operating costs and expenses	224,858	221,212	249,037
Operating income	71,420	75,346	22,464
Interest income and other income (expense), net	1,224	(276)	(1,596)
Interest expense	(12,413)	(24,820)	(32,885)
Interest and other income (expense), net	(11,189)	(25,096)	(34,481)
Income before income taxes	60,231	50,250	(12,017)
Provision for (benefit from) income taxes	(151,157)	24,049	21,731
Net income (loss)	$ 211,388	$ 26,201	$ (33,748)
Net income per share:			
Basic	$ 1.84	$ 0.23	$ (0.30)
Diluted	$ 1.80	$ 0.22	$ (0.30)
Weighted average shares used in per share calculations:			
Basic	114,814	114,318	112,415
Diluted	117,484	117,624	112,415

* Includes stock-based compensation:

Cost of revenue	$ 63	$ 44	$ 19
Research and development	$ 6,762	$ 7,216	$ 6,597
Sales, general and administrative	$ 8,271	$ 7,470	$ 8,365

See Notes to Consolidated Financial Statements

Form 10-K

RAMBUS INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Net income (loss)	$211,388	$26,201	$(33,748)
Other comprehensive income (loss):			
Unrealized gain (loss) on marketable securities, net of tax	775	(97)	(5)
Total comprehensive income (loss)	$212,163	$26,104	$(33,753)

See Notes to Consolidated Financial Statements

RAMBUS INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Gain (Loss)	Total
	Shares	Amount				
			(In thousands)			
Balances at December 31, 2012	111,525	$112	$1,075,761	$(753,979)	$(300)	$ 321,594
Net loss	—	—	—	(33,748)	—	(33,748)
Unrealized loss on marketable securities, net of tax	—	—	—	—	(5)	(5)
Issuance of common stock upon exercise of options, equity stock and employee stock purchase plan	1,934	1	7,864	—	—	7,865
Stock-based compensation	—	—	14,981	—	—	14,981
Equity component of 1.125% convertible senior notes due 2018	—	—	29,542	—	—	29,542
Balances at December 31, 2013	113,459	113	1,128,148	(787,727)	(305)	340,229
Net income	—	—	—	26,201	—	26,201
Unrealized loss on marketable securities, net of tax	—	—	—	—	(97)	(97)
Issuance of common stock upon exercise of options, equity stock and employee stock purchase plan	1,703	2	10,557	—	—	10,559
Stock-based compensation	—	—	14,730	—	—	14,730
Balances at December 31, 2014	115,162	115	1,153,435	(761,526)	(402)	391,622
Net income	—	—	—	211,388	—	211,388
Unrealized gain on marketable securities, net of tax	—	—	—	—	775	775
Issuance of common stock upon exercise of options, equity stock and employee stock purchase plan	1,938	2	13,075	—	—	13,077
Repurchase and retirement of common stock under repurchase plan, including prepayment under accelerated share repurchase program	(7,812)	(8)	(45,926)	(54,179)	—	(100,113)
Stock-based compensation	—	—	15,096	—	—	15,096
Tax shortfall from stock option forfeitures	—	—	(5,312)	—	—	(5,312)
Balances at December 31, 2015	109,288	$109	$1,130,368	$(604,317)	$ 373	$ 526,533

See Notes to Consolidated Financial Statements

RAMBUS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Cash flows from operating activities:			
Net income (loss)	$ 211,388	$ 26,201	$ (33,748)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Stock-based compensation	15,096	14,730	14,981
Depreciation	12,379	13,625	15,451
Amortization of intangible assets	25,074	26,618	28,909
Non-cash interest expense and amortization of convertible debt issuance costs	6,372	14,763	19,296
Impairment of goodwill and long-lived assets	—	—	17,751
Impairment of investment in non-marketable equity security	—	600	1,400
Deferred tax (benefit) provision	(173,453)	1,829	1,619
Non-cash restructuring	583	—	653
Gain from sale of intellectual property and property, plant and equipment, net	(3,670)	(3,529)	(1,024)
Change in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(10,407)	(3,750)	(1,722)
Prepaids and other assets	(4,454)	(2,431)	6,174
Accounts payable	(2,621)	2,006	(1,544)
Accrued salaries and benefits and other accrued liabilities	(4,030)	(20,125)	(8,791)
Income taxes payable	1,078	2,263	(716)
Deferred revenue	3,107	3,667	(7,647)
Net cash provided by operating activities	76,442	76,467	51,042
Cash flows from investing activities:			
Purchases of property, plant and equipment	(6,132)	(7,204)	(6,938)
Acquisition of intangible assets	—	—	(2,656)
Purchases of marketable securities	(157,811)	(240,281)	(125,554)
Maturities of marketable securities	112,721	118,735	119,600
Proceeds from sale of marketable securities	48,380	24,986	11,020
Proceeds from sale of intellectual property and property, plant and equipment, net	3,933	5,859	2,255
Net cash provided by (used in) investing activities	1,091	(97,905)	(2,273)
Cash flows from financing activities:			
Proceeds from issuance of convertible senior notes	—	—	138,000
Issuance costs related to issuance of convertible senior notes	—	—	(3,603)
Proceeds received from issuance of common stock under employee stock plans	13,783	11,079	8,391
Payments under installment payment arrangement	(1,717)	(1,773)	(1,829)
Principal payments against financing lease obligation	(478)	(322)	(178)
Repurchase and retirement of common stock, including prepayment under accelerated share repurchase program	(100,113)	—	—
Incremental tax benefits from stock-based compensation	747	481	300
Repayment of senior convertible notes	—	(172,500)	—
Net cash provided by (used in) financing activities	(87,778)	(163,035)	141,081
Effect of exchange rate changes on cash and cash equivalents	(117)	(97)	(138)
Net increase (decrease) in cash and cash equivalents	(10,362)	(184,570)	189,712
Cash and cash equivalents at beginning of year	154,126	338,696	148,984
Cash and cash equivalents at end of year	$ 143,764	$ 154,126	$ 338,696
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Interest	$ 1,553	$ 5,861	$ 8,625
Income taxes, net of refunds	$ 21,679	$ 20,691	$ 18,720
Non-cash investing and financing activities:			
Property, plant and equipment received and accrued in accounts payable and other accrued liabilities	$ 240	$ 548	$ 5,909
Re-measurement of investment upon initial public offering	$ 1,264	$ —	$ —

See Notes to Consolidated Financial Statements

RAMBUS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Formation and Business of the Company

Rambus Inc. (the "Company" or "Rambus") was incorporated in California in March 1990 and reincorporated in Delaware in March 1997. In addition to licensing, the Company is creating new business opportunities through offering products and services where its goal is to perpetuate strong company operating performance and long-term stockholder value. The Company generates revenue by licensing its inventions and solutions, selling its semiconductor products and providing services to market-leading companies.

While the Company has historically focused its efforts on the development of technologies for electronics memory and chip interfaces, the Company has expanded its portfolio of inventions and solutions to address additional markets in lighting, chip and system security, as well as new areas within the semiconductor industry, such as computational sensing and imaging. The Company intends to continue its growth into new technology fields, consistent with its mission to create great value through the Company's innovations and to make those technologies available through both its licensing and non-licensing business models. Key to the Company's efforts will be hiring and retaining world-class inventors, scientists and engineers to lead the development of inventions and technology solutions for its fields of focus, and the management and business support personnel necessary to execute its plans and strategies.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The accompanying consolidated financial statements include the accounts of Rambus and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements. Investments in entities with less than 20% ownership by Rambus and in which Rambus does not have the ability to significantly influence the operations of the investee are accounted for using the cost method and are included in other assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year balances were reclassified to conform to the current year's presentation. None of these reclassifications had an impact on reported net income (loss) or cash flows for any of the periods presented.

Revenue Recognition

Overview

Rambus recognizes revenue when persuasive evidence of an arrangement exists, Rambus has delivered the product or performed the service, the fee is fixed or determinable and collection is reasonably assured. If any of these criteria are not met, Rambus defers recognizing the revenue until such time as all criteria are met. Determination of whether or not these criteria have been met may require the Company to make judgments, assumptions and estimates based upon current information and historical experience.

Certain revenue contracts consist of service fees associated with integration of Rambus' solutions into its customers' products and fees associated with providing training, evaluation and test equipment to its customers. Under the accounting guidance, if the deliverables have standalone value upon delivery, Rambus accounts for each deliverable separately. When multiple deliverables included in an arrangement are separated into different units of accounting, the arrangement consideration is allocated to the identified separate units based on a relative selling price hierarchy. Rambus determines the relative selling price for a deliverable based on its best estimate of selling price ("BESP"). Rambus has determined that vendor-specific objective evidence of selling price for each deliverable is not available as there lacks a consistent number of standalone sales and third-party evidence is not a practical alternative due to differences in its service offerings compared to other parties and the availability of relevant third-party pricing information. Rambus determined BESP by considering its overall pricing objectives and market conditions. Significant pricing practices taken into consideration include discounting practices, the size and volume of transactions, the customer demographic, the geographic area where services are sold, price lists, go-to-market strategy, historical standalone sales and contract prices. The determination of BESP is made through consultation with and approval by management, taking into consideration the go-to-market strategy. As the go-to-market strategies evolve, Rambus may modify its pricing practices in the future, which could result in changes in relative selling prices. In most cases, the relative values of the undelivered components are not material to the overall arrangement and are typically delivered within twelve months after the core product has been delivered. In such agreements, selling price is determined for each component and any difference between the total of the separate BESP and total contract consideration (i.e. discount) is allocated pro-rata across each of the components in the arrangement.

During 2013, the Company expanded its business strategy of monetizing its patent portfolio to include the sale of selected intellectual property. The Company's Memory and Interface Division ("MID") business continues to grow its patent portfolio and actively engage with various external parties to monetize the patent portfolio and explore new revenue opportunities. As the sales of such patents developed by the MID business unit under this expanded strategy represents a component of the Company's ongoing major or central operations, the Company records the related proceeds as revenue. The Company will recognize the revenue when there is persuasive evidence of a sales arrangement, fees are fixed or determinable, delivery has occurred and collectibility is reasonably assured. These requirements are generally fulfilled upon closing of the patent sale transaction.

Rambus' revenue consists of royalty revenue and contract and other revenue derived from MID, Cryptography Research Division ("CRD") and Lighting and Display Technologies ("LDT") operating segments. Royalty revenue consists of patent license and technology license royalties. Contract and other revenue consists of fixed license fees, fixed engineering fees and service fees associated with integration of Rambus' technology solutions into its customers' products as well as sale of products.

Royalty Revenue

Rambus generally recognizes royalty revenue upon notification by its customers and when deemed collectible. The terms of the royalty agreements generally either require customers to give Rambus notification and to pay the royalties within a specified period or are based on a fixed royalty that is due within a specified period. Many of Rambus' customers have the right to cancel their licenses. In such arrangements, revenue is only recognized to the extent that is consistent with the cancellation provisions. Cancellation provisions within such contracts generally provide for a prospective cancellation with no refund of fees already remitted by customers for products provided and payment for services rendered prior to the date of cancellation. Rambus has two types of royalty revenue: (1) patent license royalties and (2) technology license royalties.

Patent licenses — Rambus licenses its broad portfolio of patented inventions to companies who use these inventions in the development and manufacture of their own products. Such licensing agreements may cover the license of part, or all, of Rambus' patent portfolio. The contractual terms of the agreements generally provide for payments over an extended period of time. For the licensing agreements with fixed royalty payments, Rambus generally recognizes revenue from these arrangements as amounts become due. For the licensing agreements with variable royalty payments which can be based on either a percentage of sales or number of units sold, Rambus earns royalties at the time that the customers' sales occur. Rambus' customers, however, do not report and pay royalties owed for sales in any given quarter until after the conclusion of that quarter. As Rambus is unable to estimate the customers' sales in any given quarter to determine the royalties due to Rambus, it recognizes royalty revenues based on royalties reported by customers during the quarter and when other revenue recognition criteria are met.

In addition, Rambus may enter into certain settlements of patent infringement disputes. The amount of consideration received upon any settlement (including but not limited to past royalty payments, future royalty payments and punitive damages) is allocated to each element of the settlement based on the fair value of each element. In addition, revenues related to past royalties are recognized upon execution of the agreement by both parties, provided that the amounts are fixed or determinable, there are no significant undelivered obligations and collectability is reasonably assured. Rambus does not recognize any revenues prior to execution of the agreement since there is no reliable basis on which it can estimate the amounts for royalties related to previous periods or assess collectability. Elements that are related to royalty revenue in nature (including but not limited to past royalty payments and future royalty payments) will be recorded as royalty revenue in the consolidated statements of operations. Elements that are not related to royalty revenue in nature (including but not limited to punitive damage and settlement) will be recorded as gain from settlement which is reflected as a separate line item within the operating expenses section in the consolidated statements of operations.

Technology licenses — Rambus develops proprietary and industry-standard products that it provides to its customers under technology license agreements. These arrangements include royalties, which can be based on either a percentage of sales or number of units sold. Rambus earns royalties on such licensed products sold worldwide by its customers at the time that the customers' sales occur. Rambus' customers, however, do not report and pay royalties owed for sales in any given quarter until after the conclusion of that quarter. As Rambus is unable to estimate the customers' sales in any given quarter to determine the royalties due to Rambus, it recognizes royalty revenues based on royalties reported by customers during the quarter and when other revenue recognition criteria are met.

Contract and Other Revenue

Rambus recognizes revenue from the sale of products when risk of loss and title have transferred to customers, provided all other revenue recognition criteria have been met. The Company accrues for sales returns and warranty based on experience, none of which are currently material.

Rambus generally recognizes revenue using percentage of completion or proportional performance for development contracts related to licenses of its solutions that involve significant engineering and integration services. For agreements accounted for using the percentage-of-completion method, Rambus determines progress to completion using input measures based upon contract costs incurred. Rambus has evaluated use of output measures versus input measures and has determined that its output is not sufficiently uniform with respect to cost, time and effort per unit of output to use output measures as a measure of progress to completion.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. Goodwill is not subject to amortization, but is subject to at least an annual assessment for impairment, applying a fair-value based test. The Company performs its impairment analysis of goodwill on an annual basis during the fourth quarter of the year unless conditions arise that warrant a more frequent evaluation.

Goodwill is allocated to the various reporting units which are generally operating segments. The goodwill impairment test involves a two-step process. In the first step, the Company compares the fair value of each reporting unit to its carrying value. The fair values of the reporting units are estimated using an income or discounted cash flows approach.

Under the income approach, the Company measures fair value of the reporting unit based on a projected cash flow method using a discount rate determined by its management which is commensurate with the risk inherent in its current business model. The Company's discounted cash flow projections are based on its annual financial forecasts developed internally by management for use in managing its business. If the fair value of the reporting unit exceeds its carrying value, goodwill is not impaired and no further testing is required. If the fair value of the reporting unit is less than the carrying value, the Company must perform the second step of the impairment test to measure the amount of impairment loss. In the second step, the reporting unit's fair value is allocated to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets, in a hypothetical analysis that calculates the implied fair value of goodwill in the same manner as if the reporting unit was being acquired by a market participant in a business combination. If the implied fair value of the reporting unit's goodwill is less than the carrying value, the difference is recorded as an impairment loss.

The Company performed its annual goodwill impairment analysis as of December 31, 2015 and determined that the fair value of the reporting units with goodwill exceeded their carrying values.

Intangible Assets

Intangible assets are comprised of existing technology, customer contracts and contractual relationships, and other intangible assets. Identifiable intangible assets resulting from the acquisitions of entities accounted for using the purchase method of accounting are estimated by management based on the fair value of assets received. Identifiable intangible assets are being amortized over the period of estimated benefit using the straight-line method and estimated useful lives ranging from 1 to 10 years.

Property, Plant and Equipment

Property, plant and equipment include computer equipment, computer software, machinery, leasehold improvements, furniture and fixtures and buildings. Computer equipment, computer software, machinery and furniture and fixtures are stated at cost and generally depreciated on a straight-line basis over an estimated useful life of 3, 3 to 5, 7 and 3 years, respectively. The Company undertook a series of structural improvements to ready the Sunnyvale and Brecksville facilities for its use. The Company concluded that its requirement to fund construction costs and responsibility for cost overruns resulted in the Company being considered the owner of the buildings during the construction period for accounting purposes. Upon completion of construction, the Company concluded that it retained sufficient continuing involvement to preclude de-recognition of the buildings under the Financial Accounting Standards Board ("FASB") authoritative guidance applicable to sale leaseback for real estate. As such, the Company continues to account for the buildings as owned real estate and to record an imputed financing obligation for its obligation to the legal owners. The buildings will be depreciated on a straight-line basis over an estimated useful life of approximately 39 years. See Note 9, "Balance Sheet Details," and Note 11, "Commitments and Contingencies," for additional details. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the initial terms of the leases. Upon disposal, assets and related accumulated depreciation are removed from the accounts and the related gain or loss is included in the results from operations.

Long-lived Asset Impairment

The Company evaluates long-lived assets (including property, plant and equipment and intangible assets) for impairment whenever events or changes in circumstances indicate the carrying value of an asset group may not be recoverable. The carrying value is not recoverable if it exceeds the undiscounted cash flows resulting from the use of the asset group and its eventual disposition. The Company's estimates of future cash flows attributable to its long-lived asset groups require significant judgment based on its historical and anticipated results and are subject to many factors. Factors that the Company considers important which could trigger an impairment review include significant negative industry or economic trends, significant loss of clients, and significant changes in the manner of its use of the acquired assets or the strategy for its overall business.

When the Company determines that the carrying value of the long-lived asset groups may not be recoverable based upon the existence of one or more of the above indicators of impairment, the Company measures the potential impairment based on a projected discounted cash flow method using a discount rate determined by the Company to be commensurate with the risk inherent in the Company's current business model. An impairment loss is recognized only if the carrying amount of the long-lived asset group is not recoverable and exceeds its fair value. The impairment charge is recorded to reduce the pre-impairment carrying amount of the long-lived assets based on the relative carrying amount of those assets, though not to reduce the carrying amount of an asset below its fair value. Different assumptions and judgments could materially affect the calculation of the fair value of the long-lived assets. During 2015 and 2014, the Company did not recognize any impairment of its long-lived assets. During 2013, the Company recognized an impairment of its long-lived assets related to its LDT asset group and CRD favorable contract asset group. See Note 5, "Intangible Assets and Goodwill" for further details.

Income Taxes

Income taxes are accounted for using an asset and liability approach, which requires the recognition of deferred tax assets and liabilities for expected future tax events that have been recognized differently in Rambus' consolidated financial statements and tax returns. The measurement of current and deferred tax assets and liabilities is based on provisions of the enacted tax law and the effects of future changes in tax laws or rates are not anticipated. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized based on available evidence.

In addition, the calculation of the Company's tax liabilities involves dealing with uncertainties in the application of complex tax regulations. As a result, the Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in its tax return. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes.

Stock-Based Compensation and Equity Incentive Plans

The Company maintained stock plans covering a broad range of equity grants including stock options, nonvested equity stock and equity stock units and performance based instruments. In addition, the Company sponsors an Employee Stock Purchase Plan (“ESPP”), whereby eligible employees are entitled to purchase Common Stock semi-annually, by means of limited payroll deductions, at a 15% discount from the fair market value of the Common Stock as of specific dates.

The Company determines compensation expense associated with restricted stock units based on the fair value of its common stock on the date of grant. The Company determines compensation expense associated with stock options based on the estimated grant date fair value method using the Black-Scholes Merton valuation model. The Company generally recognizes compensation expense using a straight-line amortization method over the respective vesting period for awards that are ultimately expected to vest. Accordingly, stock-based compensation expense for 2015, 2014 and 2013 has been reduced for estimated forfeitures. When estimating forfeitures, the Company considers voluntary termination behaviors as well as trends of actual option forfeitures. The Company will only recognize a tax benefit from stock-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes currently available have been utilized. In addition, the Company has elected to account for the indirect effects of stock-based awards on other tax attributes, such as the research tax credits, through the consolidated statement of operations as part of the tax effect of stock-based compensation.

Cash and Cash Equivalents

Cash equivalents are highly liquid investments with original maturity of three months or less at the date of purchase. The Company maintains its cash balances with high quality financial institutions. Cash equivalents are invested in highly-rated and highly-liquid money market securities and certain U.S. government sponsored obligations.

Marketable Securities

Available-for-sale securities are carried at fair value, based on quoted market prices, with the unrealized gains or losses reported, net of tax, in stockholders’ equity as part of accumulated other comprehensive income (loss). The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity, both of which are included in interest and other income, net. Realized gains and losses are recorded on the specific identification method and are included in interest and other income, net. The Company reviews its investments in marketable securities for possible other than temporary impairments on a regular basis. If any loss on investment is believed to be a credit loss, a charge will be recognized in operations. In evaluating whether a credit loss on a debt security has occurred, the Company considers the following factors: 1) the Company’s intent to sell the security, 2) if the Company intends to hold the security, whether or not it is more likely than not that the Company will be required to sell the security before recovery of the security’s amortized cost basis and 3) even if the Company intends to hold the security, whether or not the Company expects the security to recover the entire amortized cost basis. Due to the high credit quality and short term nature of the Company’s investments, there have been no material credit losses recorded to date. The classification of funds between short-term and long-term is based on whether the securities are available for use in operations or other purposes.

Non-Marketable Securities

The Company had an investment in a non-marketable security of a private company which was carried at cost until it was fully impaired during 2014. The Company monitored the investment for other-than-temporary impairment and recorded appropriate reductions in carrying value when necessary. See Note 8, “Fair Value of Financial Instruments” for further details.

Fair Value of Financial Instruments

The carrying value of cash equivalents, accounts receivable and accounts payable approximate their fair values due to their relatively short maturities as of December 31, 2015 and 2014. Marketable securities are comprised of available-for-sale securities that are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income (loss), a component of stockholders' equity, net of tax. Fair value of the marketable securities is determined based on quoted market prices. The fair market value of the Company's convertible notes fluctuates with interest rates and with the market price of the stock, but does not affect the carrying value of the debt on the balance sheet.

Research and Development

Costs incurred in research and development, which include engineering expenses, such as salaries and related benefits, stock-based compensation, depreciation, professional services and overhead expenses related to the general development of Rambus' products, are expensed as incurred. Software development costs are capitalized beginning when a product's technological feasibility has been established and ending when a product is available for general release to customers. Rambus has not capitalized any software development costs since the period between establishing technological feasibility and general customer release is relatively short and as such, these costs have not been material.

Computation of Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing the earnings (loss) by the weighted average number of common shares and potentially dilutive securities outstanding during the period. Potentially dilutive common shares consist of incremental common shares issuable upon exercise of stock options, employee stock purchases, restricted stock and restricted stock units, and shares issuable upon the conversion of convertible notes. The dilutive effect of outstanding shares is reflected in diluted earnings per share by application of the treasury stock method. This method includes consideration of the amounts to be paid by the employees, the amount of excess tax benefits that would be recognized in equity if the instrument was exercised and the amount of unrecognized stock-based compensation related to future services. No potential dilutive common shares are included in the computation of any diluted per share amount when a net loss is reported.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, including foreign currency translation adjustments and unrealized gains and losses on marketable securities. Other comprehensive income (loss), net of tax, is presented in the consolidated statements of comprehensive income (loss).

Credit Concentration

As of December 31, 2015 and 2014, the Company's cash, cash equivalents and marketable securities were invested with various financial institutions in the form of corporate notes, bonds and commercial paper, money market funds, U.S. Treasuries, U.S. Government Agencies, and municipal bonds and notes. The Company's exposure to market risk for changes in interest rates relates primarily to its investment portfolio. The Company places its investments with high credit issuers and, by investment policy, attempts to limit the amount of credit exposure to any one issuer. As stated in the Company's investment policy, it will ensure the safety and preservation of the Company's invested funds by limiting default risk and market risk. The Company has no investments denominated in foreign country currencies and therefore is not subject to foreign exchange risk from these assets.

The Company mitigates default risk by investing in high credit quality securities and by positioning its portfolio to respond appropriately to a significant reduction in a credit rating of any investment issuer or guarantor. The portfolio includes only marketable securities with active secondary or resale markets to enable portfolio liquidity.

The Company's accounts receivable are derived from revenue earned from customers located in the U.S. and internationally. See Note 6, "Segments and Major Customers" for further details.

Foreign Currency Remeasurement

The Company's foreign subsidiaries currently use the U.S. dollar as the functional currency. Remeasurement adjustments for non-functional currency monetary assets and liabilities are translated into U.S. dollars at the exchange rate in effect at the balance sheet date. Revenue, expenses, gains or losses are translated at the average exchange rate for the period, and non-monetary assets and liabilities are translated at historical rates. The remeasurement gains and losses of these foreign subsidiaries as well as gains and losses from foreign currency transactions are included in other expense, net in the consolidated statements of operations, and are not material for any periods presented.

Litigation

Rambus may be involved in certain legal proceedings. Based upon consultation with outside counsel handling its defense in these matters and an analysis of potential results, if Rambus believes that a loss arising from such matters is probable and can be reasonably estimated, Rambus records the estimated liability in its consolidated financial statements. If only a range of estimated losses can be determined, Rambus records an amount within the range that, in its judgment, reflects the most likely outcome; if none of the estimates within that range is a better estimate than any other amount, Rambus records the low end of the range. Any such accrual would be charged to expense in the appropriate period. Rambus recognizes litigation expenses in the period in which the litigation services were provided.

3. Recent Accounting Pronouncements

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-17, "Balance Sheet Classification of Deferred Taxes (Topic 740)," to simplify the presentation of deferred income taxes. The amendments in this update require that deferred tax liabilities and assets be classified as non-current in a classified statement of financial position. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years. Early adoption is permitted. The Company has early adopted this ASU as of December 31, 2015 on a prospective basis. The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs," which requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. This ASU requires retrospective adoption and is effective for financial statements issued for fiscal years beginning after

December 15, 2015 and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact that this guidance will have on its consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12, “Compensation—Stock Compensation (Topic 718),” which makes amendments to the codification topic 718, “Accounting for Share-Based Payments,” when the terms of an award provide that a performance target could be achieved after the requisite service period. The new accounting standards update becomes effective for the Company on January 1, 2016. The Company is currently evaluating the impact that this guidance will have on its financial position, results of operations or cash flows.

In May 2014, the FASB and International Accounting Standards Board issued their converged accounting standards update on revenue recognition. The core principle of the new guidance is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new guidance also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. In August 2015, the FASB deferred the effective date of this accounting standards update by one year. The new accounting standards update becomes effective for the Company on January 1, 2018. The Company is currently evaluating the impact that this guidance will have on its financial condition and results of operations.

4. Earnings (Loss) Per Share

The following table sets forth the computation of basic and diluted income (loss) per share:

	For the Years Ended December 31,		
	2015	2014	2013
Net income (loss) per share:			
Numerator:			
Net income (loss)	$211,388	$ 26,201	$ (33,748)
Denominator:			
Weighted-average common shares outstanding — basic	114,814	114,318	112,415
Effect of potential dilutive common shares	2,670	3,306	—
Weighted-average common shares outstanding — diluted	117,484	117,624	112,415
Basic net income (loss) per share	$ 1.84	$ 0.23	$ (0.30)
Diluted net income (loss) per share	$ 1.80	$ 0.22	$ (0.30)

For the years ended December 31, 2015, 2014 and 2013, options to purchase approximately 2.5 million, 5.6 million and 7.3 million shares, respectively, were excluded from the calculation because they were anti-dilutive after considering proceeds from exercise, taxes and related unrecognized stock-based compensation expense. For the year ended December 31, 2013, an additional 3.3 million potentially dilutive shares have been excluded from the weighted average dilutive shares because there was a net loss for the period. These shares do not include the Company’s 5% convertible senior notes due 2014 (the “2014 Notes”) and 1.125% convertible senior notes due 2018 (the “2018 Notes”). The par amount of convertible notes is payable in cash equal to the principal amount of the notes plus any accrued and unpaid interest and then the “in-the-money” conversion benefit feature at the conversion price above $19.31 and $12.07, respectively, per share is payable in cash, shares of the Company’s common stock or a combination of both. Refer to Note 10, “Convertible Notes” for more details.

5. Intangible Assets and Goodwill

In the fourth quarter of 2015 and 2014, the Company performed its annual goodwill impairment analysis for the MID and CRD reporting units, which are the only reporting units with goodwill. The Company estimated the fair value of the reporting units using the income approach which was determined using Level 3 fair value inputs. The utilization of the income approach to determine fair value requires estimates of future operating results and cash flows discounted using an estimated discount rate. Cash flow projections are based on management's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions.

As of December 31, 2015, the fair value of the MID reporting unit, with $19.9 million of goodwill, exceeded the carrying value of its net assets by approximately 226% and the fair value of the CRD reporting unit, with $97.0 million of goodwill, exceeded the carrying value of its net assets by approximately 45%. Key assumptions used to determine the fair value of the MID and CRD reporting units at December 31, 2015, were the revenue growth rates for the forecast period and terminal year, terminal growth rates and discount rates. Certain estimates used in the income approach involve information for new product lines with limited financial history and developing revenue models which increase the risk of differences between the projected and actual performance. The discount rate of 13% for MID and 20% for CRD is based on the reporting units' overall risk profile relative to other guideline companies, market adoption of the Company's technology, the reporting units' respective industry as well as the visibility of future expected cash flows. The terminal growth rate applied to determine fair value for both reporting units was 3%, which was based on historical experience as well as anticipated economic conditions, industry data and long term outlook for the business. These assumptions are inherently uncertain.

As of December 31, 2014, the fair value of the MID reporting unit, with $19.9 million of goodwill, exceeded the carrying value of its net assets by approximately 511% and the fair value of the CRD reporting unit, with $97.0 million of goodwill, exceeded the carrying value of its net assets by approximately 53%. Key assumptions used to determine the fair value of the MID and CRD reporting units at December 31, 2014, were the revenue growth rates for the forecast period and terminal year, terminal growth rates and discount rates. Certain estimates used in the income approach involve information for new product lines with limited financial history and developing revenue models which increase the risk of differences between the projected and actual performance. The discount rate of 15% for MID and 22% for CRD is based on the reporting units' overall risk profile relative to other guideline companies, the reporting units' respective industry as well as the visibility of future expected cash flows. The terminal growth rate applied to determine fair value for both 3% which was based on historical experience as well as anticipated economic conditions, industry data and long term outlook for the business. These assumptions are inherently uncertain.

It is reasonably possible that the businesses could perform significantly below the Company's expectations or a deterioration of market and economic conditions could occur. This would adversely impact the Company's ability to meet its projected results, which could cause the goodwill in any of its reporting units or long-lived assets in any of its asset groups to become impaired. Significant differences between these estimates and actual cash flows could materially affect the Company's future financial results. If the reporting units are not successful in commercializing new business arrangements, if the businesses are unsuccessful in signing new license agreements or renewing its existing license agreements, or if the Company is unsuccessful in managing its costs, the revenue and income for these reporting units could adversely and materially deviate from their historical trends and could cause goodwill or long-lived assets to become impaired. If the Company determines that its goodwill or long-lived assets are impaired, it would be required to record a non-cash charge that could have a material adverse effect on its results of operations and financial position.

2013 Impairment of Long-Lived Assets

During the fourth quarter of 2013, as a result of the change in business strategy for the LDT reporting unit to reduce its focus on the lower margin bulb products, the Company revised its projected cash flows for LDT, triggering an impairment analysis for long-lived assets.

As a result of the impairment analysis, the Company concluded that its LDT asset group was not able to recover the carrying amount of its assets. Determining the fair value of an asset group unit is judgmental in nature and requires the use of significant estimates and assumptions, considered to be Level 3 fair value inputs, including current replacement costs, revenue growth rates and operating margins, and discount rates, among others. Accordingly, the Company was required to make various estimates in determining the fair values of the LDT asset group. Due to the highly customized nature of the LDT manufacturing equipment, the Company primarily utilized the cost approach to estimate the fair value of its property, plant and equipment. To determine the estimated fair value of its property, plant and equipment, adjustment factors, including cost trend factors, were applied to each individual asset's original cost in order to estimate current replacement cost. The current replacement cost was then adjusted for estimated deductions to recognize the effects of deterioration and obsolescence from all causes, as well as indirect costs such as installation. Where appropriate, the Company utilized a market approach to estimate the fair value of its property, plant and equipment. This approach included the identification of market prices in actual transactions for similar assets based on asking prices for assets currently available for sale, as well as obtaining and reviewing certain direct market values based quoted prices with manufacturers and secondary market participants for similar equipment. Upon completion of this analysis, the Company recorded an impairment charge of $3.5 million, $0.5 million and $0.2 million for building and related improvements, machinery and equipment, and software in its LDT asset group, respectively.

The estimated fair value of the LDT acquired existing technology intangible assets was determined based on the income approach, using Level 3 fair value inputs, as it was deemed to be the most indicative of the fair value in an orderly transaction between market participants.

Under the income approach the Company determined fair value based on the estimated future cash flows resulting from the licensing of the technology underlying the intangible assets. The estimated cash flows in the income approach were discounted by an estimated weighted-average cost of capital which reflects the overall level of inherent risk of the reporting unit and the rate of return an outside investor would expect to earn. Upon completion of this analysis, the Company recorded an impairment charge of $4.0 million in the fourth quarter of 2013 related to the acquired intangible assets.

Also, during the fourth quarter of 2013, as a result of changes in one customer's business, the Company recorded a $1.5 million impairment charge related to its CRD favorable contracts (refer to "Intangible Assets" table below for further discussion on favorable contracts) due to a decline in the projected cash flows from the customer.

The long-lived asset impairment charges for LDT and CRD aggregating to $9.7 million were included in "Impairment of goodwill and long-lived assets" in the Consolidated Statements of Operations. As of December 31, 2013, the Company had $12.9 million and $99.4 million of long-lived assets remaining in its LDT and CRD asset groups, respectively.

2013 Impairment of Goodwill

During the third quarter of 2013, the Company curtailed its immersive media platform spending. The Company conducted an impairment review as a result of the change of its strategy related to the immersive media platform. As a result of this impairment review, the Company recorded a charge of $8.1 million to fully impair the goodwill related to the MTD reporting unit which was part of the Other segment. The goodwill impairment charge was reflected in "Impairment of goodwill and long-lived assets" in the Consolidated Statements of Operations. The Company estimated the fair value of the MTD reporting unit using the income approach which was determined using Level 3 fair value inputs. The discount rate used of 36% is based on a weighted average cost of capital adjusted for the relevant risk associated with the characteristics of the business and the projected cash flows.

In the fourth quarter of 2013, the Company performed its annual goodwill impairment analysis for the MID and CRD reporting units, which were the only reporting units with goodwill.

As of December 31, 2013, the fair value of the MID reporting unit, with $19.9 million of goodwill, exceeded the carrying value of its net assets by approximately 480%; the fair value of the CRD reporting unit, with $97.0 million of goodwill, exceeded the carrying value of its net assets by approximately 44%. To arrive at the cash flow projections utilized in the income approach, the Company used the reporting unit's forecast of estimated operating results based on assumptions such as long-term revenue growth rates, costs and estimates of future anticipated changes in operating margins based on economic and market information. Key assumptions used to determine the fair value of the MID and CRD reporting units at December 31, 2013, were the revenue growth rates for the forecast period and terminal year, terminal growth rates and discount rates. Certain estimates used in the income approach involve information for new product lines with limited financial history and developing revenue models which increase the risk of differences between the projected and actual performance. The discount rate of 14% for MID and 21% for CRD is based on the reporting units' overall risk profile relative to other guideline companies, the reporting units' respective industry as well as the visibility of future expected cash flows. The terminal growth rate applied to determine fair value for both reporting units was 3%, which was based on historical experience as well as anticipated economic conditions, industry data and long term outlook for the business. These assumptions are inherently uncertain.

Goodwill

The following tables present goodwill information for each of the reportable segments for the years ended December 31, 2015 and December 31, 2014:

Reportable Segment:	December 31, 2014	Addition to Goodwill	Impairment Charge of Goodwill	December 31, 2015
		(In thousands)		
MID	$ 19,905	$—	$—	$ 19,905
CRD	96,994	—	—	96,994
Total	$116,899	$—	$—	$116,899

	As of December 31, 2015		
Reportable Segment:	Gross Carrying Amount	Accumulated Impairment Losses	Net Carrying Amount
		(In thousands)	
MID	$ 19,905	$ —	$ 19,905
CRD	96,994	—	96,994
Other	21,770	(21,770)	—
Total	$138,669	$(21,770)	$116,899

Reportable Segment:	December 31, 2013	Addition to Goodwill	Impairment Charge of Goodwill	December 31, 2014
MID	$ 19,905	$—	$—	$ 19,905
CRD	96,994	—	—	96,994
Total	$116,899	$—	$—	$116,899

	As of December 31, 2014		
Reportable Segment:	Gross Carrying Amount	Accumulated Impairment Losses	Net Carrying Amount
MID	$ 19,905	$ —	$ 19,905
CRD	96,994	—	96,994
Other	21,770	(21,770)	—
Total	$138,669	$(21,770)	$116,899

Intangible Assets

The components of the Company's intangible assets as of December 31, 2015 and December 31, 2014 were as follows:

		As of December 31, 2015		
	Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
			(In thousands)	
Existing technology	3 to 10 years	$185,321	$(127,028)	$58,293
Customer contracts and contractual relationships	1 to 10 years	31,093	(25,120)	5,973
Non-compete agreements	3 years	300	(300)	—
Total intangible assets		$216,714	$(152,448)	$64,266

		As of December 31, 2014		
	Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
			(In thousands)	
Existing technology	3 to 10 years	$185,321	$(104,426)	$80,895
Customer contracts and contractual relationships	1 to 10 years	31,093	(22,617)	8,476
Non-compete agreements	3 years	300	(300)	—
Total intangible assets		216,714	$(127,343)	$89,371

The favorable contracts (included in customer contracts and contractual relationships) are acquired patent licensing agreements where the Company has no performance obligations. Cash received from these acquired favorable contracts reduce the favorable contract intangible asset. During 2015 and 2014, the Company received $0.1 million and $0.9 million related to the favorable contracts, respectively. As of December 31, 2015 and 2014, the net balance of the favorable contract intangible assets was zero and $0.1 million, respectively. The estimated useful life is based on expected payment dates related to the favorable contracts. The group of acquired intangible assets had an original estimated weighted average useful life of approximately 7 years from the date of acquisition.

During the year ended December 31, 2015, the Company did not sell any intangible assets. During the year ended December 31, 2014, the Company sold portfolios of its intellectual property covering wireless and other technologies for $4.4 million and the related gain was recorded as gain from sale of intellectual property and revenue in the consolidated statements of operations.

The Company did not purchase any intangible assets in 2015 and 2014. The Company acquired other patents in 2013 aggregating $2.5 million.

Amortization expense for intangible assets for the years ended December 31, 2015, 2014, and 2013 was $25.1 million, $26.6 million, and $28.9 million, respectively. The estimated future amortization expense of intangible assets as of December 31, 2015 was as follows (amounts in thousands):

Years Ending December 31:	Amount
2016	$24,311
2017	23,709
2018	10,827
2019	1,789
2020	1,743
Thereafter	1,887
	$64,266

6. Segments and Major Customers

Operating segments are based upon Rambus' internal organization structure, the manner in which its operations are managed, the criteria used by its Chief Operating Decision Maker ("CODM") to evaluate segment performance and availability of separate financial information regularly reviewed for resource allocation and performance assessment.

The Company determined its CODM to be the Chief Executive Officer and determined its operating segments to be: (1) Memory and Interface Division ("MID"), which focuses on the design, development and licensing of technology that is related to memory and interfaces; (2) CRD, which focuses on the design, development and licensing of technologies for chip and system security and anti-counterfeiting; (3) ESD, which includes the computational sensing and imaging group along with the development efforts in the area of emerging technologies; and (4) LDT, which focuses on the design, development and licensing of technologies for lighting.

For the year ended December 31, 2015, MID and CRD were considered reportable segments as they met the quantitative thresholds for disclosure as reportable segments. The results of the remaining operating segments are shown under "Other".

The Company evaluates the performance of its segments based on segment operating income (loss), which is defined as revenue minus segment operating expenses. Segment operating expenses are comprised of direct operating expenses.

Segment operating expenses do not include sales, general and administrative expenses and the allocation of certain expenses managed at the corporate level, such as stock-based compensation, amortization, and certain bonus and acquisition costs. The "Reconciling Items" category includes these unallocated sales, general and administrative expenses as well as corporate level expenses.

The tables below present reported segment operating income (loss) for the years ended December 31, 2015, 2014 and 2013:

	For the Year Ended December 31, 2015			
	MID	CRD	Other	Total
	(In thousands)			
Revenues	$221,968	$50,497	$ 23,813	$ 296,278
Segment operating expenses	47,780	29,056	32,147	108,983
Segment operating income (loss)	$174,188	$21,441	$ (8,334)	$ 187,295
Reconciling items				(115,875)
Operating income				$ 71,420
Interest and other income (expense), net				(11,189)
Income before income taxes				$ 60,231

	For the Year Ended December 31, 2014			
	MID	CRD	Other	Total
	(In thousands)			
Revenues	$226,303	$49,330	$ 20,925	$ 296,558
Segment operating expense	40,816	27,608	34,106	102,530
Segment operating income (loss)	$185,487	$21,722	$(13,181)	$ 194,028
Reconciling items				(118,682)
Operating income				$ 75,346
Interest and other income (expense), net				(25,096)
Income before income taxes				$ 50,250

	For the Year Ended December 31, 2013			
	MID	CRD	Other	Total
	(In thousands)			
Revenues	$232,040	$32,625	$ 6,836	$ 271,501
Segment operating expenses	34,823	20,322	42,306	97,451
Segment operating income (loss)	$197,217	$12,303	$(35,470)	$ 174,050
Reconciling items				(151,586)
Operating income				$ 22,464
Interest and other income (expense), net				(34,481)
Loss before income taxes				$ (12,017)

The Company's CODM does not review information regarding assets on an operating segment basis. Additionally, the Company does not record intersegment revenue or expense.

Accounts receivable from the Company's major customers representing 10% or more of total accounts receivable at December 31, 2015 and December 31, 2014, respectively, was as follows:

	Years Ended December 31,	
Customer	2015	2014
Customer 1 (MID reportable segment)	16%	33%
Customer 2 (Other segment)	27%	50%
Customer 3 (MID reportable segment)	28%	*
Customer 4 (CRD reportable segment)	21%	*

* Customer accounted for less than 10% of total accounts receivable in the period

Revenue from the Company's major customers representing 10% or more of total revenue for the years ended December 31, 2015, 2014 and 2013 were as follows:

	Years Ended December 31,		
	2015	2014	2013
Customer A (MID and CRD reportable segments)	20%	20%	33%
Customer B (MID reportable segment)	19%	16%	*
Customer C (MID reportable segment)	13%	13%	*

* Customer accounted for less than 10% of total revenue in the period

Revenue from customers in the geographic regions based on the location of contracting parties is as follows:

	Years Ended December 31,		
	2015	2014	2013
		(In thousands)	
South Korea	$115,486	$107,441	$112,806
USA	118,278	109,060	80,652
Japan	29,687	30,454	51,156
Europe	9,616	21,349	15,985
Canada	214	7,119	7,896
Singapore	16,312	12,980	—
Asia-Other	6,685	8,155	3,006
Total	$296,278	$296,558	$271,501

At December 31, 2015, of the $56.6 million of total property, plant and equipment, approximately $55.2 million were located in the United States, $1.3 million were located in India and $0.1 million were located in other foreign locations. At December 31, 2014, of the $64.0 million of total property, plant and equipment, approximately $63.0 million were located in the United States, $0.9 million were located in India and $0.1 million were located in other foreign locations.

7. Marketable Securities

Rambus invests its excess cash and cash equivalents primarily in U.S. government sponsored obligations, commercial paper, corporate notes and bonds, money market funds and municipal notes and bonds that mature within three years. As of December 31, 2015 and 2014, all of the Company's cash equivalents and marketable securities have a remaining maturity of less than one year.

All cash equivalents and marketable securities are classified as available-for-sale. Total cash, cash equivalents and marketable securities are summarized as follows:

	As of December 31, 2015				
(Dollars in thousands)	**Fair Value**	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Weighted Rate of Return**
Money market funds	$ 77,804	$ 77,804	$—	$ —	0.12%
U.S. Government bonds and notes	14,110	14,142	—	(32)	0.48%
Corporate notes, bonds, commercial paper and other	160,823	160,979	—	(156)	0.45%
Total cash equivalents and marketable securities	252,737	252,925	—	(188)	
Cash	34,969	34,969	—	—	
Total cash, cash equivalents and marketable securities	$287,706	$287,894	$—	$(188)	

	As of December 31, 2014				
(Dollars in thousands)	**Fair Value**	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Weighted Rate of Return**
Money market funds	$124,938	$124,938	$—	$ —	0.01%
Corporate notes, bonds and commercial paper	145,983	146,096	1	(114)	0.25%
Total cash equivalents and marketable securities	270,921	271,034	1	(114)	
Cash	29,188	29,188	—	—	
Total cash, cash equivalents and marketable securities	$300,109	$300,222	$ 1	$(114)	

Available-for-sale securities are reported at fair value on the balance sheets and classified as follows:

	As of	
	December 31, 2015	**December 31, 2014**
	(Dollars in thousands)	
Cash equivalents	$108,795	$124,938
Short term marketable securities	143,942	145,983
Total cash equivalents and marketable securities	252,737	270,921
Cash	34,969	29,188
Total cash, cash equivalents and marketable securities	$287,706	$300,109

The Company continues to invest in highly rated quality, highly liquid debt securities. As of December 31, 2015, these securities have a remaining maturity of less than one year. The Company holds all of its marketable securities as available-for-sale, marks them to market, and regularly reviews its portfolio to ensure adherence to its investment policy and to monitor individual investments for risk analysis, proper valuation, and unrealized losses that may be other than temporary.

The estimated fair value of cash equivalents and marketable securities classified by the length of time that the securities have been in a continuous unrealized loss position at December 31, 2015 and 2014 are as follows:

	Fair Value		Gross Unrealized Loss	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(In thousands)			
Less than one year				
Corporate notes, bonds and commercial paper	$159,673	$139,989	$(188)	$(114)

The gross unrealized loss at December 31, 2015 and 2014 was not material in relation to the Company's total available-for-sale portfolio. The gross unrealized loss can be primarily attributed to a combination of market conditions as well as the demand for and duration of the corporate notes and bonds. The Company has no intent to sell, there is no requirement to sell and the Company believes that it can recover the amortized cost of these investments. The Company has found no evidence of impairment due to credit losses in its portfolio. Therefore, these unrealized losses were recorded in other comprehensive income (loss). However, the Company cannot provide any assurance that its portfolio of cash, cash equivalents and marketable securities will not be impacted by adverse conditions in the financial markets, which may require the Company in the future to record an impairment charge for credit losses which could adversely impact its financial results.

See Note 8, "Fair Value of Financial Instruments," for discussion regarding the fair value of the Company's cash equivalents and marketable securities.

8. Fair Value of Financial Instruments

The fair value measurement statement defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Company considers the principal or most advantageous market in which the Company would transact, and the Company considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of non-performance.

The Company's financial instruments are measured and recorded at fair value, except for cost method investments and convertible notes. The Company's non-financial assets, such as goodwill, intangible assets, and property, plant and equipment, are measured at fair value when there is an indicator of impairment and recorded at fair value only when an impairment charge is recognized.

Fair Value Hierarchy

The fair value measurement statement requires disclosure that establishes a framework for measuring fair value and expands disclosure about fair value measurements. The statement requires fair value measurement be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

The Company uses unadjusted quotes to determine fair value. The financial assets in Level 1 include money market funds.

Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

The Company uses observable pricing inputs including benchmark yields, reported trades, and broker/dealer quotes. The financial assets in Level 2 include U.S. government bonds and notes, corporate notes, commercial paper and municipal bonds and notes.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The financial assets in Level 3 include a cost investment whose value is determined using inputs that are both unobservable and significant to the fair value measurements.

The Company reviews the pricing inputs by obtaining prices from a different source for the same security on a sample of its portfolio. The Company has not adjusted the pricing inputs it has obtained. The following table presents the financial instruments that are carried at fair value and summarizes the valuation of its cash equivalents and marketable securities by the above pricing levels as of December 31, 2015 and 2014:

	As of December 31, 2015			
	Total	Quoted Market Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
Money market funds	$ 77,804	$ 77,804	$ —	$—
U.S. Government bonds and notes	14,110	—	14,110	—
Corporate notes, bonds, commercial paper and other	160,823	1,264	159,559	—
Total available-for-sale securities	$252,737	$ 79,068	$173,669	$—

	As of December 31, 2014			
	Total	Quoted Market Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In thousands)			
Money market funds	$124,938	$124,938	$ —	$—
Corporate notes, bonds and commercial paper	145,983	—	145,983	—
Total available-for-sale securities	$270,921	$124,938	$145,983	$—

The Company monitors its investments for other-than-temporary impairment and records appropriate reductions in carrying value when necessary. The Company monitors its investments for other-than-temporary losses by considering current factors, including the economic environment, market conditions, operational performance and other specific factors relating to the business underlying the investment, reductions in carrying values when necessary and the Company's ability and intent to hold the investment for a period of time which may be sufficient for anticipated recovery in the market. Any other-than-temporary loss is reported under "Interest and other income (expense), net" in the consolidated statement of operations. For the year ended December 31, 2014, the Company recorded impairment charges related to its non-marketable equity security of a private company as described below.

The Company made an investment of $2.0 million in a non-marketable equity security of a private company during 2009. Prior to the second quarter of 2013, the Company had not recorded any impairment charges related to this investment as there had been no events that caused a decrease in its fair value below the carrying cost. During the year ended December 31, 2014, as part of its periodic evaluation of the fair value of the investment in the non-marketable equity security, and based on the information provided by the private company at that time, the Company determined that there was a decrease in the security's fair value. The fair value of the non-marketable equity security was determined based on an income approach, using level 3 fair value inputs, as it was deemed to be the most indicative of the security's fair value. Accordingly, the Company recorded impairment charges of $0.6 million within interest income and other income (expense), net, in the consolidated statements of operations during 2014.

In October 2015, the previously written down private company's stock became publicly traded and as a result, the investment in this equity security was classified as an available-for-sale security and was re-measured to fair value, resulting in a $1.3 million increase in marketable securities and accumulated other comprehensive income.

The following table presents the financial instruments that are measured and carried at cost on a nonrecurring basis as of December 31, 2014:

	As of December 31, 2014				
(in thousands)	Carrying Value	Quoted market prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Impairment charges for the year ended December 31, 2014
Investment in non-marketable security	$—	$—	$—	$—	$600

In 2015 and 2014, there were no transfers of financial instruments between different categories of fair value.

The following table presents the financial instruments that are not carried at fair value but which require fair value disclosure as of December 31, 2015 and 2014:

	As of December 31, 2015			As of December 31, 2014		
(in thousands)	Face Value	Carrying Value	Fair Value	Face Value	Carrying Value	Fair Value
1.125% Convertible Senior Notes due 2018	138,000	120,901	156,292	138,000	115,089	159,293

The fair value of the convertible notes at each balance sheet date is determined based on recent quoted market prices for these notes which is a level 2 measurement. As discussed in Note 10, "Convertible Notes," as of December 31, 2015, the convertible notes are carried at their face value of $138.0 million, less any unamortized debt discount. The carrying value of other financial instruments, including accounts receivable, accounts payable and other payables, approximates fair value due to their short maturities.

Information regarding the Company's goodwill and long-lived assets balances are disclosed in Note 5, "Intangible Assets and Goodwill".

9. Balance Sheet Details

Property, Plant and Equipment, net

Property, plant and equipment, net is comprised of the following:

	As of December 31,	
	2015	2014
	(In thousands)	
Building	$ 40,320	$ 40,320
Computer software	20,012	21,412
Computer equipment	31,224	27,744
Furniture and fixtures	13,943	13,464
Leasehold improvements	7,098	7,052
Machinery	11,037	11,699
Construction in progress	637	425
	124,271	122,116
Less accumulated depreciation and amortization	(67,655)	(58,093)
	$ 56,616	$ 64,023

As of December 31, 2015 and 2014, for the Sunnyvale and Brecksville facilities, the Company had capitalized $40.3 million in building based on the estimated fair value of the portion of the unfinished spaces, capitalized interest on the unfinished spaces and construction costs related to the build-out of the facilities. See Note 11, "Commitments and Contingencies" for additional details.

Depreciation expense for the years ended December 31, 2015, 2014 and 2013 was $12.4 million, $13.6 million and $15.5 million, respectively.

Accumulated Other Comprehensive Gain (Loss)

Accumulated other comprehensive gain (loss) is comprised of the following:

	As of December 31,	
	2015	2014
	(In thousands)	
Foreign currency translation adjustments	$ 95	$ 86
Unrealized gain (loss) on available-for-sale securities, net of tax	278	(488)
Total	$373	$(402)

10. Convertible Notes

The Company's convertible notes are shown in the following table.

(Dollars in thousands)	As of December 31, 2015	As of December 31, 2014
1.125% Convertible Senior Notes due 2018	$138,000	$138,000
Unamortized discount — 2018 Notes	(17,099)	(22,911)
Total convertible notes	$120,901	$115,089
Less current portion	—	—
Total long-term convertible notes	$120,901	$115,089

1.125% Convertible Senior Notes due 2018. On August 16, 2013, the Company issued $138.0 million aggregate principal amount of 1.125% convertible senior notes pursuant to an indenture (the "Indenture") by and between the Company and U.S. Bank, National Association as the trustee. The 2018 Notes will mature on August 15, 2018 (the "Maturity Date"), subject to earlier repurchase or conversion. In accounting for the 2018 Notes at issuance, the Company separated the 2018 Notes into liability and equity components pursuant to the accounting standards for convertible debt instruments that may be fully or partially settled in cash upon conversion. As of the date of issuance, the Company determined that the liability component of the 2018 Notes was $107.7 million and the equity component of the 2018 Notes was $30.3 million. The fair value of the liability component was estimated using an interest rate for a similar instrument without a conversion feature. The unamortized discount related to the 2018 Notes is being amortized to interest expense using the effective interest method over five years through August 2018.

The Company will pay cash interest at an annual rate of 1.125% of the principal amount at issuance, payable semi-annually in arrears on February 15 and August 15 of each year, commencing on February 15, 2014. The Company incurred transaction costs of approximately $3.6 million related to the issuance of 2018 Notes. In accounting for these costs, the Company allocated the costs to the liability and equity components in proportion to the allocation of proceeds from the issuance of the 2018 Notes to such components. Transaction costs allocated to the liability component of $2.8 million were recorded as deferred offering costs in other assets and are being amortized to interest expense using the effective interest method over five years (the expected term of the debt). The transaction costs allocated to the equity component of $0.8 million were recorded as additional paid-in capital. The 2018 Notes are the Company's general unsecured obligations, ranking equally in right of payment to all of Rambus' existing and future senior unsecured indebtedness, including the 2014 Notes, and senior in right of payment to any of the Company's future indebtedness that is expressly subordinated to the 2018 Notes.

The 2018 Notes are convertible into shares of the Company's common stock at an initial conversion rate of 82.8329 shares of common stock per $1,000 principal amount of 2018 Notes, subject to adjustment in certain events. This is equivalent to an initial conversion price of approximately $12.07 per share of common stock. Holders may surrender their 2018 Notes for conversion prior to the close of business day immediately preceding May 15, 2018 only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2013 (and only during such calendar quarter), if the closing sale price of the common stock for 20 days or more trading days (whether or not consecutive) during a period of 30 days consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is more than 130% of the conversion price per share of common stock on the last trading day of the preceding calendar quarter; (2) during the five business day period after any five consecutive trading day period (the ''measurement period'') in which the trading price (as defined below) per $1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the closing sale price of the Company's common stock and the conversion rate on each such trading day; (3) upon the occurrence of specified distributions to holders of the Company's common stock; or (4) upon the occurrence of specified corporate events. On or after May 15, 2018 until the close of business on the second scheduled trading day immediately preceding the Maturity Date, holders may convert their notes at any time, regardless of the foregoing circumstances. If a holder elects to convert its 2018 Notes in connection with certain fundamental changes, as that term is defined in the Indenture, that occur prior to the Maturity Date, the Company will, in certain circumstances, increase the conversion rate for 2018 Notes converted in connection with such fundamental changes by a specified number of shares of common stock.

Upon conversion of the 2018 Notes, the Company will pay cash up to the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election, in respect of the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the notes being converted, as specified in the Indenture.

The Company may not redeem the 2018 Notes at its option prior to the Maturity Date, and no sinking fund is provided for the 2018 Notes.

Upon the occurrence of a fundamental change, holders may require the Company to repurchase for cash all or any portion of their notes at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The following events are considered events of default under the Indenture which may result in the acceleration of the maturity of the 2018 Notes:

(1) default in the payment when due of any principal of any of the notes at maturity, upon redemption or upon exercise of a repurchase right or otherwise;

(2) default in the payment of any interest, including additional interest, if any, on any of the notes, when the interest becomes due and payable, and continuance of such default for a period of 30 days;

(3) the Company's failure to deliver cash or cash and shares of the Company's common stock (including any additional shares deliverable as a result of a conversion in connection with a make-whole fundamental change, as defined in the Indenture) when required by the Indenture;

(4) default in the Company's obligation to provide notice of the occurrence of a fundamental change, make-whole fundamental change or distribution to holders of the Company's common stock when required by the Indenture;

(5) the Company's failure to comply with any of the Company's other agreements in the notes or the Indenture (other than those referred to in clauses (1) through (4) above) for 60 days after the Company's receipt of written notice to the Company of such default from the trustee or to the Company and the trustee of such default from holders of not less than 25% in aggregate principal amount of the 2018 Notes then outstanding;

(6) the Company's failure to pay when due the principal of, or acceleration of, any indebtedness for money borrowed by the Company or any of the Company's material subsidiaries in excess of $40 million principal amount, if such indebtedness is not discharged, or such acceleration is not annulled, for a period of 30 days after written notice thereof is delivered to the Company by the trustee or to the Company and the trustee by the holders of 25% or more in aggregate principal amount of the notes then outstanding without such failure to pay having been cured or waived, such acceleration having been rescinded or annulled (if applicable) and such indebtedness not having been paid or discharged; and

(7) certain events of bankruptcy, insolvency or reorganization relating to the Company or any of the Company's material subsidiaries (as defined in the Indenture).

If an event of default, other than an event of default described in clause (7) above with respect to the Company, occurs and is continuing, either the trustee or the holders of at least 25% in aggregate principal amount of the notes then outstanding may declare the principal amount of, and accrued and unpaid interest, including additional interest, if any, on the notes then outstanding to be immediately due and payable. If an event of default described in clause (7) above occurs with respect to the Company, the principal amount of and accrued and unpaid interest, including additional interest, if any, on the notes will automatically become immediately due and payable.

5% Convertible Senior Notes due 2014. On June 29, 2009, the Company issued $150.0 million aggregate principal amount of 5% convertible senior notes due June 15, 2014. As of the date of issuance, the Company determined that the liability component of the 2014 Notes was approximately $92.4 million and the equity component was approximately $57.6 million. On July 10, 2009, an additional $22.5 million of the 2014 Notes were issued as a result of the underwriters exercising their overallotment option. As of the date of issuance of the $22.5 million 2014 Notes, the Company determined that the liability component was approximately $14.3 million, and the equity component was approximately $8.2 million. The unamortized discount related to the 2014 Notes was being amortized to interest expense using the effective interest method over five years through June 2014.

The Company paid cash interest at an annual rate of 5% of the principal amount at issuance, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2009. During 2014, the Company paid approximately $4.3 million of interest related to the 2014 Notes. During 2013, the Company paid approximately $8.6 million of interest related to the 2014 Notes. Issuance costs were approximately $5.1 million of which $3.2 million is related to the liability portion, which is being amortized to interest expense over five years (the expected term of the debt), and $1.9 million is related to the equity portion. The 2014 Notes were the Company's general unsecured obligation, ranking equal in right of payment to all of the Company's existing and future senior indebtedness and were senior in right of payment to any of the Company's future indebtedness that was expressly subordinated to the 2014 Notes.

The 2014 Notes were convertible into shares of the Company's Common Stock at an initial conversion rate of 51.8 shares of Common Stock per $1,000 principal amount of 2014 Notes. This was equivalent to an initial conversion price of approximately $19.31 per share of common stock. Holders could have surrendered their 2014 Notes for conversion prior to March 15, 2014 only under the following circumstances: (i) during any calendar quarter beginning after the calendar quarter ending September 30, 2009, and only during such calendar quarter, if the closing sale price of the Common Stock for 20 days or more trading days in the period of 30 days consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeded 130% of the conversion price in effect on the last trading day of the immediately preceding calendar quarter, (ii) during the five business day period after any 10 days consecutive trading day period in which the trading price per $1,000 principal amount of 2014 Notes for each trading day of such 10 days consecutive trading day period was less than 98% of the product of the closing sale price of the Common Stock for such trading day and the applicable conversion rate, (iii) upon the occurrence of specified distributions to holders of the Common Stock, (iv) upon a fundamental change of the Company as specified in the Indenture governing the 2014 Notes, or (v) if the Company calls any or all of the 2014 Notes for redemption, at any time prior to the close of business on the business day immediately preceding the redemption date. On and after March 15, 2014, holders may convert their 2014 Notes at any time until the close of business on the third business day prior to the maturity date, regardless of the foregoing circumstances.

Upon conversion of the 2014 Notes, the Company would have paid (i) cash equal to the lesser of the aggregate principal amount and the conversion value of the 2014 Notes and (ii) shares of the Company's Common Stock for the remainder, if any, of the Company's conversion obligation, in each case based on a daily conversion value calculated on a proportionate basis for each trading day in the 20 days trading day conversion reference period as further specified in the Indenture.

The Company was not able to redeem the 2014 Notes at its option prior to June 15, 2012. At any time on or after June 15, 2012, the Company had the right, at its option, to redeem the 2014 Notes in whole or in part for cash in an amount equal to 100% of the principal amount of the 2014 Notes to be redeemed, together with accrued and unpaid interest, if any, if the closing sale price of the Common Stock for at least 20 days of the 30 days consecutive trading days immediately prior to any date the Company gives a notice of redemption was greater than 130% of the conversion price on the date of such notice.

Upon the occurrence of a fundamental change, holders could have required the Company to repurchase some or all of their 2014 Notes for cash at a price equal to 100% of the principal amount of the 2014 Notes being repurchased, plus accrued and unpaid interest, if any. In addition, upon the occurrence of certain fundamental changes, as that term is defined in the Indenture, the Company would have, in certain circumstances, increased the conversion rate for the 2014 Notes converted in connection with such fundamental changes by a specified number of shares of Common Stock, not to exceed 15.5401 per $1,000 principal amount of the 2014 Notes.

The following events were considered "Events of Default" under the Indenture which would have resulted in the acceleration of the maturity of the 2014 Notes:

(1) default in the payment when due of any principal of any of the 2014 Notes at maturity, upon redemption or upon exercise of a repurchase right or otherwise;

(2) default in the payment of any interest, including additional interest, if any, on any of the 2014 Notes, when the interest becomes due and payable, and continuance of such default for a period of 30 days;

(3) the Company's failure to deliver cash or cash and shares of Common Stock (including any additional shares deliverable as a result of a conversion in connection with a make-whole fundamental change) when required to be delivered upon the conversion of any 2014 Note;

(4) default in the Company's obligation to provide notice of the occurrence of a fundamental change when required by the Indenture;

(5) the Company's failure to comply with any of its other agreements in the 2014 Notes or the Indenture (other than those referred to in clauses (1) through (4) above) for 60 days after the Company's receipt

of written notice to the Company of such default from the trustee or to the Company and the trustee of such default from holders of not less than 25% in aggregate principal amount of the 2014 Notes then outstanding;

(6) the Company's failure to pay when due the principal of, or acceleration of, any indebtedness for money borrowed by the Company or any of its subsidiaries in excess of $30 million principal amount, if such indebtedness is not discharged, or such acceleration is not annulled, by the end of a period of ten days after written notice to the Company by the trustee or to the Company and the trustee by the holders of at least 25% in aggregate principal amount of the 2014 Notes then outstanding; and

(7) certain events of bankruptcy, insolvency or reorganization relating to the Company or any of its material subsidiaries (as defined in the Indenture).

If an event of default, other than an event of default in clause (7) above with respect to the Company occurs and is continuing, either the trustee or the holders of at least 25% in aggregate principal amount of the 2014 Notes then outstanding may declare the principal amount of, and accrued and unpaid interest, including additional interest, if any, on the 2014 Notes then outstanding to be immediately due and payable. If an event of default described in clause (7) above occurs with respect to the Company the principal amount of and accrued and unpaid interest, including additional interest, if any, on the 2014 Notes will automatically become immediately due and payable.

During the second quarter of 2014, the Company paid upon maturity the entire $172.5 million in aggregate principal amount of the 2014 Notes.

Additional paid-in capital at December 31, 2015 and December 31, 2014 includes $93.4 million for each year related to the equity component of the notes.

As of December 31, 2015, none of the conversion conditions were met related to the 2018 Notes. Therefore, the classification of the entire equity component for the 2018 Notes in permanent equity is appropriate as of December 31, 2015.

Interest expense related to the notes for the years ended December 31, 2015, 2014 and 2013 was as follows:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
2018 Notes coupon interest at a rate of 1.125%	$1,567	$ 1,567	$ 582
2018 Notes amortization of discount and debt issuance cost at an additional effective interest rate of 5.5%	6,372	6,019	2,171
2014 Notes coupon interest at a rate of 5%	—	3,929	8,625
2014 Notes amortization of discount at an additional effective interest rate of 11.7%	—	8,744	17,126
Total interest expense on convertible notes	$7,939	$20,259	$28,504

11. Commitments and Contingencies

On December 15, 2009, the Company entered into a lease agreement for approximately 125,000 square feet of office space located at 1050 Enterprise Way in Sunnyvale, California commencing on July 1, 2010 and expiring on June 30, 2020. The office space is used for the Company's corporate headquarters, as well as engineering, sales, marketing and administrative operations and activities. The annual base rent for these leases includes certain rent abatement and increases annually over the lease term. The Company has two options to extend the lease for a period of 60 months each and a one-time option to terminate the lease after 84 months in exchange for an early termination fee. Pursuant to the terms of the lease, the landlord agreed to reimburse the Company approximately $9.1 million, which was received by the year ended December 31, 2011. The Company recognized the reimbursement as an additional imputed financing obligation as such payment from the landlord is deemed to be an imputed financing obligation. On November 4, 2011, to better plan for future expansion, the Company entered into an amended lease for its Sunnyvale facility for approximately an additional 31,000-square-foot space commencing on March 1, 2012 and expiring on June 30, 2020. Additionally, a tenant improvement allowance to be provided by the landlord was approximately $1.7 million. On September 29, 2012, the Company entered into a second amended Sunnyvale lease to reduce the tenant improvement allowance to approximately $1.5 million. On January 31, 2013, the Company entered into a third amendment to the Sunnyvale lease to surrender the 31,000 square-foot space from the first amendment back to the landlord and recorded a total charge of $2.0 million related to the surrender of the amended lease.

On March 8, 2010, the Company entered into a lease agreement for approximately 25,000 square feet of office and manufacturing areas, located in Brecksville, Ohio. The office area is used for the LDT group's engineering activities while the manufacturing area is used for the manufacture of prototypes. This lease was amended on September 29, 2011 to expand the facility to approximately 51,000 total square feet and the amended lease will expire on July 31, 2019. The Company has an option to extend the lease for a period of 60 months.

The Company undertook a series of structural improvements to ready the Sunnyvale and Brecksville facilities for its use. Since these improvements were considered structural in nature and the Company was responsible for any cost overruns, for accounting purposes, the Company was treated in substance as the owner of each construction project during the construction period. At the completion of each construction, the Company concluded that it retained sufficient continuing involvement to preclude de-recognition of the building under the FASB authoritative guidance applicable to the sale leasebacks of real estate. As such, the Company continues to account for the buildings as owned real estate and to record an imputed financing obligation for its obligations to the legal owners.

Monthly lease payments on these facilities are allocated between the land element of the lease (which is accounted for as an operating lease) and the imputed financing obligation. The imputed financing obligation is amortized using the effective interest method and the interest rate was determined in accordance with the requirements of sale leaseback accounting. For the years ended December 31, 2015, 2014 and 2013, the Company recognized in its Consolidated Statements of Operations $4.5 million, $4.5 million, and $4.4 million, respectively, of interest expense in connection with the imputed financing obligation on these facilities. At December 31, 2015 and 2014, the imputed financing obligation balance in connection with these facilities was $39.3 million and $39.5 million, respectively, which was primarily classified under long-term imputed financing obligation.

As of December 31, 2015 and 2014, the Company had capitalized $40.3 million in property, plant and equipment based on the estimated fair value of the portion of the pre-construction shell, construction costs related to the build-out of the facilities and capitalized interest during construction period. At the end of the initial lease term, should the Company decide not to renew the lease, the Company would reverse the equal amounts of the net book value of the building and the corresponding imputed financing obligation.

In November 2011, the Company entered into a lease agreement for approximately 26,000 square feet of office space in San Francisco, California to be used for CRD's office space and is treated as an operating lease.

This lease has a commencement date of February 1, 2012 and a lease term of 75 months from the commencement date. The annual base rent includes certain rent abatement and increases annually over the lease term.

In connection with the June 3, 2011 acquisition of CRD, the Company was obligated to pay a retention bonus to certain CRD employees and contractors, subject to certain eligibility and acceleration provisions including the condition of employment, in three equal amounts of approximately $16.7 million. All three payments have been paid as of December 31, 2014 with the last portion paid in 2014.

On June 29, 2009, the Company entered into an Indenture with U.S. Bank, National Association, as trustee, relating to the issuance by the Company of $150.0 million aggregate principal amount of the 2014 Notes. On July 10, 2009, an additional $22.5 million in aggregate principal amount of 2014 Notes were issued as a result of the underwriters exercising their overallotment option. During the second quarter of 2014, the Company paid upon maturity the entire $172.5 million in aggregate principal amount of the 2014 Notes.

On August 16, 2013, the Company entered into an Indenture with U.S. Bank, National Association, as trustee, relating to the issuance by the Company of $138.0 million aggregate principal amount of the 2018 Notes. The aggregate principal amount of the 2018 notes as of December 31, 2015 and 2014 was $138.0 million, offset by unamortized debt discount of $17.1 million and $22.9 million, respectively, on the accompanying consolidated balance sheets. The unamortized discount related to the 2018 Notes is being amortized to interest expense using the effective interest method over the remaining 32 months until maturity of the 2018 Notes on August 15, 2018. See Note 10, "Convertible Notes," for additional details.

As of December 31, 2015, the Company's material contractual obligations are as follows (in thousands):

	Total	2016	2017	2018	2019	2020	Thereafter
Contractual obligations (1)							
Imputed financing obligation (2)	$ 28,376	$ 6,156	$6,302	$ 6,447	$6,602	$2,869	$—
Leases and other contractual obligations	6,646	4,321	1,569	546	210	—	—
Software licenses (3)	3,166	2,427	549	190	—	—	—
Convertible notes	138,000	—	—	138,000	—	—	—
Interest payments related to convertible notes	4,658	1,553	1,553	1,552	—	—	—
Total	$180,846	$14,457	$9,973	$146,735	$6,812	$2,869	$—

(1) The above table does not reflect possible payments in connection with uncertain tax benefits of approximately $20.8 million including $18.6 million recorded as a reduction of long-term deferred tax assets and $2.2 million in long-term income taxes payable, as of December 31, 2015. As noted below in Note 16, "Income Taxes," although it is possible that some of the unrecognized tax benefits could be settled within the next 12 months, the Company cannot reasonably estimate the outcome at this time.

(2) With respect to the imputed financing obligation, the main components of the difference between the amount reflected in the contractual obligations table and the amount reflected on the Consolidated Balance Sheets are the interest on the imputed financing obligation and the estimated common area expenses over the future periods. The amount includes the amended Ohio lease and the amended Sunnyvale lease.

(3) The Company has commitments with various software vendors for non-cancellable agreements generally having terms longer than one year.

Rent expense was approximately $2.7 million, $2.6 million and $3.1 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Indemnifications

From time to time, the Company indemnifies certain customers as a necessary means of doing business. Indemnification covers customers for losses suffered or incurred by them as a result of any patent, copyright, or other intellectual property infringement or any other claim by any third party arising as result of the applicable agreement with the Company. The Company generally attempts to limit the maximum amount of indemnification that the Company could be required to make under these agreements to the amount of fees received by the Company, however, this is not always possible. The fair value of the liability as of December 31, 2015 and 2014 is not material.

12. Equity Incentive Plans and Stock-Based Compensation

Stock Option Plans

The Company has three stock option plans under which grants are currently outstanding: the 1997 Stock Option Plan (the "1997 Plan"), the 2006 Equity Incentive Plan (the "2006 Plan") and the 2015 Equity Incentive Plan (the "2015 Plan"). On April 23, 2015, the Company's stockholders approved the 2015 Plan, which authorizes 4,000,000 shares for future issuance plus the number of shares that remained available for grant under the 2006 Plan as of the effective date of the 2015 Plan. The 2015 Plan became effective and replaced the 2006 Plan on April 23, 2015. The 2015 Plan was the Company's only plan for providing stock-based incentive awards to eligible employees, executive officers, non-employee directors and consultants as of December 31, 2015. Grants under all plans typically have a requisite service period of 60 months or 48 months, have straight-line or graded vesting schedules (the 1997 only) and expire not more than 10 years from date of grant. No further awards will be made under the 2006 Plan, but the 2006 Plan will continue to govern awards previously granted under it. In addition, any shares subject to stock options or other awards granted under the 2006 Plan that on or after the effective date of the 2015 Plan are forfeited, cancelled, exchanged or surrendered or terminate under the 2006 Plan will become available for grant under the 2015 Plan. The Board will periodically review actual share consumption under the 2015 Plan and may make a request for additional shares as needed. Additionally, the 1997 Plan continues to govern awards previously granted under that plan.

The 2006 Plan was approved by the stockholders in May 2006. The 2006 Plan, as amended, provides for the issuance of the following types of incentive awards: (i) stock options; (ii) stock appreciation rights; (iii) restricted stock; (iv) restricted stock units; (v) performance shares and performance units; and (vi) other stock or cash awards. This plan provides for the granting of awards at less than fair market value of the common stock on the date of grant, but such grants would be counted against the numerical limits of available shares at a ratio of 1.5 to 1.0. The Board of Directors reserved 8,400,000 shares in March 2006 for issuance under this plan, subject to stockholder approval. Upon stockholder approval of this Plan on May 10, 2006, the 1997 Plan was replaced and the 1999 Non-statutory Stock Option Plan (which had no grants outstanding as of December 31, 2015) was terminated. On April 30, 2009 and April 26, 2012, stockholders approved an additional 6,500,000 shares on each date for issuance under the 2006 Plan. Additionally, on April 24, 2014, stockholders approved an additional 10,000,000 shares for issuance under the 2006 Plan. Those who were eligible for awards under the 2006 Plan included employees, directors and consultants who provide services to the Company and its affiliates. These options typically have a requisite service period of 60 months or 48 months, have straight-line vesting schedules, and expire ten years from date of grant.

As of December 31, 2015, 11,173,545 shares of the 35,400,000 shares approved under the plans remain available for grant. The 2015 Plan is now the Company's only plan for providing stock-based incentive compensation to eligible employees, directors and consultants.

A summary of shares available for grant under the Company's plans is as follows:

	Shares Available for Grant
Shares available as of December 31, 2012	2,729,159
Stock options granted	(2,084,276)
Stock options forfeited	3,318,022
Stock options expired under former plans	(1,157,419)
Nonvested equity stock and stock units granted (1)	(709,611)
Nonvested equity stock and stock units forfeited (1)	431,553
Total shares available for grant as of December 31, 2013	2,527,428
Increase in shares approved for issuance	10,000,000
Stock options granted	(2,370,313)
Stock options forfeited	1,400,349
Stock options expired under former plans	(373,043)
Nonvested equity stock and stock units granted (1)	(585,753)
Nonvested equity stock and stock units forfeited (1)	125,560
Total shares available for grant as of December 31, 2014	10,724,228
Increase in shares approved for issuance	4,000,000
Stock options granted	(362,335)
Stock options forfeited	1,624,823
Stock options expired under former plans	(657,878)
Nonvested equity stock and stock units granted (1) (2)	(4,537,797)
Nonvested equity stock and stock units forfeited (1)	382,504
Total shares available for grant as of December 31, 2015	11,173,545

(1) For purposes of determining the number of shares available for grant under the 2015 Plan against the maximum number of shares authorized, each restricted stock granted reduces the number of shares available for grant by 1.5 shares and each restricted stock forfeited increases shares available for grant by 1.5 shares.

(2) Amount includes 238,980 shares that have been reserved for potential future issuance related to certain performance unit awards discussed under the section titled "Nonvested Equity Stock and Stock Units" below.

General Stock Option Information

The following table summarizes stock option activity under the stock option plans for the years ended December 31, 2015, 2014 and 2013 and information regarding stock options outstanding, exercisable, and vested and expected to vest as of December 31, 2015.

	Options Outstanding			
	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
	(Dollars in thousands, except per share amounts)			
Outstanding as of December 31, 2012	13,094,815	$12.79		
Options granted	2,084,276	$ 6.09		
Options exercised	(483,923)	$ 6.72		
Options forfeited	(3,318,022)	$14.51		
Outstanding as of December 31, 2013	11,377,146	$11.32		
Options granted	2,370,313	$ 9.63		
Options exercised	(905,464)	$ 6.93		
Options forfeited	(1,400,349)	$16.13		
Outstanding as of December 31, 2014	11,441,646	$10.73		
Options granted	362,335	$11.27		
Options exercised	(1,184,141)	$ 7.42		
Options forfeited	(1,624,823)	$17.22		
Outstanding as of December 31, 2015	8,995,017	$10.01	5.4	$32,865
Vested or expected to vest at December 31, 2015	8,598,752	$10.14	5.3	$31,138
Options exercisable at December 31, 2015	5,638,184	$11.58	4.4	$18,386

During the years ended December 31, 2015 and 2014, no stock options that contain a market condition were granted. During the year ended December 31, 2012, 1,795,000 stock options that contain a market condition were granted. These options vest in three years if specified stock prices are achieved. As of both December 31, 2015 and 2014, there were 1,315,000 stock options outstanding that require the Company to achieve minimum market conditions in order for the options to become exercisable. The fair values of the options granted with a market condition were calculated using a binomial valuation model, which estimates the potential outcome of reaching the market condition based on simulated future stock prices.

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value for in-the-money options at December 31, 2015, based on the $11.59 closing stock price of Rambus' Common Stock on December 31, 2015 on the NASDAQ Global Select Market, which would have been received by the option holders had all option holders exercised their options as of that date. The total number of in-the-money options outstanding and exercisable as of December 31, 2015 was 6,981,599 and 3,877,529, respectively.

The following table summarizes the information about stock options outstanding and exercisable as of December 31, 2015:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$4.13 – $5.39	901,728	6.0	$ 4.35	125,244	$ 4.81
$5.46 – $5.46	957,421	6.6	$ 5.46	638,284	$ 5.46
$5.49 – $5.63	885,485	3.1	$ 5.63	876,781	$ 5.63
$5.76 – $5.76	1,210,505	6.5	$ 5.76	522,321	$ 5.76
$6.39 – $8.55	1,007,877	4.8	$ 7.73	940,226	$ 7.75
$8.73 – $8.73	51,308	7.8	$ 8.73	16,781	$ 8.73
$8.76 – $8.76	1,291,345	7.7	$ 8.76	536,793	$ 8.76
$9.18 – $12.30	941,079	8.0	$11.25	308,564	$11.15
$12.33 – $19.86	981,013	2.3	$18.01	911,222	$18.29
$20.93 – $40.80	767,256	1.7	$27.55	761,968	$27.60
$4.13 – $40.80	8,995,017	5.4	$10.01	5,638,184	$11.58

Employee Stock Purchase Plans

During the year ended December 31, 2015, the Company had two employee stock purchase plans, 2015 Employee Stock Purchase Plan (“2015 ESPP”) and the 2006 Employee Stock Purchase Plan (“2006 ESPP”). During the two year period ended December 31, 2014, the Company had one employee stock purchase plan, the 2006 ESPP.

On April 23, 2015, the Company’s stockholders approved the 2015 ESPP which reserves 2,000,000 shares of the Company’s common stock for purchase. The 2006 ESPP remained in effect until the Company’s November 2, 2015 offering period, at which time the 2015 ESPP became effective.

In March 2006, the Company adopted the 2006 ESPP, as amended, and reserved 1,600,000 shares, subject to stockholder approval which was received on May 10, 2006. On April 26, 2012, an additional 1,500,000 shares were approved by stockholders. On September 27, 2013, the Company filed a Registration Statement on Form S-8, registering 1,500,000 additional shares under the ESPP in connection with the commencement of the next subscription period under the ESPP. On April 24, 2014, the Company held its 2014 Annual Meeting of Stockholders where an amendment to the ESPP to increase the number of shares of common stock reserved for issuance under the ESPP by 1,500,000 shares was approved.

Employees generally will be eligible to participate in the plan if they are employed by Rambus for more than 20 hours per week and more than five months in a fiscal year. Both the 2015 ESPP and 2006 ESPP (when it was in effect) provide for six month offering periods, with a new offering period commencing on the first trading day on or after May 1 and November 1 of each year. Under the plans, employees may purchase stock at the lower of 85% of the beginning of the offering period (the enrollment date), or the end of each offering period (the purchase date). Employees generally may not purchase more than the number of shares having a value greater than $25,000 in any calendar year, as measured at the purchase date.

The Company issued 544,391 shares at a weighted average price of $9.36 per share during the year ended December 31, 2015. The Company issued 596,188 shares at a weighted average price of $8.25 per share during the year ended December 31, 2014. The Company issued 1,063,283 shares at a weighted average price of $4.87 per share during the year ended December 31, 2013. As of December 31, 2015, 2,000,000 shares under the ESPP remain available for issuance.

Stock-Based Compensation

Stock Options

During the years ended December 31, 2015, 2014 and 2013, Rambus granted 362,335, 2,370,313 and 2,084,276 stock options, respectively, with an estimated total grant-date fair value of $1.7 million, $10.1 million and $5.4 million, respectively. During the years ended December 31, 2015, 2014 and 2013, Rambus recorded stock-based compensation related to stock options of $7.2 million, $9.3 million and $10.4 million, respectively.

As of December 31, 2015, there was $6.3 million of total unrecognized compensation cost, net of expected forfeitures, related to unvested stock-based compensation arrangements granted under the stock option plans. This cost is expected to be recognized over a weighted-average period of 1.8 years. The total fair value of options vested for the years ended December 31, 2015, 2014 and 2013 was $41.4 million, $55.3 million and $64.3 million, respectively.

The total intrinsic value of options exercised was $6.8 million, $4.4 million and $1.3 million for the years ended December 31, 2015, 2014 and 2013, respectively. Intrinsic value is the total value of exercised shares based on the price of the Company's Common Stock at the time of exercise less the proceeds received from the employees to exercise the options.

During the years ended December 31, 2015, 2014 and 2013, proceeds from employee stock option exercises totaled approximately $8.8 million, $6.3 million and $3.3 million, respectively.

Employee Stock Purchase Plans

During the years ended December 31, 2015, 2014 and 2013, Rambus recorded stock-based compensation related to the ESPP of $1.6 million, $2.6 million and $1.5 million, respectively. The compensation expense related to the ESPP for the year ended December 31, 2014 included compensation expense related to the increase in shares available for the ESPP which was approved by shareholders during the 2014 Annual Meeting of Stockholders. As of December 31, 2015, there was $0.7 million of total unrecognized compensation cost related to stock-based compensation arrangements granted under the ESPP. That cost is expected to be recognized over four months.

There were no tax benefits realized as a result of employee stock option exercises, stock purchase plan purchases, and vesting of equity stock and stock units for the years ended December 31, 2015, 2014 and 2013.

Valuation Assumptions

Rambus estimates the fair value of stock options using the Black-Scholes-Merton model ("BSM"). The BSM model determines the fair value of stock-based compensation and is affected by Rambus' stock price on the date of the grant as well as assumptions regarding a number of highly complex and subjective variables. These variables include expected volatility, expected life of the award, expected dividend rate, and expected risk-free rate of return. The assumptions for expected volatility and expected life are the two assumptions that significantly affect the grant date fair value. If actual results differ significantly from these estimates, stock-based compensation expense and Rambus' results of operations could be materially impacted.

The fair value of stock awards is estimated as of the grant date using the BSM option-pricing model assuming a dividend yield of 0% and the additional weighted-average assumptions as listed in the following tables:

The following table presents the weighted-average assumptions used to estimate the fair value of stock options granted that contain only service conditions in the periods presented.

	Stock Option Plans for Years Ended December 31,		
	2015	2014	2013
Stock Option Plans			
Expected stock price volatility	41%	40%-44%	45%-47%
Risk free interest rate	1.2%	2.1%-2.2%	0.8%-1.5%
Expected term (in years)	6.0	6.0-6.1	5.4-5.5
Weighted-average fair value of stock options granted	$4.59	$4.26	$2.60

During the year ended December 31, 2012, the Company granted 1,795,000 stock options that contain a market condition. The fair values of the options granted with a market condition were calculated using a binomial valuation model, which estimates the potential outcome of reaching the market condition based on simulated future stock prices. The weighted average fair value associated with these market condition options was immaterial.

	Employee Stock Purchase Plan for Years Ended December 31,		
	2015	2014	2013
Employee Stock Purchase Plan			
Expected stock price volatility	34%-42%	39%-44%	44%-48%
Risk free interest rate	0.1%-0.3%	0.0%-0.1%	0.1%
Expected term (in years)	0.5	0.02-0.5	0.5
Weighted-average fair value of purchase rights granted under the purchase plan	$3.06	$3.57	$1.96

Expected Stock Price Volatility: Given the volume of market activity in its market traded options, Rambus determined that it would use the implied volatility of its nearest-to-the-money traded options. The Company believes that the use of implied volatility is more reflective of market conditions and a better indicator of expected volatility than historical volatility. If there is not sufficient volume in its market traded options, the Company will use an equally weighted blend of historical and implied volatility.

Risk-free Interest Rate: Rambus bases the risk-free interest rate used in the BSM valuation method on implied yield currently available on the U.S. Treasury zero-coupon issues with an equivalent term. Where the expected terms of Rambus' stock-based awards do not correspond with the terms for which interest rates are quoted, Rambus uses an approximation based on rates on the closest term currently available.

Expected Term: The expected term of options granted represents the period of time that options granted are expected to be outstanding. The expected term was determined based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules and expectations of future employee behavior. The expected term of ESPP grants is based upon the length of each respective purchase period.

Nonvested Equity Stock and Stock Units

The Company grants nonvested equity stock units to officers, directors and employees. For the year ended December 31, 2015, 2014 and 2013, the Company granted nonvested equity stock units totaling 2,865,878, 390,502 and 473,074 shares, respectively, under the 2015 Plan and the 2006 Plan. These awards have a service condition, generally a service period of four years, except in the case of grants to directors, for which the service period is one year. The nonvested equity stock units were valued at the date of grant giving them a fair value of approximately $33.3 million, $4.1 million and $3.3 million, respectively. During the first quarter of 2015, the Company granted performance unit awards to certain Company executive officers with vesting subject to the achievement of certain performance conditions. The ultimate number of performance units that can be earned can range from 0% to 150% of target depending on performance relative to target over the applicable period. The shares earned will vest on the third anniversary of the date of grant. The Company's shares available for grant has been reduced to reflect the shares that could be earned at 150% of target. During the year ended December 31, 2015, the Company recorded $1.1 million of stock-based compensation expense related to these performance unit awards.

In prior years, the Company granted nonvested equity stock units to its employees with vesting subject to the achievement of certain performance conditions. During the years ended December 31, 2015 and 2014, the Company did not record any stock-based compensation expense related to these performance stock units as they have been forfeited. During the year ended December 31, 2013, the achievement of certain performance conditions was considered probable, and as a result, the Company recognized an immaterial amount of stock-based compensation expense related to these performance stock units.

For the years ended December 31, 2015, 2014 and 2013, the Company recorded stock-based compensation expense of approximately $6.3 million, $2.8 million and $3.1 million, respectively, related to all outstanding equity stock grants. Unrecognized stock-based compensation related to all nonvested equity stock grants, net of an estimate of forfeitures, was approximately $23.7 million at December 31, 2015. This cost is expected to be recognized over a weighted average period of 3.1 years.

The following table reflects the activity related to nonvested equity stock and stock units for the three years ended December 31, 2015:

Nonvested Equity Stock and Stock Units	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at December 31, 2012	922,491	$10.24
Granted	473,074	$ 6.92
Vested	(478,214)	$ 9.81
Forfeited	(287,702)	$ 9.18
Nonvested at December 31, 2013	629,649	$ 8.56
Granted	390,502	$10.40
Vested	(262,580)	$ 9.85
Forfeited	(83,707)	$ 7.69
Nonvested at December 31, 2014	673,864	$ 9.23
Granted	2,865,878	$11.62
Vested	(276,622)	$ 9.94
Forfeited	(255,002)	$10.64
Nonvested at December 31, 2015	3,008,118	$11.32

13. Stockholders' Equity

Share Repurchase Program

In October 2001, the Company's Board of Directors (the "Board") approved a share repurchase program of its common stock, principally to reduce the dilutive effect of employee stock options. Under this program, the Board approved the authorization to repurchase up to 19.0 million shares of the Company's outstanding common stock over an undefined period of time. On February 25, 2010, the Board approved a new share repurchase program authorizing the repurchase of up to an additional 12.5 million shares.

For the year ended December 31, 2014, the Company did not repurchase any shares of its common stock under its share repurchase program. As of December 31, 2014, the Company had repurchased a cumulative total of approximately 26.3 million shares of its common stock with an aggregate price of approximately $428.9 million since the commencement of the program in 2001. As of December 31, 2014, there remained an outstanding authorization to repurchase approximately 5.2 million shares of the Company's outstanding common stock.

On January 21, 2015, the Company's Board approved a new share repurchase program authorizing the repurchase of up to an aggregate of 20.0 million shares. Share repurchases under the plan may be made through the open market, established plans or privately negotiated transactions in accordance with all applicable securities laws, rules, and regulations. There is no expiration date applicable to the plan. This new stock repurchase program replaced the previous program approved by the Board in February 2010 and canceled the remaining shares outstanding as part of the previous authorization.

On October 26, 2015, the Company initiated an accelerated share repurchase program with Citibank, N.A. The accelerated share repurchase program is part of the broader share repurchase program previously authorized by the Company's Board on January 21, 2015. Under the accelerated share repurchase program, the Company pre-paid to Citibank, N.A., the $100.0 million purchase price for its common stock and, in turn, the Company received an initial delivery of approximately 7.8 million shares of its common stock from Citibank, N.A, which were retired and recorded as a $80.0 million reduction to stockholders' equity. The remaining $20.0 million of the initial payment was recorded as a reduction to stockholders' equity as an unsettled forward contract indexed to the Company's stock. The number of shares to be ultimately purchased by the Company will be determined based on the volume weighted average price of the common stock during the terms of the transaction, minus an agreed upon discount between the parties. The program is expected to be completed by June 2016.

As of December 31, 2015, there remained an outstanding authorization to repurchase approximately 12.2 million shares of the Company's outstanding common stock under the current share repurchase program.

The Company records stock repurchases as a reduction to stockholders' equity. The Company records a portion of the purchase price of the repurchased shares as an increase to accumulated deficit when the price of the shares repurchased exceeds the average original proceeds per share received from the issuance of common stock. During the year ended December 31, 2015, the cumulative price of $54.2 million was recorded as an increase to accumulated deficit.

14. Benefit Plans

Rambus has a 401(k) Profit Sharing Plan (the "401(k) Plan") qualified under Section 401(k) of the Internal Revenue Code of 1986. Each eligible employee may elect to contribute up to 60% of the employee's annual compensation to the 401(k) Plan, up to the Internal Revenue Service limit. Rambus, at the discretion of its Board of Directors, may match employee contributions to the 401(k) Plan. The Company matches 50% of eligible employee's contribution, up to the first 6% of an eligible employee's qualified earnings. For the years ended December 31, 2015, 2014 and 2013, Rambus made matching contributions totaling approximately $2.1 million, $1.9 million and $1.8 million, respectively.

15. Restructuring Charges

The 2012 Plan

During 2012, the Company initiated a restructuring program to reduce overall corporate expenses which is expected to improve future profitability by reducing spending on marketing, general and administrative programs and refining some of the Company's research and development efforts (the "2012 Plan"). In connection with this restructuring program, the Company estimated that it would incur aggregate costs of approximately $10.0 million. During the year ended December 31, 2013 the Company incurred restructuring charges of $2.1 million related primarily to the consolidation of certain facilities and the reduction in workforce, of which a majority was related to corporate support functions. The 2012 Plan was completed in 2014.

The following table summarizes the 2012 Plan restructuring activities during the years ended December 31, 2014 and 2013:

	Employee Severance and Related Benefits	Facilities	Total
	(in thousands)		
Balance at December 31, 2012	$ 906	$ —	$ 906
Charges	136	1,960	2,096
Payments	(958)	(1,307)	(2,265)
Non-cash settlements	—	(653)*	(653)
Balance at December 31, 2013	$ 84	$ —	$ 84
Payments	(84)	—	(84)
Balance at December 31, 2014	$ —	$ —	$ —

* The non-cash charge of $653 thousand is related to the termination of the Company's financing obligation associated with abandoning a construction asset at one of its facilities.

The 2013 Plan

During 2013, the Company initiated a restructuring program related primarily to its LDT group as a result of the change in its business strategy to reduce its focus on the lower margin bulb products. Additionally, the Company curtailed spending on its immersive media platform (the "2013 Plan"). In connection with this restructuring program, the Company estimated that it would incur aggregate costs of approximately $3.0 million to $4.0 million. During the year ended December 31, 2014, the Company incurred an immaterial amount of restructuring charges related primarily to the reduction in workforce, which was related to the previously reportable ESD segment, which is part of the Other segment as of December 31, 2014. During the year ended December 31, 2013, the Company incurred restructuring charges of $3.5 million related primarily to the reduction in workforce, of which $2.5 million was related to the previously reportable ESD segment, $0.1 million was related to the MID reportable segment and $0.9 million was related to the Other segment. The 2013 Plan was completed in 2014.

The following table summarizes the 2013 Plan restructuring activities during the years ended December 31, 2014 and 2013:

	Employee Severance and Related Benefits	Facilities	Total
	(In thousands)		
Balance at December 31, 2012	$ —	$ —	$ —
Charges	3,255	195	3,450
Payments	(1,523)	(62)	(1,585)
Balance at December 31, 2013	$ 1,732	$ 133	$ 1,865
Charges	39	—	39
Payments	(1,771)	(133)	(1,904)
Balance at December 31, 2014	$ —	$ —	$ —

The 2015 Plan

During 2015, the Company initiated a restructuring program to reduce overall corporate expenses which is expected to improve future profitability by reducing spending on sales, general and administrative programs and refining some of its research and development efforts (“the 2015 Plan”). In connection with this restructuring program, the Company initiated a plan of termination resulting in a reduction of 8% of the Company’s headcount. The Company estimated that it would incur a cash payout related to the reduction in force of approximately $3.0 million, which is related to severance and termination benefits. The estimated non-cash expense was expected to be approximately $1.0 million. During the year ended December 31, 2015, the Company recorded a charge of $3.6 million related primarily to the reduction in workforce, of which $1.4 million was related to the MID reportable segment, $0.1 million was related to the CRD reportable segment, $1.2 million was related to the Other segment and $0.9 million was related to corporate support functions. The 2015 Plan is expected to be completed by the first quarter of 2016.

The following table summarizes the 2015 Plan restructuring activities during the year ended December 31, 2015:

	Employee Severance and Related Benefits	Facilities	Total
	(In thousands)		
Balance at December 31, 2014	$ —	$ —	$ —
Charges	2,993	583	3,576
Payments	(1,765)	—	(1,765)
Non-cash settlements	—	(583)*	(583)
Balance at December 31, 2015	$ 1,228	$ —	$ 1,228

* The non-cash charge of $583 thousand is related to the write down of fixed assets related to the Other segment.

16. Income Taxes

Income (loss) before taxes consisted of the following:

	Years Ended December 31, 2015	2014	2013
	(In thousands)		
Domestic	$58,498	$49,173	$(12,535)
Foreign	1,733	1,077	518
	$60,231	$50,250	$(12,017)

The provision for (benefit from) income taxes is comprised of:

	Years Ended December 31, 2015	2014	2013
	(In thousands)		
Federal:			
Current	$ 20,497	$19,386	$19,319
Deferred	(170,798)	2,337	2,200
State:			
Current	609	713	47
Deferred	(1,933)	—	(501)
Foreign:			
Current	443	1,640	446
Deferred	25	(27)	220
	$(151,157)	$24,049	$21,731

The differences between Rambus' effective tax rate and the U.S. federal statutory regular tax rate are as follows:

	Years Ended December 31, 2015	2014	2013
Expense (benefit) at U.S. federal statutory rate	35.0%	35.0%	(35.0)%
Expense (benefit) at state statutory rate	(1.5)	1.0	(3.3)
Withholding tax	34.1	38.6	160.4
Foreign rate differential	0.4	2.5	4.1
Research and development ("R&D") credit	(2.3)	(6.1)	(36.7)
Executive compensation	0.5	0.2	0.8
Stock-based compensation	5.3	1.4	2.5
Foreign tax credit	(34.1)	(38.7)	(163.3)
Other	(0.6)	0.6	(1.0)
Valuation allowance	(287.8)	13.4	252.3
	(251.0)%	47.9%	180.8%

The components of the net deferred tax assets are as follows:

	As of December 31,	
	2015	2014
	(In thousands)	
Deferred tax assets:		
Depreciation and amortization	$ 30,019	$ 29,099
Other liabilities and reserves	7,227	9,916
Deferred equity compensation	23,176	29,511
Net operating loss carryovers	11,746	12,307
Tax credits	117,078	116,658
Total gross deferred tax assets	189,246	197,491
Convertible debt	(6,044)	(8,092)
Total net deferred tax assets	183,202	189,399
Valuation allowance	(20,717)	(193,874)
Net deferred tax assets (liabilities)	$162,485	$ (4,475)

	As of December 31,	
	2015	2014
	(In thousands)	
Reported as:		
Current deferred tax assets	$ —	$ 187
Current deferred tax liabilities	—	(1,131)
Non-current deferred tax assets	162,485	536
Non-current deferred tax liabilities	—	(4,067)
Net deferred tax assets (liabilities)	$162,485	$(4,475)

In November 2015, the FASB issued ASU No. 2015-17, "Balance Sheet Classification of Deferred Taxes (Topic 740)," to simplify the presentation of deferred income taxes. The amendments in this update require that deferred tax liabilities and assets be classified as non-current in a classified statement of financial position. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years. Early adoption is permitted. The Company has early adopted this ASU as of December 31, 2015 on a prospective basis.

Management periodically evaluates the realizability of our net deferred tax assets based on all available evidence, both positive and negative. The realizability of the Company's net deferred tax assets is dependent on its ability to generate sufficient future taxable income during periods prior to the expiration of tax attributes to fully utilize these assets. Management evaluated the realizability of its net deferred tax assets based on all available evidence, both positive and negative, in determining that it was appropriate to release the valuation allowance for the Company's U.S. federal and other state deferred tax assets of $174.5 million during the third quarter of 2015 in accordance with FASB ASC 740-10-30-16 to 25.

The Company emerged from a cumulative loss position over the previous three years during the first quarter of 2015. The cumulative three-year pre-tax income is considered positive evidence which is objective and verifiable, and thus, received significant weighting. The continued stability in the Company's operations along with the increased visibility into the adoption of its security technology in the third quarter of 2015 provided additional evidence to the Company's belief that it will generate sufficient taxable income in the future.

Additional positive evidence considered by management in its assessment included a lack of unused operating loss carryforwards in the Company's history as well as anticipated future benefits from its cost management. Negative evidence management considered included economic uncertainties such as volatility of the semiconductor industry and uncertainties associated with the development of new products that could impact the Company's ability to generate a sustained level of future profits.

Upon considering the relative impact of all evidence during the third quarter of 2015, both negative and positive, and the weight accorded to each, the Company concluded that it was more likely than not that its deferred tax assets would be realizable with the exception of primarily its California deferred tax assets that have not met the "more likely than not" realization threshold criteria. As a result, the Company released the related valuation allowance against such deferred tax assets which is included as a component of the benefit from income taxes in the accompanying unaudited condensed consolidated statement of operations. The Company continues to maintain a deferred tax asset valuation allowance of $20.7 million as of December 31, 2015.

The following table presents the tax valuation allowance information for the years ended December 31, 2015, 2014 and 2013:

	Balance at Beginning of Period	Charged (Credited) to Operations	Charged to Other Account*	Valuation Allowance Release	Balance at End of Period
Tax Valuation Allowance					
Year ended December 31, 2013	$184,817	—	8,006	—	$192,823
Year ended December 31, 2014	$192,823	—	1,051	—	$193,874
Year ended December 31, 2015	$193,874	—	1,299	(174,456)	$ 20,717

* Amounts not charged to operations are charged to other comprehensive income or deferred tax assets (liabilities).

As of December 31, 2015, Rambus had California and other state net operating loss carryforwards of $285.0 million and $75.9 million, respectively. As of December 31, 2015, Rambus had federal research and development tax credit carryforwards of $34.2 million, alternative minimum tax credits of $2.5 million, and foreign tax credits of $118.6 million. As of December 31, 2015, Rambus had California research and development tax credit carryforwards of $22.3 million. These carryforward amounts included $37.9 million of federal tax credits and $97.7 million of California net operating losses for which no deferred tax asset has been recognized because they relate to excess tax benefits from stock-based compensation tax deductions. The excess tax benefits will be recorded to additional paid-in capital when they reduce cash taxes payable. The federal foreign tax credits and research and development credits begin to expire in 2016 and 2018, respectively. Approximately $55 million of federal foreign tax credits expire in 2020. The California net operating losses begin to expire in 2018. The federal alternative minimum tax credits and the California research and development credits carry forward indefinitely.

In the event of a change in ownership, as defined under federal and state tax laws, Rambus' net operating loss and tax credit carryforwards could be subject to annual limitations. The annual limitations could result in the expiration of the net operating loss and tax credit carryforwards prior to utilization.

As of December 31, 2015, the Company had $20.8 million of unrecognized tax benefits including $18.6 million recorded as a reduction of long-term deferred tax assets and $2.2 million recorded in long term income taxes payable. If recognized, $2.2 million would be recorded as an income tax benefit in the consolidated statements of operations. As of December 31, 2014, the Company had $19.9 million of unrecognized tax benefits including $17.8 million recorded as a reduction of long-term deferred tax assets and $2.1 million recorded in long term income taxes payable. If recognized, $2.1 million would be recorded as an income tax benefit in the consolidated statements of operations. It is reasonably possible that a reduction of up to $1.0 million of existing unrecognized tax benefits could occur in the next 12 months.

A reconciliation of the beginning and ending amounts of unrecognized income tax benefits for the years ended December 31, 2015, 2014 and 2013 is as follows (amounts in thousands):

	Years Ended December 31,		
	2015	2014	2013
Balance at January 1	$19,903	$18,794	$16,773
Tax positions related to current year:			
Additions	1,186	1,134	1,156
Tax positions related to prior years:			
Additions	—	531	956
Reductions	(35)	(556)	(91)
Settlements	(218)	—	—
Balance at December 31	$20,836	$19,903	$18,794

Rambus recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision (benefit). At December 31, 2015 and 2014, an immaterial amount of interest and penalties are included in long-term income taxes payable.

Rambus files income tax returns for the U.S., California, India and various other state and foreign jurisdictions. The U.S. federal returns are subject to examination from 2013 and forward. The California returns are subject to examination from 2010 and forward. In addition, any R&D credit carryforward or net operating loss carryforward generated in prior years and utilized in these or future years may also be subject to examination. The India returns are subject to examination from fiscal year ending March 2009 and forward. The Company is currently under examination by California for the 2010 and 2011 tax years. The Company's India subsidiary is under examination by the Indian tax administration from 2009 and forward. These examinations may result in proposed adjustments to the income taxes as filed during these periods. Management regularly assesses the likelihood of outcomes resulting from income tax examinations to determine the adequacy of their provision for income taxes and believes their provision for unrecognized tax benefits is adequate.

At December 31, 2015, no deferred taxes have been provided on undistributed earnings of approximately $3.9 million from the Company's international subsidiaries since these earnings have been, and under current plans will continue to be, indefinitely reinvested outside the United States. It is not practicable to determine the amount of the unrecognized tax liability at this time.

17. Litigation and Asserted Claims

Rambus is not currently a party to any material pending legal proceeding; however, from time to time, Rambus may become involved in legal proceedings or be subject to claims arising in the ordinary course of its business. Although the results of litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these ordinary course matters will not have a material adverse effect on our business, operating results, financial position or cash flows. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

The Company records a contingent liability when it is probable that a loss has been incurred and the amount is reasonably estimable in accordance with accounting for contingencies.

18. Agreements with SK hynix and Micron

SK hynix

On June 11, 2013, Rambus, SK hynix and certain related entities of SK hynix entered into a settlement agreement, pursuant to which the parties have agreed to release all claims against each other with respect to all outstanding litigation between them. Pursuant to the settlement agreement, Rambus and SK hynix entered into a semiconductor patent license agreement on June 11, 2013, under which SK hynix licenses from Rambus non-exclusive rights to certain Rambus patents and has agreed to pay Rambus cash amounts over the next five years. Under the license agreement, Rambus has granted to SK hynix (i) a paid-up perpetual patent license for certain identified SK hynix DRAM products and (ii) a five-year term patent license to all other DRAM and other semiconductor products.

In June 2015, the Company signed an amendment that extends its current agreement with SK hynix for an additional six years for use of Rambus memory-related patented innovations in SK hynix semiconductor products. The Company signed the original agreement with SK hynix for a five-year term in June 2013. Under the amendment, SK hynix has agreed to continue to pay the Company an average quarterly cash payment of $12.0 million which equates to $432.0 million from the signing of the amendment through the term of the agreement ending July 1, 2024, provided that (a) for each of the six full calendar quarters immediately following July 1, 2015, SK hynix will pay the Company a quarterly cash payment of $16.0 million, and (b) in addition, after December 1, 2017, SK hynix will have the option to make six quarterly cash payments of $8.0 million upon six months written notice. In addition, SK hynix has the option to renew the agreement for an additional three-year extension under the existing rate structure.

The agreements with SK hynix are considered a multiple element arrangement for accounting purposes. For a multiple element arrangement under the applicable accounting rules, the Company is required to identify specific elements of the arrangement and then determine when those elements should be recognized. The Company identified three elements in the arrangement: antitrust litigation settlement, settlement of past infringement, and license agreement. The Company considered several factors in determining the accounting fair value of the elements of the SK hynix agreements which included a third party valuation using an income approach (collectively the “SK hynix Fair Value”). The inputs and assumptions used in this accounting valuation were from a market participant perspective and included projected customer revenue, royalty rates, estimated discount rates, useful lives and income tax rates, among others. The development of a number of these inputs and assumptions in the model requires a significant amount of management judgment and discretion, and is based upon a number of factors, including the selection of industry comparables, market growth rates and other relevant factors. Changes in any number of these assumptions may have a substantial impact on the SK hynix Fair Value as assigned to each element. These inputs and assumptions represent management’s best estimates at the time of the transaction. The following estimates do not reflect any agreement (expressed or implied) reached between the parties on the values attributed to any aspect of this transaction. The estimated SK hynix Fair Value is determined as follows:

(in millions)	Estimated SK hynix Fair Value
Antitrust litigation settlement	$ 4.0
Settlement of past infringement	280.0
License agreement	250.0
Total SK hynix Fair Value	$534.0

Form 10-K

The total original consideration of $240.0 million (as per the terms of the agreements with SK hynix) takes into account the court ruling in May 2013 that $250.0 million should be applied as a credit against the court's March 2009 award to Rambus in the SK hynix litigation. Using the accounting guidance from multiple element revenue arrangements, the Company allocated the consideration to each element using the estimated SK hynix Fair Value of the elements which include antitrust litigation settlement, settlement of past infringement, and license agreement as shown in the table above. The following allocations do not reflect any agreement (expressed or implied) reached between the parties on the values attributed to any aspect of this transaction, but instead, reflect only what is required as disclosure under the applicable accounting rules. Based on the estimated SK hynix Fair Value, the total consideration of $240.0 million was allocated to the following elements:

(in millions)	Allocated Consideration
Antitrust litigation settlement	$ 1.9
Settlement of past infringement	125.8
License agreement	112.3
Total original consideration	$240.0

The consideration of $528.0 million (including the impact of the June 2015 amendment to the agreement and assuming no adjustments to the payments under the terms of the agreements) will be recognized in the Company's financial statements until 2024 as follows:

- $526.1 million as "royalty revenue" which represents the allocated consideration related to the settlement of past infringement ($125.8 million) from the resolution of the infringement litigation and the patent license agreement ($400.3 million); and
- $1.9 million as "gain from settlement" which represents the allocated consideration related to the resolution of the antitrust litigation.

During the years ended December 31, 2015 and 2014, the Company received cash consideration of $56.0 million and $48.0 million, respectively, from SK hynix. The amounts were allocated between royalty revenue ($55.3 million in 2015 and $47.3 million in 2014) and gain from settlement ($0.7 million in 2015 and $0.7 million in 2014) based on the elements' SK hynix Fair Value.

The cash receipts and remaining future cash receipts from the agreements with SK hynix are expected to be recognized as follows assuming no adjustments to the payments under the terms of the agreements:

	Received in			Estimated to Be Received in					Total Estimated Cash Receipts
(in millions)	2013	2014	2015	2016	2017	2018	2019	2020 and thereafter	
Royalty revenue	$23.6	$47.3	55.3	63.9	$48.0	$40.0	$32.0	$216.0	$526.1
Gain from settlement	0.4	0.7	0.7	0.1	—	—	—	—	1.9
Total	$24.0	$48.0	$56.0	$64.0	$48.0	$40.0	$32.0	$216.0	$528.0

Micron

On December 9, 2013, Rambus, Micron and certain related entities of Micron entered into a settlement agreement, pursuant to which the parties have agreed that they will release all claims against each other with respect to all outstanding litigation between them and certain other potential claims. Pursuant to the settlement agreement, Rambus and Micron entered into a semiconductor patent license agreement on December 9, 2013. Under the license agreement, Rambus has granted to Micron and its subsidiaries and certain affiliated entities (i) a paid-up perpetual patent license for certain identified Micron DRAM products and (ii) a seven-year term patent license to other memory and semiconductor products.

The agreements with Micron are considered a multiple element arrangement for accounting purposes. For a multiple element arrangement under the applicable accounting rules, the Company is required to identify specific elements of the arrangement and then determine when those elements should be recognized. The Company identified three elements in the arrangement: antitrust litigation settlement, settlement of past infringement, and license agreement. The Company considered several factors in determining the accounting fair value of the elements of the Micron agreements which included a third party valuation using an income approach (collectively the "Micron Fair Value"). The inputs and assumptions used in this accounting valuation were from a market participant perspective and included projected customer revenue, royalty rates, estimated discount rates, useful lives and income tax rates, among others. The development of a number of these inputs and assumptions in the model requires a significant amount of management judgment and discretion, and is based upon a number of factors, including the selection of industry comparables, market growth rates and other relevant factors. Changes in any number of these assumptions may have a substantial impact on the Micron Fair Value as assigned to each element. These inputs and assumptions represent management's best estimates at the time of the transaction. The following estimates do not reflect any agreement (expressed or implied) reached between the parties on the values attributed to any aspect of this transaction. The estimated Micron Fair Value is determined as follows:

(in millions)	Estimated Micron Fair Value
Antitrust litigation settlement	$ 8.0
Settlement of past infringement	235.0
License agreement	440.0
Total Micron Fair Value	$683.0

The total consideration of $280.0 million (as per the terms of the agreements with Micron) takes into account the court ruling in January 2013 that Rambus' patents-in-suit are unenforceable against Micron in the Micron litigation, but which was pending appeal at the time of settlement. Using the accounting guidance from multiple element revenue arrangements, the Company allocated the consideration to each element using the estimated Micron Fair Value of the elements which include antitrust litigation settlement, settlement of past infringement, and license agreement as shown in the table above. The following allocations do not reflect any agreement (expressed or implied) reached between the parties on the values attributed to any aspect of this transaction, but instead, reflect only what is required as disclosure under the applicable accounting rules. Based on the estimated Micron Fair Value, the total consideration of $280.0 million was allocated to the following elements:

(in millions)	Allocated Consideration
Antitrust litigation settlement	$ 3.3
Settlement of past infringement	96.3
License agreement	180.4
Total consideration	$280.0

The consideration of $280.0 million (assuming no adjustments to the payments under the terms of the agreements) will be recognized in the Company's financial statements until 2020 as follows:

- $276.7 million as "royalty revenue" which represents the allocated consideration related to the settlement of past infringement ($96.3 million) from the resolution of the infringement litigation and the patent license agreement ($180.4 million); and
- $3.3 million as "gain from settlement" which represents the allocated consideration related to the resolution of the antitrust litigation.

During the years ended December 31, 2015 and 2014, the Company received cash consideration of $40.0 million and $40.0 million, respectively, from Micron. The amounts were allocated between royalty revenue ($38.7 million in 2015 and $38.7 million in 2014) and gain from settlement ($1.3 million in 2015 and $1.3 million in 2014) based on the elements' Micron Fair Value.

The remaining $194.5 million is expected to be paid in successive quarterly payments of $10.0 million, concluding in the fourth quarter of 2020.

The cash receipts and remaining future cash receipts from the agreements with Micron are expected to be recognized as follows assuming no adjustments to the payments under the terms of the agreements:

	Received in			Estimated to Be Received in					Total Estimated Cash Receipts
	2013	2014	2015	2016	2017	2018	2019	2020	
(in millions)									
Royalty revenue	$5.3	$38.7	$38.7	$39.5	$40.0	$40.0	$40.0	$34.5	$276.7
Gain from settlement	0.2	1.3	1.3	0.5	—	—	—	—	3.3
Total	$5.5	$40.0	$40.0	$40.0	$40.0	$40.0	$40.0	$34.5	$280.0

19. Subsequent Event

On January 25, 2016, the Company acquired Smart Card Software Ltd., a privately held company who is a leader in mobile payments and a leading supplier of smart ticketing systems, which includes Bell Identification Ltd. and Ecebs Ltd., through the purchase of all outstanding shares of Smart Card Software Ltd., for approximately $93 million in cash. Given the timing of the acquisition, the Company is currently evaluating the purchase price allocation for this transaction. As a result, the Company is unable to provide the amount recognized as of the acquisition date for the major classes of assets acquired and liabilities assumed.

Supplementary Financial Data

RAMBUS INC.
CONSOLIDATED SUPPLEMENTARY FINANCIAL DATA
Quarterly Statements of Operations
(Unaudited)

	Dec 31, 2015	Sept. 30, 2015	June 30, 2015	March 31, 2015	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014
	(In thousands, except for per share amounts)							
Total revenue	$ 76,773	$ 73,779	$ 72,812	$ 72,914	$ 72,040	$ 69,712	$ 76,518	$ 78,288
Total operating costs and expenses (1)	$ 56,439	$ 56,139	$ 57,258	$ 55,022	$ 54,455	$ 55,244	$ 56,414	$ 55,099
Operating income	$ 20,334	$ 17,640	$ 15,554	$ 17,892	$ 17,585	$ 14,468	$ 20,104	$ 23,189
Net income (2)	$ 12,992	$182,033	$ 6,861	$ 9,502	$ 7,841	$ 5,513	$ 5,043	$ 7,804
Net income per share — basic	$ 0.12	$ 1.56	$ 0.06	$ 0.08	$ 0.07	$ 0.05	0.04	$ 0.07
Net income per share — diluted	$ 0.11	$ 1.52	$ 0.06	$ 0.08	$ 0.07	$ 0.05	0.04	$ 0.07
Shares used in per share calculations — basic (3)	111,476	116,444	116,027	115,336	115,024	114,523	114,116	113,590
Shares used in per share calculations — diluted (3)	113,388	119,542	120,939	117,442	117,620	118,206	117,398	116,629

(1) The quarterly financial information includes the following amount related to restructuring charges as follows: $3.6 million in the quarter ended December 31, 2015. Refer to Note 15, "Restructuring Charges" of Notes to Consolidated Financial Statements of this Form 10-K.

(2) The quarterly financial information includes the following amount related to benefit from income taxes related to the deferred tax asset valuation allowance reversal as follows: $174.5 million in the quarter ended September 30, 2015. Refer to Note 16, "Income Taxes" of Notes to Consolidated Financial Statements of this Form 10-K.

(3) The quarterly financial information includes the impact of the accelerated share repurchase program as follows: 7.8 million shares repurchased in the quarter ended December 31, 2015. Refer to Note 13, "Stockholders' Equity" of Notes to Consolidated Financial Statements of this Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

RAMBUS INC.

By: /s/ SATISH RISHI

Satish Rishi
Senior Vice President, Finance and Chief Financial Officer

Date: February 19, 2016

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Ronald Black and Satish Rishi as his true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to (i) act on, sign, and file with the Securities and Exchange Commission any and all amendments to this Annual Report on Form 10-K, together with all schedules and exhibits thereto, (ii) act on, sign, and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, and (iii) take any and all actions that may be necessary or appropriate to be done, as fully for all intents and purposes as he might or could do in person, hereby approving, ratifying and confirming all that such agent, proxy and attorney-in-fact or any of his substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ RONALD BLACK Ronald Black	Chief Executive Officer, President and Director (Principal Executive Officer)	February 19, 2016
/s/ SATISH RISHI Satish Rishi	Senior Vice President, Finance and Chief Financial Officer (Principal Financial and Accounting Officer)	February 19, 2016
/s/ ERIC STANG Eric Stang	Chairman of the Board of Directors	February 19, 2016
/s/ J. THOMAS BENTLEY J. Thomas Bentley	Director	February 19, 2016
/s/ ELLIS THOMAS FISHER Ellis Thomas Fisher	Director	February 19, 2016
/s/ PENELOPE HERSCHER Penelope Herscher	Director	February 19, 2016
/s/ CHARLES KISSNER Charles Kissner	Director	February 19, 2016
/s/ DAVID SHRIGLEY David Shrigley	Director	February 19, 2016

INDEX TO EXHIBITS

Exhibit Number	Description of Document
3.1(1)	Amended and Restated Certificate of Incorporation of Registrant filed May 29, 1997.
3.2(2)	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Registrant filed June 14, 2000.
3.3(3)	Amended and Restated Bylaws of Registrant dated April 25, 2013.
4.1(4)	Form of Registrant's Common Stock Certificate.
4.2(5)	Indenture between Rambus Inc. and U.S. Bank, National Association, dated as of August 16, 2013 (including the form of 1.125% Convertible Senior Note due 2018 therein).
10.1(6)	Form of Indemnification Agreement entered into by Registrant with each of its directors and executive officers.
10.2(7)*	Form of Change of Control Severance Agreement, Agreement entered into by Registrant with each of its named executive officers other than its chief executive officer.
10.3(8)*	1997 Stock Plan (as amended and restated as of April 4, 2007) and related forms of agreements.
10.4(9)*	2006 Equity Incentive Plan, as amended.
10.5(9)*	Forms of agreements under the 2006 Equity Incentive Plan, as amended.
10.6(9)*	2006 Employee Stock Purchase Plan as amended.
10.7(10)*	2015 Equity Incentive Plan.
10.8(11)*	Form of Restricted Stock Unit Agreement (2015 Equity Incentive Plan).
10.9(11)*	Form of Stock Option Agreement (2015 Equity Incentive Plan).
10.10(10)*	2015 Employee Stock Purchase Plan.
10.11(12)	Triple Net Space Lease, dated as of December 15, 2009, by and between Registrant and MT SPE, LLC.
10.12(13)**	Settlement Agreement, dated January 19, 2010, among Registrant, Samsung Electronics Co., Ltd, Samsung Electronics America, Inc., Samsung Semiconductor, Inc. and Samsung Austin Semiconductor, L.P.
10.13(13)**	Semiconductor Patent License Agreement, dated January 19, 2010, between Registrant and Samsung Electronics Co., Ltd.
10.14(13)**	Stock Purchase Agreement, dated January 19, 2010, between Registrant and Samsung Electronics Co., Ltd.
10.15(14)	First Amendment of Lease, dated November 4, 2011, by and between Registrant and MT SPE, LLC.
10.16(15)	Employment Agreement between the Company and Ronald Black, dated as of June 22, 2012.
10.17(16)**	Settlement Agreement, dated June 11, 2013, among Registrant, SK hynix and certain SK hynix affiliates.
10.18(17)**	Semiconductor Patent License Agreement, dated June 11, 2013, between Registrant and SK hynix.
10.19(18)**	Settlement Agreement, dated December 9, 2013, between Rambus Inc., Micron Technology, Inc., and certain Micron affiliates.

10.20(18)**	Semiconductor Patent License Agreement, dated December 9, 2013, between Rambus, Inc. and Micron Technology, Inc.
10.21(18)**	Amendment to Semiconductor Patent License Agreement, dated December 30, 2013, by and between Rambus Inc. and Samsung Electronics Co., Ltd.
10.22(19)**	Amendment 1 to Semiconductor Patent License Agreement, dated June 17, 2015, by and between Rambus Inc. and SK hynix Inc.
10.23	Master Agreement, dated October 26, 2015, by and between Rambus Inc. and Citibank, N.A.
10.24	Separation Agreement, dated December 21, 2015, by and between Rambus Inc. and Kevin Donnelly.
12.1(20)	Computation of ratio of earnings to fixed charges.
21.1	Subsidiaries of Registrant.
23.1	Consent of Independent Registered Public Accounting Firm.
24	Power of Attorney (included in signature page).
31.1	Certification of Principal Executive Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS±	XBRL Instance Document
101.SCH±	XBRL Taxonomy Extension Schema Document
101.CAL±	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB±	XBRL Taxonomy Extension Label Linkbase Document
101.PRE±	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF±	XBRL Taxonomy Extension Definition Linkbase Document

* Management contracts or compensation plans or arrangements in which directors or executive officers are eligible to participate.

** Confidential treatment has been granted with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

± XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

(1) Incorporated by reference to the Form 10-K filed on December 15, 1997.
(2) Incorporated by reference to the Form 10-Q filed on May 4, 2001.
(3) Incorporated by reference to the Form 8-K filed on April 30, 2013.
(4) Incorporated by reference to the Form S-1/A (file no. 333-22885) filed on April 24, 1997.
(5) Incorporated by reference to the Form 8-K filed on August 16, 2013.

(6) Incorporated by reference to the Form S-1 (file no. 333-22885) filed on March 6, 1997.
(7) Incorporated by reference to the Form 8-K filed on March 9, 2015.
(8) Incorporated by reference to the Form 10-K filed on September 14, 2007.
(9) Incorporated by reference to the Form 8-K filed on April 30, 2014.
(10) Incorporated by reference to the Form 8-K filed on April 28, 2015.
(11) Incorporated by reference to the Form 10-Q filed on July 23, 2015.
(12) Incorporated by reference to the Form 10-K filed on February 25, 2010.
(13) Incorporated by reference to the Form 10-Q filed on May 3, 2010.
(14) Incorporated by reference to the Form 10-K filed on February 24, 2012.
(15) Incorporated by reference to the Form 8-K filed on June 25, 2012.
(16) Incorporated by reference to the Form 10-Q/A filed on January 13, 2014.
(17) Incorporated by reference to the Form 10-Q filed on July 29, 2013.
(18) Incorporated by reference to the Form 10-K filed on February 21, 2014.
(19) Incorporated by reference to the Form 10-Q filed on July 23, 2015.
(20) Incorporated by reference to the Form S-3 filed on June 22, 2009.

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