

## Intel 2022 Annual Stockholders' Meeting

### Answers to Investors' Questions

Intel is committed to advancing virtual meeting best practices and transparency with our stockholders. Of the total number of questions received for the Annual Stockholders' Meeting, we received 64% prior to the meeting and 36% during the live meeting. Below is the list of questions we received ahead of and during our Annual Stockholders' Meeting, including answers to questions that were not covered in the live Q&A session due to time constraints. In cases where we received multiple questions on the same topic, we have consolidated those questions and provided a summary response. We have also made minor edits for clarity, corrected typos, removed inappropriate language or language that otherwise violates our published meeting rules of conduct, and removed names of individuals. In addition, please note that we have removed comments and statements (positive or negative) where a question was not asked. Intel's responses to these questions, including any forward-looking statements in this document, reflect management's views as of May 12, 2022. Intel does not undertake, and expressly disclaims any duty, to update any such statement whether as a result of new information, new developments or otherwise, except to the extent that disclosure may be required by law. Forward-looking statements are subject to many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements, which factors are discussed in Intel's SEC filings, including the company's most recent reports on Forms 10-K and 10-Q, copies of which may be obtained by visiting our Investor Relations website at [www.intc.com](http://www.intc.com) or the SEC's website at [www.sec.gov](http://www.sec.gov).

#### **Board of Directors**

**Q: You have documented the racial/gender diversity of the Board. However, there is no mention of selection based on diversity of thought/ideas/philosophy. Please elaborate on this.**

**A:** As Omar Ishrak shared during the Annual Stockholders' Meeting on May 12, 2022:

*Firstly, the Corporate Governance and Nominating Committee is the one that's responsible for assessing the board with the appropriate skills, experience, and background. And as you point out, the racial diversity and gender diversity has been something that we have worked very hard towards, and we have good representation in that context. From an overall skills perspective and a diversity of skills perspective, the board actually is pretty good.*

*We look through the backgrounds of our different board members to make sure that different aspects of their background contribute in a complimentary fashion to the board and our thinking and management of the company. We've got process technology expertise in Professor Tsu-Jae [King Liu]. We've got communications expertise in Dr. Andrea Goldsmith. We've got venture capital expertise. We've got expertise from our customer base in Dion Weisler.*

*We also have other members of the board who are previous CEOs. We look at this collection of different skills which put together, plus our racial and gender diversity, makes it a very strong Board and it's something that we work closely with the management team on. That is something that we believe strongly that diversity in all forms – racial, gender as well as perspectives – is what makes a strong board and one that we're pretty proud of.*

**Q: Why so many board members?**

**A:** As Omar Ishrak shared during the Annual Stockholders' Meeting on May 12, 2022:

*Well, our governance documents provide the Board with the flexibility to determine the appropriate size of the Board in light of the company's needs and the circumstances at any given point in time. Intel is a large and complex company. And the board feels that it's important to have, like I mentioned earlier, many different perspectives, views, and areas of expertise that are well represented in the Board so the Board can provide the appropriate guidance and oversight for the company's activities in a very complementary fashion to what the management team already has. The current size of Intel's Board is ten, and this is right at the average of Intel's peers. And I think it's a pretty optimized number.*

**Q: Change your board positions so that Chairman and CEO are no held by the same person.**

**A:** The Board already has a general policy, based on experience, that the positions of Chair of the Board of Directors and Chief Executive Officer should be held by separate people as an aid in the Board's oversight of management. The two roles are currently held by different people and there is no current contemplation of changing that structure at this time.

**Q: [We received an inquiry regarding the disclosure in which some directors declined to disclose their personal diversity disclosure.]**

**A:** The Board is thoughtful in its approach to disclosure regarding our directors and we provide extensive individual details regarding directors' skills and experience. Our Board discussed the approach that it would like to take regarding self-identified personal characteristics of our directors, such as gender, sexual orientation, and race. These are identities that can feel very personal and private for individuals, and so the Board concluded that it is appropriate to approach our disclosure with respect for the privacy concerns of our directors. We considered NASDAQ's guidance on this topic alongside prior feedback and published commentary from investors on this topic, which indicated that the most common reason investors want information on personal characteristics was to ensure that boardrooms contain a diversity of life experiences in order to reduce the risk of group-think and to improve decision-making processes. Our Board concluded that providing that information on an anonymized basis, and permitting directors to choose not to make a disclosure if they are not comfortable doing so, would address privacy considerations while also sharing meaningful information for our investors regarding the range of life experiences that our directors bring into the boardroom.

**Q: It is impossible to vote for anything other than abstain when you do not know anyone and have never seen an Intel factory.**

**A:** Voting is an important right and obligation. We believe the ability to exercise such a right and to make an informed voting decision requires possession of sufficient information. Our 2022 proxy statement provides detailed information about each of the proposals presented for stockholder voting, including SEC required information. In compliance with such requirements, our disclosure provides the Board's voting recommendations, the reasons for such recommendations, and the relevant facts in support thereof. For example, our voting guide for the election of the 10 directors provides information with respect to the 10 director nominees that includes their ages, tenure, independence, committee membership/leadership, skills & experiences, birthplace, work experience highlights, other current public company directorships, education, and qualifications (that speak to their capabilities as board and committee members and leaders, as well as their ability to oversee and advise the CEO and leadership team as they work to deliver on Intel's strategic goals). We encourage our stockholders to review such information.

**Q: How does one get consideration for the Board of Directors?**

**A:** The "Director Nomination Process" section of our 2022 Proxy Statement provides information about the director nomination process, including how candidates are typically identified for nomination to the Board.

**Q: Are there director retirements expected in the next year? Where have the successful director nominations come from in the last five years? Have any of the board committees named a new chairman in the last year?**

**A:** As Omar Ishrak shared during the Annual Stockholders' Meeting on May 12, 2022:

*First of all, we're not expecting, as far as I know, any director retirements in the next year. And it's something that we – [in terms of] the composition of board that our corporate governance and nominating committee constantly reviews and as I mentioned earlier looks at our overall skill set, but retirements are not expected. We do use third party search firms so that we get a broad view of who's available out there. But as I mentioned, the board members themselves have a significant amount of experience and connection with the industry in general and in the overall environment out there.*

*And we also participate together with the search firms in identifying the right kind of people. And actually, this last year, we did nominate some new committee chairs. This board, in its present form, has been together about three or four years. And it was time to kind of reorganize in a certain way. And we named Risa the chair of CGN [Corporate Governance and Nominating Committee], Dion the chair of Comp [Compensation Committee] and Frank Yearly in charge of M&A [M&A Committee], which is a new committee that we set up. So that's where we stand today. It's something that the Board looks at very actively.*

## Compensation

**Q:** Respectfully suggest and ask what thoughts are on: considering inflation. Experienced workers at least, get inflation adjustments to pay as our last, and 'nicely' generous raise has almost been neutralized because of that inflation. Note even the cost of a can of coffee, for example. and across the board food/gas/wood/home cost increases. And yes, the company is facing the same types of things. several experienced workers mentioned the fairly low raises over recent years. just adding to the picture. Just to be the greatest place in the industry to work. It is already really GREAT. Just a suggestion. Stay awesome.

**A:** Intel continues to demonstrate its commitment to ensuring market competitive pay practices by executing on our annual merit increase program, and further investing in our employees' pay opportunities with investments in the elements of compensation including base salary, cash incentives, and our broad-based employee equity programs. These investments have significantly improved our competitive positioning and allow us to retain and attract the best talent in the industry. We will continue with our commitment by closely monitoring macroeconomic events and impacts to ensure our Intel colleagues have the opportunity to thrive during a period of unprecedented transformation for the company. We fully recognize the impact to employees resulting from a hyper-inflationary environment where the cost of goods and services have accelerated at a rate not seen in the past 40 years.

**Q: Does it make sense to have a pay package over 100 million for a firm losing market share?**

Related Questions:

- *The performance of the company and its common stock has been abysmal. Why is the CEO earning 170,000,000 and is now down to 26,000,000 still working for INTC?*
- *Executive compensation does not align with the abysmal performance of Intel's stock. What is being done about it? What is being done to turn this around?*

**A:** As Omar Ishrak shared during the Annual Stockholders' Meeting on May 12, 2022:

*The Compensation Committee, advised by its independent compensation consultant, carefully designed Pat's compensation package to be highly compelling to Pat, but only if substantial stockholder returns are achieved. For Pat to receive a full payout, he has to create over \$400 billion of shareholder value. Regarding Pat's new hire equity awards in 2021, almost 50% of the awards' target value replaced comparable incentives that Pat had to forfeit by leaving his prior employer.*

*Furthermore, 73% of the awards' target value requires significant stock price appreciation in order for the awards to be earned. When the Board was evaluating candidates to be the next CEO as part of the succession planning process, we knew that we needed to find an individual with deep technological understanding, the vision to develop and deliver a transformational strategy, and the ability to attract top talent and rally our global team.*

*And as you heard from Pat today, I think you'll agree that in Pat, we found exactly this person. Moreover, as you also heard Pat knows Intel. He started his career here and spent over 30 years at Intel before taking on leadership roles at EMC and VMware, where he's honed his skill as a chief executive officer and a leading one at that. For 2022, the committee targeted CEO compensation at \$26.3 million, which is roughly at the 50th percentile of our peer group, and reflects Pat's expertise and aligns his compensation with competitive market practices.*

**Q: I believe that current CEO and top executive salaries are contributing to a concentration of wealth that undermines free enterprise and democracy. If half of the largest US companies, judged by gross revenue, would pledge to limit top pay to 500 times the average pay of the category of workers with the lowest pay, would the company also agree? (For context, it used to be the norm in Japan that executive pay was limited to 100 times the lowest paid employee. Also for context, pay of \$1000 per hour for 14 hours of work for 365 days is approximately \$5.5 million--far below the total compensation including stock currently being paid.)**

**A:** Intel has a strong commitment to ensuring our compensation programs and level of compensation are well aligned with the competitive markets in which we compete for leadership talent. Each year the Compensation Committee reviews extensive analyses on Intel's pay practices, the alignment with performance objectives, and market trends. While we are committed to ensuring competitive pay opportunities, it would be imprudent for the company to agree to limitations that may have unintended consequences – such as during times of leadership transition as we experienced in 2021.

**Q: Why do we compensate directors and management with created stock shares? Such stock should at least be bought on the open market and not created. Preferably these individuals should be properly compensated and allowed to buy stock at a reduced rate (80 percent of current price) but this stock would come from the open market.**

**A:** Equity awards are a common and recognized form of compensation. Our compensation programs for independent non-employee members of the Board and management are reviewed annually to ensure that our policies and practices are market prevalent as well as competitive. A primary component of Intel's director's and management's compensation is delivered in the form of equity awards issued under our stockholder approved plan and is well aligned with market practice. Directors and management may also elect to purchase shares on the open market and many do.

## Equity Incentive Plan Proposal

**Q:** In regards to Proposal 4, all aspects are suitable except for the "Addition of consultants as eligible participants". There is not enough detail or evidence to justify the need to provide Equity Incentives to consultants. In addition, the amended proposal, based on my observation, did not adequately distinguish which consultants would be eligible and why. Being that the anticipated number of consultants expected to be included in the EIP (24, 2022 Proxy Statement - Page 114), it is my opinion that their inclusion is not warranted in a larger, more critical amendment. My recommendation would be to target the employment of these Consultants to make eligible for the EIP rather than extending a benefit to external parties that is not well bounded in the amended plan. Although my views may not be shared across the shareholder community, it is possible that Proposal 4 could be voted against because of the inclusion of an estimated 24 individuals for a benefit path that is unprecedented for Intel, causing a potentially detrimental disruption to the compensation plan in 2022 (due to the rejection of the Addition of 80 million shares provision). Questions are as follows: 1. Does management deem the inclusion of the approximately 24 consultants in the EIP critical enough that it needed to be included in this Proposal 4? Rather than a separate proposal that could be voted on after the shareholders voted to ensure the availability of the compensation program without interruption until June 2023? In my opinion, the potential for receiving more "Against" Than "For" votes due to a small piece of the proposal that, in my professional opinion, is largely unnecessary, is something I would like to gain a better understanding from management on. 2. Question Only Required in the case that More "Against" Votes are counted for Proposal 4 Can a new Proposal be presented, that removes the addition of consultants, but includes all other provisions? This proposal I would be more inclined to vote "For" on.

### Related Question:

- *What is the benefit to the business to provide access to the employee stock plan to vendors (i.e. Consultants)? The stock plan should be reserved for employees. If a consultant is deemed critical/valuable, why is targeting for direct employment not an option?*

**A:** It is very common for stockholder-approved equity plans to have consultants as eligible to receive equity awards from a company. The inclusion of consultants as an eligible group was approved by our stockholders at the 2022 Annual Stockholders' Meeting and was intended to focus on individuals who typically possess a unique and highly qualified perspective and have broader experience than that typical of an employee. As noted, with only 24 individuals who meet the plan definition of a consultant, this group is expected to be limited only to certain consulting roles that warrant consideration of this type of compensation.

## Capital Allocation

**Q:** Were there share buybacks in the last 12 months? Are stock buybacks planned for the year ahead and how much?

**A:** Intel is going through an investment phase as we reposition for growth. We have performed no buybacks of stock in the last 12 months and do not have plans for when we would restart buybacks.

## **Business and Strategy**

**Q: What steps are you taking to protect our company from ongoing exposures in Russia, China and India and why are you not looking long term to protect our company's intellectual, capital, and human resources for a short-term minor gain at the probable long term loss and are you willing to indemnify our company for your errors, and if not why are you still with our company?**

**A:** As Pat Gelsinger shared during the Annual Stockholders' Meeting on May 12, 2022:

*Given the global nature of our business, we serve important customers around the globe who are hungry for our products. And as such, we have to give careful thought in business operations on how we operate around the world, including operations, in areas where business disruptions could occur. And of course, the geopolitical situation is increasingly complicated in recent years. And we are focused on continuing to build resilience in our manufacturing and supply chain in order to continue to serve our customer's needs.*

**Q: When will Intel finally compete in the GPU space which is dominated by Nvidia and now AMD is coming up as second?**

**A:** Our Alchemist Arc 3 mobile product family launched March 30th and will be followed by even more powerful designs with Intel Arc 5 and Intel Arc 7 along with desktop and workstation offerings later this year. Our high-performance computing products, Ponte Vecchio, Artix Sound-M and Sapphire Rapids with high bandwidth memory are all on track for launch in the second half of this year. The Blocksacle ASIC, our first blockchain accelerator delivering highly efficient hashing for proof-of-work consensus networks, is sampling today.

**Q: Can you explain the benefits of using Brookfield with its associated fees and higher interest rates for financing versus the use of stock/bonds/bank debt? You have a shelf registration already placed with the SEC to issue stock/bonds quickly and existing banking relationships. I applaud the expansion strategy, just seeking to understand your financing strategy.**

**A:** Financial partners are one aspect of our Smart Capital strategy, which aims to help fund growth while creating flexibility and delivering higher returns on investments. Under the Smart Capital strategy, Intel intends to employ a disciplined approach to its investments and leverage government incentives, customer participation and other creative partnerships as offsets to capital spending. This will allow the company to adjust quickly to opportunities in the market and gain share while managing its margin structure and capital spending.

In February, Intel announced a memorandum of understanding (MOU) with Brookfield Asset Management (Brookfield), one of the largest global investors in real assets, whereby Intel and Brookfield will explore project finance options to help fund new Intel manufacturing sites and certain related renewable power opportunities. This would increase Intel capital flexibility and help accelerate Intel's manufacturing build-out. We continue to work with Brookfield and continue looking for innovative ways to fund our IDM 2.0 strategy. We feel good about the progress, but we don't have any updates at this time.

**Q: How are the geopolitical tensions impacting Intel both currently and in the near future?**

**A:** While the geopolitical situation has become increasingly complicated in recent years, Intel's business is global in nature and highly diversified to minimize risk from potential local interruptions. We are also focused on continuing to build resilience in our manufacturing and supply chain; for example, this year we announced new, multi-billion dollar investments in the U.S. and Europe, along with the opening of the latest leading-edge research and development factory in Oregon. This progress is critical as we work to help bring more balance and resiliency to the global supply chain and meet the continued demand for more semiconductors.

**Q: Are we doing more military business due to the war in Ukraine? How much is being invested in the infrastructure to manufacture chips?**

**A:** Since the beginning of the war in Ukraine, we have focused on two priorities: safeguarding the interests of all our employees and providing business continuity for Intel as a multi-national corporation while remaining in compliance with all applicable laws. We suspended shipments to all customers in Russia and Belarus in March. As we continued to assess our global business and impacts of the war, and as the facts and circumstances evolved over time, in April Intel leadership decided to suspend all business operations in Russia.

More broadly speaking, the recent supply chain shortages have only reinforced the importance of building a more geographically diverse supply of semiconductors. Intel has made significant strides with new, multi-billion dollar investments announced this year in the U.S. and Europe to help bring more balance and resiliency to the global supply chain and meet the continued demand for more semiconductors.

**Q: Is the Intel culture becoming stronger or weaker among Intel employees?**

**A:** As Pat Gelsinger shared during the Annual Stockholders' Meeting on May 12, 2022:

*As I've come back into the role, one of the things that I've seen as critical is to reestablish the strong Intel culture. And with that, we've revised the Intel value statements as we flashed up earlier in the slides. And we've brought back things like, results driven. And we're putting at the center this engineering, disciplined, technology-centric business environment. And in some ways, as I've called it, we're returning to our Groveian roots.*

*One example of that is we've re-established Objectives and Key Results as a model of how we can be managing this and aligned and very in-depth way for accountability, for transparency and execution excellence. And as we noted in the earlier comments, these are tied to 100% of employees' pay are influenced by their execution. And we're constantly monitoring through our engagement surveys, which we're about to begin the next cycle of, and getting great feedback from our employees, reviewing that at the executive team and making sure that we're taking actions to assure that our culture is alive, vibrant, and driving our business execution into the future.*

**Q: What sort of impact is inflation having on Intel's operation, both currently and for the remainder of 2022?**

**A:** As Pat Gelsinger shared during the Annual Stockholders' Meeting on May 12, 2022:

*This inflationary environment does create a headwind that we are continuing to monitor. We're confident in our ability to manage through this situation. Some of this is driving our cost reduction programs where [we explore] how we can absorb those costs....*

*We're also engaging very aggressively with our suppliers on how we can drive efficiency in engineering tools in the factory and how we can help create an environment where we once again are embracing a difficult situation and improving our competitive situation overall.*

**Q: The Programmable Solutions Group has not seen any real growth since at least 2017. What are the future expectations for this business unit?**

**A:** In 2021, PSG revenue was limited by ongoing industry component, substrate, and foundry capacity shortages. With our recently announced segmentation changes, PSG has become part of the Datacenter and AI Group. Intel FPGAs and Structured ASICs, unleashed with software, platform and workload innovations, are accelerating a smart and connected world.

**Q: Please comment on the business impact Apple's switching from Intel chips to their Apple M1 processors.**

**A:** Intel is focused on delivering the most advanced PC experiences and a wide range of technology choices that redefine computing. We believe Intel-powered PCs provide global customers the best experience in the areas they value most, as well as the most open platform for developers, both today and into the future. x86-based PCs provide the widest range of platform options, unequalled choice, peripheral compatibility, and certainty that their favorite software will work.

**Q: CNBC and others on Wall Street claim Intel has fallen behind competitor AMD. I believe in Intel's abilities to compete and surpass AMD. Please speak to how Intel can change the discussions to positive outlooks with media relative to competitor AMD.**

Related Question:

- *Is Intel planning to take market share from AMD or Qualcomm, Nvidia or establish its own niche in the chip business?*

**A:** Intel has a roadmap to make five process node transitions over the next four years, achieving parity performance in 2024 and leadership in 2025. Every node transition is expected to improve performance significantly (10-20% per node), further strengthening our roadmap. That said, competitiveness is about much more than just process technology. We believe that Intel's depth and breadth of software, silicon and platforms, and packaging and process with at-scale manufacturing is unequalled. Because of this, we have leadership products today, and as our process technology improves, our leadership position should only improve.

**Q: With the focus on future growth, will Intel move key product engineers to accelerate research straight to products?**

**A:** As part of our transformation, we are focused on R&D investments to improve competitiveness, drive growth, and to hire the best and brightest talent. We believe that talent is a competitive advantage, and we are focused on sourcing talent from anywhere regardless of race, ethnicity and gender. We have continued to add to our incredible pool of technical talent, which fuels our path to regain our product and innovation leadership, delivering value for all stakeholders.

**Q: Mobileye is projected to have significant market cap when it goes public. With respect to Intel's market cap, shouldn't current Intel shareholders received shares in Mobileye when they go public?**

**A:** In March, we announced that we confidentially submitted a draft registration statement with the SEC. The IPO is proceeding, and we continue to make good progress as we work with the SEC to refine our Form S-1. We'll share more information at a later time.

### **Manufacturing**

**Q: How and when will Intel catch up and presumably overtake TSMC in the transistor technology as the initial 7nm product (Meteor Lake) will be two full years behind TSMC's comparable technology? My understanding is that TSMC will be introducing their newest transistor technology about the same time that Intel introduces the 7nm Meteor Lake product, which will put the Intel product two years behind the competitive Transistor Technologies from TSMC.**

**A:** As Pat Gelsinger shared during the Annual Stockholders' Meeting on May 12, 2022:

*We have laid out a strategy, what we've called five nodes in four years to bring us back to process leadership. And as I said in my prepared remarks, that we are well underway on that journey. Intel 7 with our Alder Lake family is now ramping very aggressively. Our Intel Meteor Lake product is showing the health of our Intel 4 process technology, and we have key milestones underway for Intel 3, Intel 20A and Intel 18A later this year.*

*We've done this turnaround in this area by investing aggressively as we've rebuilt our process technology teams, our leadership structure. We've put in place what we call the Tick-Tock model and now applying it to process technology development with parallel teams and over \$1.5 billion incremental investment and capital and R&D to enable our process technology roadmap to be executing well. As we laid out in our investor meeting, we expect in 2024 will be at parity levels and by early 2025 unquestioned leadership and we are now well on that journey to accomplish that.*

*And if anything, as I've said, we're on or ahead of schedule in our activities in this area. I'm very proud of our teams for the aggressiveness and the excitement that they have to reestablish unquestioned leadership in our process, as well as maintain that in our packaging technologies, which are becoming more important to the future of the semiconductor industry. And as we said, the combination of process technology, packaging technologies, at scale manufacturing, open platforms and our software technologies, we believe we have a winning formula for the future.*

**Q: Why would Intel or any business create a sole source? There should be alternatives to China supplies wherever possible! What are you doing about the hold China has on American growth?**

**A:** As Pat Gelsinger shared during the Q1'22 earnings call on April 28, 2022:

*The supply chain lockdowns in Shanghai and the war in Ukraine have demonstrated more than ever, that the world needs more resilient and more geographically balanced semiconductor manufacturing. The chips shortage cost the U.S. economy \$240B last year, and we expect the industry will continue to see challenges until at least 2024 in areas like foundry capacity and tool availability. As an IDM, we believe we are in a good position in the industry to manage through these constraints. In fact, Intel is rising to meet this challenge. Following our announcements in Arizona, New Mexico and Ohio, we recently announced a series of investments in Europe spanning our existing operations, as well as our new investments in France and Germany, the Silicon Junction. These investments position Intel to meet the future growth and represent a significant step toward our moonshot goal of having half the world's semiconductor manufacturing located in the U.S. and Europe. The pace at which we can reach this goal is dependent on the actions of the US and other governments America showed leadership when Congress passed the CHIPS Act, but the global situation has grown even more serious since then. The EU has been very aggressive in moving legislation forward to meet this challenge And I recently testified before the Senate to highlight the critical need for the US to fund the CHIPS Act. I continue to encourage Congress to fund this critical legislation and enable us to move faster towards making a balanced semiconductor supply chain a reality.*

**Q: Please shed more light on your new facility that you will be constructing in Ohio. When will this plant be up and running? Is it on target, i.e., is the construction schedule made? Will this expense be eligible for research credits US treasury regulations section 174 and section 41?**

Related Question:

- *With the recent announcement of new Intel mega-factory near Columbus, what level of financial incentives/support the local, state, and federal is providing for this initiative? And what would be the expected amount of federal subsidies Intel can receive for strengthening the domestic production of semiconductors?*

**A:** In January, Intel announced plans for an initial investment of more than \$20 billion in the construction of two new leading-edge chip factories in Ohio. The initial phase of the project is expected to create 3,000 Intel jobs and 7,000 construction jobs over the course of the build, and to support tens of thousands of additional local long-term jobs across a broad ecosystem of suppliers and partners. Spanning nearly 1,000 acres in Licking County, just outside of Columbus, the “mega-site” can accommodate a total of eight chip factories – also known as “fabs” – as well as support operations and ecosystem partners. Our Ohio project is well on track to start construction by end of the year as we previously announced.

We are working with the state and various local partners on this project. Approvals of our economic development package and other matters remain pending and are expected to be finalized this year. Some of the significant incentives from state and local partners will include tax credits and exemptions available to entities with large projects and infrastructure improvements that will benefit others in the region beyond Intel. We are committed to Ohio – and will go bigger and faster with CHIPS Act support.

**Q: Are there any delays in the construction of the new manufacturing plants that we should be aware of?**

**A:** No. Intel's new construction projects remain on track and there are no expected business impacts.

**Q: As a retired Intel veteran of 36 years, I appreciate you coming home to Intel. I believe in your vision and appreciate your enthusiasm and love for our company. While there I saw Intel try to be a foundry several times. My question is what will be done differently this time to make Intel a leading foundry? What is being done differently to keep our process nodes on schedule?**

**A:** We have a lot of learnings from our prior Foundry engagements and have been investing over the last three years to drive improvements. When Intel attempted Foundry before, we were using proprietary design tools and an internally developed IP portfolio that was unique and difficult for customer transitions. Over the last several years, we have accelerated the transition to leadership technology, easy-to-use industry standard process design kits (PDKs), use of industry standard electronic design automation (EDA) tools, flows and methods, engagement with third-party IP vendors to create a complete portfolio of industry standard IP and have established a customer service-oriented Intel Foundry Services team. We are seeing very strong momentum with 30 test chips and growing in formal planning with customers and partners.

#### **ESG: Social**

**Q: How will company management resist the diversity, equity, and inclusion (DEI) initiatives that have metastasized and are now dividing the country? Will you learn from other companies who have waded into political and social issues that are not directly tied to their business, alienating employees, customers, and investors? How will you keep your focus on high-quality products and services, and profits?**

**A:** As Pat Gelsinger shared during the Annual Stockholders' Meeting on May 12, 2022:

*Diversity, equity, and inclusion are core to Intel's values and we believe instrumental in driving innovation and delivering strong business growth. And we're continuing to drive that advancement in diversity and inclusion across our global workforce and industry. And we're expanding opportunities for others through technology, inclusion, and digital readiness initiatives. But we do see this need to be very focused on making sure that we have high quality products, services, and that we're delivering leadership technologies into the marketplace.*

*The geopolitical social landscape, along with related policies, are increasing in numbers and are constantly evolving. And we're implementing tighter controls and oversight over how often visible social policies that affect our business and where we speak on those activities. And fundamentally, it's Intel's practice with respect to these social issues that we focus our efforts and in communications on a few issues that we determine annually by myself, the leadership team, and reviewed with the Board.*

*And this is based on the recommendations of our VP of Social Impact that are important to Intel and its stockholders, customers, employees, and communities. And in general, we maintain our focus on these few issues and do not speak out on every social issue, allowing us to keep focus on executing the business – even as we act as good responsible citizens.*

**Q: Would the Intel Corporation continue to shape technology as a force for good of mankind, to ensure that Intel technology could never be used in the Genocide of Uyghurs by the Chinese Communist Party and the massacre of Ukrainian people by the Russian Army?**

**A:** At Intel, we are committed to maintaining and improving systems and processes to avoid human rights violations related to our own operations, supply chain, and products globally. While we do not always know nor can we control what products our customers create or the applications end-users may develop, we don't condone violations of human rights, anywhere. Our focus is on developing technology that can improve people's lives. Under our [global human rights principles](#), Intel does not support or tolerate our products being used to violate human rights. Where we become aware of a concern that Intel products are being used by a business partner in connection with abuses of human rights, we will restrict or cease business with the third party until and unless we have high confidence that Intel's products are not being used to violate human rights.

**Q: Last December, Intel apologized to China after issuing a letter telling its suppliers not to source products or labor from the Xinjiang region. The letter was in response to the passage of the Uyghur Forced Labor Prevention Act, which represents an important step in the U.S. addressing the well-established genocide against the Uyghur people by the Chinese Communist Party. Intel issued its apology despite its own "Global Human Rights Principles," which claims "Respect for human rights is rooted in our values and applies wherever we do business." Intel also was a corporate sponsor during the 2022 Beijing Olympics. How does Intel reconcile its so-called commitment to human rights while remaining such cozy partners with the Chinese government?**

**A:** At Intel, we are committed to maintaining and improving systems and processes to avoid human rights violations related to our own operations, supply chain, and products globally. We respect the rule of law and seek to operate ethically, legally and with integrity everywhere we do business. This includes taking steps to ensure that we work to prevent, detect and mitigate the risk of Intel being complicit in human rights abuses anywhere in the world. We will continue to invest in continuously improving our due diligence processes to ensure we fulfill our obligations under the United Nations Guiding Principles for Business and Human Rights around the globe and remediate any issues we become aware of. We have also published clear and public global policies for our suppliers to address human rights and we will continue to ensure that our global sourcing complies with applicable laws and regulations in the U.S. and in other jurisdictions where we operate and conforms with the Responsible Business Alliance Code of Conduct. For more information on our human rights and supply chain due diligence programs, please see the Intel Statement on Combatting Modern Slavery and our 2021-2022 Corporate Responsibility Report [www.intel.com/responsibility](http://www.intel.com/responsibility).