

# **INTEL CORPORATION BOARD OF DIRECTORS GUIDELINES ON SIGNIFICANT CORPORATE GOVERNANCE ISSUES**

## **A. BOARD COMPOSITION**

### **1. Separation of the positions of Chairman and CEO**

The Board's general policy, based on experience, is that the positions of Chairman of the Board and Chief Executive Officer should be held by separate persons as an aid in the Board's oversight of management.

### **2. Size of the Board**

The Board has designated a range of 9 to 15 members in the company's Bylaws, and periodically reviews the appropriate size of the Board.

### **3. Mix of Inside and Independent Directors**

The Board believes that there should be a substantial majority of independent Directors on the Board. The Board also believes that it is useful and appropriate to have members of management, in addition to the Chief Executive Officer, as Directors.

### **4. Board Definition of What Constitutes Independence for non-employee Directors**

Intel defines an "independent" director in accord with NASDAQ listing requirements (NASDAQ Marketplace Rule 4200). The NASDAQ independence definition includes a series of objective tests, such as that the director is not an employee of the company and has not engaged in various types of business dealings with the company. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible to affirmatively determine as to each independent director that no relationships exist which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will review information provided by the Directors and the company with regard to each Director's business and personal activities as they may relate to the company and the company's management.

### **5. Lead Independent Director**

The Board has an independent director designated as the Lead Independent Director, who is responsible for coordinating the activities of the other independent directors and to perform various other duties. The general authority and responsibilities of the Lead Independent Director are established in a written charter adopted by the Board. Service as Lead Independent Director generally should not exceed five consecutive years but subject to the Board's discretion to set other guidelines in specific instances.

### **6. Board Membership Criteria**

The Corporate Governance and Nominating Committee is responsible for reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment should include issues of diversity in numerous factors such as age; understanding of and experience in manufacturing, technology, finance and marketing; international experience; and culture. These factors, and others as considered useful by the Board, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time.

Board members are expected to rigorously prepare for, attend, and participate in all Board and applicable Committee meetings. Each Board member is expected to ensure that other existing and planned future commitments, including other board service, do not materially interfere with the member's service as a director. These other commitments will be considered by the Corporate Governance and Nominating Committee and the Board when reviewing Board candidates and in connection with the Board's annual self-assessment process.

#### **7. Selection of New Director Candidates**

The Board should be responsible for selecting its own members. The Board delegates the screening process involved to the Corporate Governance and Nominating Committee, with the expectation that other members of the Board, and of management, will be requested to take part in the process as appropriate.

#### **8. Directors Who Change Their Present Job Responsibility**

Directors should offer to resign upon a significant change of the director's principal current employer or principal employment, or other similarly significant change in professional occupation or association. It is not the sense of the Board that in every instance the directors who offer to resign should necessarily leave the Board.

#### **9. Term Limits**

The Board does not believe it should establish term limits. While term limits could help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who over time have developed increasing insight into the company and its operations and therefore provide an increasing contribution to the Board as a whole.

#### **10. Director and Officer Retirement Policy**

The Board has adopted a retirement policy for Directors and Corporate Officers. Under the policy, independent Directors may not stand for reelection after age 72, and management Directors, other than former Chief Executive Officers, may not stand for reelection after age 65. The Chief Executive Officer may continue as CEO no later than age 60, but may continue to be employed by the company in another capacity beyond that time, including until age 72 in the capacity of Chairman of the Board as a Corporate Officer and may continue to serve as a Director, including as Chairman of the Board. Other Corporate Officers may continue as such no later than age 65.

#### **11. Board Compensation**

It is the general policy of the Board that Board compensation should be a mix of cash and equity-based compensation. Employee Directors will not be paid for Board membership in addition to their regular employee compensation. Independent Directors may not receive consulting, advisory or other compensatory fees from the company in addition to their Board compensation. To the extent practicable, independent Directors who are affiliated with the company's service providers will undertake to ensure that their compensation from such providers does not include amounts connected to payments by the company.

The staff of the company will report from time to time to the Corporate Governance and Nominating Committee on the status of Board compensation in relation to other companies and with regard to trends and developments in director compensation.

#### **12. Limitation of Service on Other Public Company Boards**

Directors may not serve on more than 4 public company boards of directors (including Intel). If a director is also an active CEO of a public company, the director may not serve on more than 3 public company boards (including Intel).

### **13. Advance Resignation to Address Majority Voting**

Director nominees annually submit a contingent resignation in writing to the Chairman of the Corporate Governance and Nominating Committee to address majority voting in director elections. The resignation becomes effective only if the Director fails to receive a sufficient number of votes for re-election at the Annual Meeting and the Board accepts the resignation.

## **B. RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

1. The primary responsibilities of the Board of Directors are oversight, counseling and direction to the management of the company in the interest and for the benefit of the company's stockholders. The Board's detailed responsibilities include:

- (a) Selecting, regularly evaluating the performance of, and approving the compensation of the Chief Executive Officer and other senior executives;
- (b) Planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other senior executives;
- (c) Reviewing and, where appropriate, approving the company's major financial objectives, strategic and operating plans and actions;
- (d) Overseeing the conduct of the company's business to evaluate whether the business is being properly managed; and
- (e) Overseeing the processes for maintaining the integrity of the company with regards to its financial statements and other public disclosures, and compliance with law and ethics.

The Board of Directors has delegated to the Chief Executive Officer, working with the other executive officers of the company, the authority and responsibility for managing the business of the company in a manner consistent with the standards and practices of the company, and in accordance with any specific plans, instructions or directions of the Board. The Chief Executive Officer and management are responsible to seek the advice and, in appropriate situations, the approval of the Board with respect to extraordinary actions to be undertaken by the company.

### **2. Code of Conduct**

Members of the Board of Directors shall act at all times in accordance with the requirements of the company's Code of Conduct, which shall be applicable to each Director in connection with his or her activities relating to the company. This obligation shall at all times include, without limitation, adherence to the company's policies with respect to conflicts of interest, confidentiality, protection of the company's assets, ethical conduct in business dealings and respect for and compliance with applicable law. Any waiver of the requirements of the Code of Conduct with respect to any individual Director shall be reported to, and be subject to the approval of, the Board of Directors.

## **C. BOARD MEETINGS AND MATERIALS**

### **1. Scheduling and Selection of Agenda Items for Board Meetings**

Board meetings are scheduled in advance typically every other month for a full day. In addition to regularly scheduled meetings, additional Board meetings may be called upon appropriate notice at any time to address specific needs of the company. The Board and its Committees may also take action from time to time by unanimous written consent.

Typically, the meetings are held at the company's headquarters in Santa Clara, CA, but occasionally a meeting is held at another Intel facility or other location. The Chairman of the

Board, the Lead Independent Director and the Corporate Secretary, in consultation with the other members of the Board, draft the agenda for each meeting and distribute it in advance to the Board. Each Director may propose the inclusion of items on the agenda, request the presence of or a report by any member of the company's management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

The annual cycle of agenda items for Board meetings is expected to change on a periodic basis to reflect, e.g., Board requests, changing business and legal issues and the work done by the Board Committees. It is expected that the Board will have regularly-scheduled presentations from Finance, Sales and Marketing, and the major business segments and operations of the company. The Board's annual agenda will include the long-term strategic plan for the company and the principal issues that the company expects to face in the future.

## **2. Board Material Distributed in Advance**

Information that is important to the Board's understanding of the business and its meeting agenda items should be distributed in writing to the Board before the Board meets. Supplemental written materials will be provided to the Board on a periodic basis and at any time upon request of Board members. Materials will be posted on the Board website and delivered as paper copies.

As a general rule, materials on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

## **3. Access to Employees and Board Presentations**

The Board has complete access to contact and meet with any Intel employee. Board members are encouraged, when traveling, to make arrangements in advance to visit Intel sites and meet with local management on a world-wide basis. The Corporate Secretary shall, whenever requested, assist in arranging and facilitating such meetings and site visits.

The Board encourages management to schedule managers to present at Board Meetings who can provide additional insight into the items being discussed because of personal involvement in these areas, and are persons that management believes should be given exposure to the Board.

## **4. Independent Directors' Discussions**

The Board's policy is to have a separate meeting time for the independent directors regularly scheduled at least twice a year during the regularly scheduled Board Meetings. The Lead Independent Director will assume the responsibility of chairing the meetings of independent directors and shall bear such further responsibilities which the independent directors as a whole might designate from time to time.

## **5. Director Orientation and Continuing Education**

The Chief Executive Officer in conjunction with management are responsible for new-Director orientation programs and for Director continuing education programs. The orientation programs are designed to familiarize new Directors with the company's businesses, strategies and challenges and to assist new Directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. Continuing education programs for Board members may include a mix of in-house and third-party presentations and programs.

## **D. BOARD COMMITTEES**

### **1. Number of Committees**

The current five Committees are Audit, Compensation, Corporate Governance and Nominating, Executive and Finance. There will, from time to time, be occasions on which the Board may want to form a new committee or disband a current committee depending upon the circumstances. The Audit, Compensation and the Corporate Governance and Nominating Committees shall be composed entirely of independent Directors. The Executive Committee shall include, e.g., the Lead Independent Director as Chairman, and the Chief Executive Officer. Each Committee will have a written charter, approved by the Board, which describes the Committee's general authority and responsibilities. Each Committee will undertake an annual review of its charter, and will work with the Corporate Governance Committee and the Board to make such revisions as are considered appropriate.

Each Committee has the authority to engage outside experts, advisers and counsel to the extent it considers appropriate to assist the Committee in its work. Each Committee will regularly report to the Board concerning the Committee's activities.

The Audit Committee is responsible for the hiring, oversight and compensation of the independent registered public accounting firm that audit the company's financial statements, and for monitoring the effectiveness of the company's internal financial and accounting organization and controls and financial reporting. The Compensation Committee reviews and determines salaries and other matters relating to compensation of the executive officers of the company, and administers the company's equity incentive plans (including reviewing, recommending, and approving equity grants to executive officers).

The Corporate Governance and Nominating Committee reviews and reports to the Board on matters of corporate governance (that is, the relationships of the Board, the stockholders and management in determining the direction and performance of the company) and reviews and addresses these Guidelines and recommends revisions as appropriate. The Committee reviews all proposals submitted by stockholders for action at the Annual Stockholders' Meeting, and recommends action by the Board with regards to each such proposal. The Committee makes recommendations to the Board regarding the size and composition of the Board, establishes procedures for the nomination process, recommends candidates for election to the Board and nominates employees for election as Corporate Officers by the Board.

The Executive Committee is responsible for exercising the powers of the Board in the management of the business and affairs of the company when the Board is not in session.

The Finance Committee makes recommendations to the Board relating to capital structure, cash policy and the issuance of securities, reviews banking arrangements and cash management, and reviews and approves certain short-term and long-term investment transactions.

## **2. Assignment and Term of Service of Committee Members**

The Board is responsible for the appointment of Committee Members and Committee Chairmen. Committee assignments are reviewed annually and it is expected that Committee assignments will rotate from time to time among the Board members. It is also expected that each Committee Chairman will rotate off the Committee when his or her term as Chairman is completed.

## **3. Frequency and Length of Committee Meetings and Committee Agenda**

The Committee Chairman, in consultation with the Chairman of the Board, the Lead Independent Director and appropriate members of management, will determine the frequency and length of the Committee meetings and develop the Committee's agenda. The agendas and meeting minutes of the Committees will be shared with the full Board, and other Board members are welcome to attend Committee meetings.

## **E. MANAGEMENT AND BOARD REVIEW AND RESPONSIBILITY**

### **1. Formal Evaluation of Chief Executive Officer**

The independent Directors, in conjunction with the company's 360-degree review process for employees, will perform a formal annual evaluation of the Chief Executive Officer.

### **2. Succession Planning and Management Development**

The Chief Executive Officer reviews succession planning and management development with the Board on an annual basis.

Any waiver of the requirements of the company's Code of Conduct with respect to any executive officer shall be reported to, and be subject to the approval of, the Board of Directors.

### **3. Formal Evaluation of the Board**

The Chairman of the Board manages the Board's process for annual Director self-assessment and evaluation of the Board.

### **4. Board Interaction with Outside Interested Parties**

The Board believes that management speaks for the company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the company, but it is expected that Board members would do this with the knowledge of management and, in most instances, at the request of management.

## **F. POLICY ON POISON PILL PLANS**

The Board of Directors shall seek and obtain stockholder approval before adopting any stockholders "rights plan" (which for this purpose shall mean any arrangement pursuant to which, directly or indirectly, Common Stock or Preferred Stock purchase rights may be distributed to stockholders that provide all stockholders, other than persons who meet certain criteria specified in the arrangement, the right to purchase the Common Stock or Preferred Stock at less than the prevailing market price of the Common Stock or Preferred Stock (sometimes referred to as a "poison pill")); provided, however, that this policy may be revised or repealed without prior public notice and the Board may thereafter determine to act on its own to adopt a poison pill if, under the then circumstances, the Board, including a majority of its independent members, in its exercise of its fiduciary responsibilities, deems it to be in the best interests of the company's stockholders to adopt a poison pill without the delay in adoption that would come from the time reasonably anticipated to be necessary to seek stockholder approval. If the Board adopts a poison pill without prior stockholder approval, the Board will submit the poison pill to an advisory vote by the company's stockholders within 12 months from the date the Board adopts the pill. If the company's stockholders fail to approve the poison pill, the Board may elect to terminate, retain or modify the poison pill in its exercise of its fiduciary responsibilities.

The Corporate Governance and Nominating Committee of the Board of Directors shall review this statement of policy, including the proviso, on at least an annual basis and report to the Board with any recommendations it may have in connection therewith, and such review shall be referred to in the company's Proxy Statements as aforesaid.

## **G. AMENDMENTS AND WAIVERS**

The Board may amend, waive, suspend or repeal any of these Guidelines at any time, with or without public notice, as it determines necessary or appropriate, in the exercise of the Board's judgment or fiduciary duties.

As amended effective January 16, 2008