



2012 Proxy Statement

Compensation Philosophy and Practices

The Compensation Committee and Intel's management believe that compensation is an important tool that should help recruit, retain, and motivate the employees the company depends on for current and future success. The committee and Intel's management also believe that the proportion of at-risk, performance-based compensation should rise as an employee's level of responsibility increases.

Intel's compensation philosophy is reflected in the following key design priorities that govern compensation decisions:

- align with stockholders' interests;
- motivate employees to achieve business goals;
- balance performance objectives and time horizons;
- recruit and retain the highest caliber of employees;
- encourage employee stock ownership;
- manage cost and share dilution; and
- maintain consistency in the way that executive officers and the broader employee population are compensated.

Intel has long employed a number of practices that reflect the company's compensation philosophy:

- ***No Employment or Severance Arrangements.*** Executive officers are employed at will without employment agreements or severance payment arrangements, except as required by local law.
- ***No Change in Control Benefits.*** Intel does not maintain any payment arrangements that would be triggered by a "change in control" of Intel.
- ***No Perquisites.*** Intel does not provide "perquisites" or other benefits based solely on rank.
- ***Claw-back Provisions.*** Intel has claw-back provisions applicable to both its annual incentive cash plan and its equity incentive plan.
- ***Objective Performance Criteria.*** Intel's performance-based compensation programs for executive officers use a variety of objective performance measures, including measuring Intel's relative TSR performance against the technology peer group and the market comparator group.

2011 "Say on Pay" Advisory Vote on Executive Compensation

Intel has provided stockholders with an advisory vote on executive compensation in each of the last three years. Consistent with Intel's experience in prior years, at our 2011 Annual Stockholders' Meeting, approximately 95% of the votes cast in the "say on pay" advisory vote were "FOR" approval of our executive compensation. The Compensation Committee evaluated the results of the 2011 advisory vote together with the other factors and data discussed in

this Compensation Discussion and Analysis in determining executive compensation policies and decisions. The committee considered the vote results and did not make any changes to our executive compensation policies and decisions as a result of the 2011 advisory vote.

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