Intel 2017 Annual Stockholders' Meeting

Answers to Investors' Questions

Below is the list of questions from stockholders the Company received ahead of and during our Annual Stockholders' Meeting, including answers to questions that we were not able to cover in the Q&A session due to time. In a few cases, we have consolidated multiple questions on the same topic together and provided a summary response, and also have made minor edits for clarity, to correct typos, and to remove inappropriate language.

If you have any questions or concerns please feel free to contact investor relations at investor.relations@intel.com.

Meeting Attendance

Q: Please announce at the end of the meeting:
   - The number of shareholder attendees
   - The number of director attendees
   - The number of management attendees
   - The number of separate questions asked by shareholders
   - The number of separate answers by management
   - The number of media attendees.
   - The cost of this virtual meeting

A: As stated during the meeting, 10 out of our 11 director nominees attended the annual meeting. We had 98 stockholders and 81 guests attend virtually. We received questions from what appeared to be 21 separate email addresses, many of which asked multiple questions. Overall, we received over 60 questions this year compared to receiving just 22 questions last year. We did not track whether any of the 81 guests were members of the media.

Virtual Meeting Format

Q: I know that Intel wants to have a model virtual meeting. Conoco's virtual AGM allowed person both to make comments and ask questions by phone as well as typing in comments. Why has Intel made this process so disembodied and difficult for any direct input to management and the board. As you know the pension funds of NYC have asked all companies holding virtual only meetings to move to a hybrid meeting with an in person meeting as well. The pension funds of NYC sees virtual only meetings as poor governance (as does the Council of Institutional Investors) and plans to vote against Board Nominating Committee members if this process continues. Will the Board discussed the pros and cons of virtual only meetings in light of this new round of opposition?

A: This question was answered in the meeting. Please refer to the webcast replay available here.
Additional related questions:

- As we're voting on the board, can we see the Board members on camera?
- Will the company publish each question and comment that was submitted for the meeting in its original format?
- Why aren't we reading and hearing investor comments/questions when resolutions are before us?
- Is Intel working on anything to make shareholder meeting more interesting or interactive, like shareholders being able to see who else is online and what questions they are asking?
- The company should allow a video of the rule 14a-8 proposal presentation
- The virtual ASM does not allow for comfortable shareholder engagement. Will Intel consider a hybrid virtual/in-person meeting?
- This is a comment - as a small individual investor I like the virtual meeting - otherwise I could not attend. I think this has been well conducted. Thank you for the education opportunity.
- It is no good to just provide the person asking a question an answer. All holders should have access to answers given to each question asked
- Andy didn't explain why holding an in-person meeting would be significantly more expensive than just doing the meeting virtually. I think that the opportunity to mingle with the executives before/after the meeting in addition to seeing them present in person is valuable in building confidence. Seeing the directors in person is also valuable.
- Are certain employees prompted by management to submit questions today?
- How many technicians are needed for this meeting format?
- Why the race to end the meeting so quickly with a long list of comments/questions still unanswered?
- Can Intel put to a vote at the 2018 annual meeting whether shareholders approve of a virtual only annual meeting?
- Where is the Chairman of this meeting physically located during the meeting?
- Why did Intel close voting before Mr. Herbert finished his presentation? What is the meaning of such presentations if voting is closed before they are concluded?

A: We consult with our stockholders regularly; and in this second year hosting an all virtual meeting from our Santa Clara campus, it appears to be working well but we are open to regularly improving our processes based on feedback such as the questions above. In our experience, the virtual meeting format has the potential to facilitate greater participation for our stockholders as well as greater transparency overall since we also open the meeting for non-stockholders to watch the meeting. In fact, the number of stockholders participating in this year’s meeting was significantly greater than our last in-person meeting. In many respects, the virtual meeting was conducted in the same manner as when we held in-person meetings, including stockholder proponents, or their representative, presenting their proposals, and a reasonable time limit for the questions and answers session. The virtual meeting also provides
a number of enhancements over the live meeting process. For example, we allow investors to submit questions online in advance of the meeting as well as during the meeting; stockholders are able to ask more than just one or a few questions; and non-stockholders are able to view the meeting. Per the recommendation above, we are also making all of the questions and answers available to all stockholders. Management does not submit questions; all questions were submitted by stockholders. Beyond the annual meeting, we regularly engage with stockholders year-round through our proactive outreach approach, providing ongoing opportunities to ask questions and provide us with feedback.

The polls officially closed at 8:47 am, after Mr. Herbert finished his presentation. If you had difficulties submitting the vote, please let us know via email to corporate.secretary@intel.com and we will troubleshoot on your behalf.

**Board Governance**

**Q: When will David Yoffie, with 28 years of independence robbing long-tenure, retire? When will David Yoffie stop constituting 33% of the vote on 2 of our 3 most important board committees?**

A: The Board regularly evaluates the composition of the Board, including the Board's average tenure, Chairman, lead director, and Committee chairs and members, especially as members rotate off and new members are added to the Board. As of May 17, 2017, certain Committee Chairs and members rotated. As stated in the proxy statement, the mix of tenure on the Board is intended to support the view that the Board as a whole represents a “portfolio” of new perspectives and the deep institutional knowledge of longer-tenured directors.

**Q: When will Intel have an independent board chairman?**

A: Our current Board Chairman, Andy Bryant, has served in the role since May 2012. The independent directors selected Mr. Bryant (who has never served as a CEO of Intel) to serve as Chairman because they determined that Mr. Bryant’s extensive experience at Intel and familiarity with Intel's operations and management structure, as well as the Board's confidence in Mr. Bryant's guidance and ability to support the Board in fulfilling its oversight responsibilities, uniquely positioned Mr. Bryant to fulfill the Chairman's responsibilities. The Board reviews the independence of each of our non-employee directors annually taking into account the specific facts relevant to each director and determined that each of our directors other than our Chairman and CEO were independent. With two directors having rotated off the Board and three new Board members being elected within the last 10 months, the Board feels continuing to have Mr. Bryant as Chairman serves the long-term interests of our stockholders.

**Q: Was Reed Eric Hundt a director at a company that went bankrupt? If so which company?**

A: More than a dozen years ago, Mr. Hundt served as an outside director on the board of a small telecom company which sought bankruptcy protection in 2004. Consistent with SEC
disclosure requirements, Intel does not believe Mr. Hundt's past board service at that company is relevant to an assessment of his qualifications as an Intel director.

**Q: Which director received the highest negative votes in 2016?**

Intel has adopted majority voting for directors and please refer to the Final Tabulation Report of the Inspector of Election.

**CEO Succession Planning**

**Q: What stage of planning for next CEO succession is the board currently at?**

A: This question was answered in the meeting. Please refer to the webcast replay available here.

**Independence**

**Q: When was the clear conflict of interest of Aneel Bhusri declared as CEO of Workday, that Intel now uses as the HR program? Intel employees have to declare Conflict of Interest each year.**

A: This question was answered in the meeting. Please refer to the webcast replay available here.

**Corporate Responsibility and Public Policy**

**Q: Regarding the election of directors - if there was an in person meeting I would have sought to speak during the election of directors to thank our board for their ongoing commitment to diversity on the board (for example there are 2 women sitting on our board.) We appreciate the open commitment to board diversity. The 30% Coalition is an organization composed of investors with over $2 Trillion of AUM actively encouraging progress on board diversity. Anne Sheehan of CalSTRS and I co-chair the Investor Committee of the Coalition. We actively work to show our appreciation to leaders in board diversity and challenge companies with poor records to move forward. Intel is an example for many companies.**

A: We thank you for your comment. This is an issue that is a priority for our company and we believe that greater diversity and inclusion will lead to more growth, more innovation, and better results. We continue to work toward our 2020 goal to reach full representation of women and underrepresented minorities in our U.S. workforce by 2020. We have committed $300 million in support this goal as well as our objective to improve diversity and inclusion in our supply chain and the technology industry more broadly. With respect to diversity at the Board level, as part of every Board search, our Board is committed to actively seeking women and minority candidates, as well as candidates with diverse backgrounds, experiences, and skills.
Q: We also wish to commend INTEL for its leadership on environmental and climate issues. It is exceedingly important in this political climate to have companies speak out on the urgent necessity of addressing climate change. We appreciate your ongoing visible leadership.

A: Thank you. As we have discussed in both our Corporate Responsibility Report and on our Public Policy website and blog, we believe that climate change is a serious environmental, economic, and social challenge. Over the past two decades, we have reduced our carbon emissions by 60% and continue to be the largest voluntary corporate purchaser of green power in the U.S. according to the U.S. EPA. We also focus on the ways in which technology can help others reduce their own footprints. We collaborate with others to drive industry-wide improvements and participate in a number of climate-focused organizations to help build a supportive policy environment for private sector leadership on climate change.

Q: Corporate responsibility report is issued too late for Q&A on it at the annual meeting

A: Our top priority is the accuracy and quality of our Corporate Responsibility Report. Given the time required for our internal review processes, as well as the time needed to complete external third-party assurance for our report data, we believe this timeline is appropriate. In addition, we conduct proactive outreach through our year-round integrated investor outreach strategy in which we meet with investors to discuss corporate responsibility issues and gather feedback on the report.

Q: What is Intel's take on Trump's EO to reform/restrict H-1B visas? Many projects and innovations are due to the input and hard work of people in the US on these visas. How will this impact Intel? Or does Intel have a special agreement with Trump.

A: Intel supports a thoughtful high-skilled visa program that helps US businesses address critical STEM skills gaps that exist today. Currently, we use the H1-B program to hire foreign graduates of U.S. university advanced degree programs in science and technology disciplines essential to our large, leading-edge semiconductor manufacturing operations here in the U.S. Longer term, we are helping to grow the pipeline of high-skilled U.S. workers in these areas through programs that offer more American students access to high-quality STEM education.

Q: What is the intent, process and strategy of Intel's involvement of each presidential inaugural fund? Is Intel's involvement intended to be party-neutral, reflective of preference of small set of dominating personalities?

A: Like many companies, Intel has a history of supporting various presidential election activities, including both 2012 conventions. In 2015 we decided to shift our support for 2016 election activities from the conventions to the inauguration. We are bipartisan in our approach to contributions and our engagement activities. Information about our policies, disclosure practices, and oversight processes related to political accountability are included in our Corporate Responsibility Report and in our Intel Political Accountability Guidelines, both available on our corporate responsibility website.
Q: Can you make available Intel's donation to the last 5 presidential inaugural fund?

A: This is the first time Intel has donated to an inaugural committee. Like many companies, Intel has a history of supporting various presidential election activities, including both 2012 conventions. In 2015 we decided to shift our support for 2016 election activities from the conventions to the inauguration.

Q: Just a comment... I’m very positively impressed by the PAC contributions Intel made. I had no idea how the executives making those decisions think about the issues. It’s probably good to make those decisions public.

A: Thank you for your feedback. We are proud of our track record of transparency and disclosure on our political contributions and our underlying policies. We have been recognized for our leadership and best practices, as illustrated by our continued Top 5 rating in the CPA-Zicklin Index on Corporate Political Accountability and Disclosure. We have published Political Accountability Guidelines that set forth our policy and process for formally approving and reviewing corporate political contributions. Information about our policies, disclosure practices, and oversight processes related to political accountability are included in our Corporate Responsibility Report and in our Intel Political Accountability Guidelines, both available on our corporate responsibility website.

Q: I expect Intel is aware that a bill before the House (the Financial Choice Act) includes a provision which would eliminate the ability of investors to file shareholder resolutions with companies. In addition the Business Roundtable and the Chamber are actively lobbying to challenge shareholder resolutions. I know Intel has a long history of meaningful outreach to investors to discuss a wide range of issues. Your engagement with investors is often mentioned as a model for other companies. Would Intel be open to stating publicly that you value the interactions with investors and understand the positive role shareholder resolutions often play. You understand this reality better than many companies so your comments would be very useful in this debate.

A: We appreciate your comments. Intel recognizes the importance of outreach and engagement. As stated in our proxy statement, Intel engages in a continuous quality improvement approach to corporate governance practices. We monitor and evaluate trends and events in corporate governance and compare and evaluate new developments against our current practices; we understand that corporate governance is not in a static state with regard to numerous topic areas. Our integrated outreach team, led by our Investor Relations group, Corporate Responsibility office, and Legal team, including our General Counsel and our Corporate Secretary, engages proactively with our stockholders. We find having an integrated team in meetings allows our owners to opportunity to discuss a broad range of topics. Our integrated outreach team meets with a broad base of investors throughout the year to discuss corporate governance, executive compensation, corporate responsibility practices, and other matters of importance.
We seek and receive input from stockholders and other commentators on our practices and policies, and our Board and the Board's Corporate Governance and Nominating Committee consider this input when reviewing proposals to change practices or policies. For this reason, as stated in our proxy statement, we strongly encourage any stockholder interested in submitting a proposal to contact our Corporate Secretary in advance of this deadline to discuss the proposal. As you may have noticed through our adoption of proxy access, we maintain a long tradition of dialogue, transparency, and responsiveness to stockholder perspectives. We started engaging with our stockholders on the issue of proxy access months before receiving a stockholder proposal on proxy access, and so our engagement model ensures that the Board and management consider the issues that matter most to our stockholders and enables us to address them proactively.

**Executive Compensation**

Q: Did Venkata Renduchintala receive $20 million for 2016? Did Brian Krzanich receive almost $20 million for 2016?

A: Our executive management's compensation is listed in our proxy. The proxy can be found online [here](#).

Q: Where is the Chairman of this meeting physically located during the meeting?

A: Intel's Chairman Andy Bryant participated in the virtual meeting from Intel's headquarters in Santa Clara.

**Employee Concerns**

Q: Why does the management insist of maintaining a shaky relation with employees? A lot of frequent down-sizing in departments that require more staffing! Basically fire 100 persons one day and try to hire 150 the next day. This affects the execution cycle of the projects and costs the stockholders unnecessary re-staffing costs.

A: As we communicated at our Investor Day in February, Intel is well-positioned for growth in an expanding market fueled by data - a total addressable market for silicon that we estimate will grow to $250 billion by 2021. We are aligning our investments and headcount resources to high-potential growth areas, such as datacenter, IoT, and memory while keeping our client business healthy and maintaining our manufacturing leadership. We are also focused on improving our operational efficiency and ensuring that our significant level of spending (as one of the world's top R&D companies) is focused on our priorities and big bets with high potential to accelerate Intel's growth. As a result, we will continually assess investments and resources and make changes or shifts in our headcount and investments as needed to achieve our goals.
Strategic Related

Questions:

- Intel's data strategy is very impressive. What steps is Intel taking to ensure that the data generated is secure and safe from hackers?
- How is Intel positioning for the increased use of devices other than conventional PC's?
- How are you protecting company patents and intellectual rights from insider and outside security issues?
- Your competitor AMD now appears to be back with products in both the PC and data-center markets after being absent for years and they seem confident that they can capture significant share from Intel in both markets. What kind of share loss, if any, is Intel planning for and does Intel believe that it can accelerate its product road-maps to reestablish the large lead in product competitiveness that it previously enjoyed?
- Could you give us insight into when we will see the first 10-nanometer products for desktop computers and data center?
- How are the speed of your processors competing against the GPU's that NDVA makes for "deep learning"?

A: The forgoing questions were answered in the meeting. Please refer to the webcast replay available here.

Q: After ACT, Would you share your assessment on mobile business especially with TIER1 customers? What is your roadmap over the next 3 years?

A: Our wireless communications business including our Wi-Fi and LTE products continues to perform well. Our Intel® XMM™ 7360 LTE modem is competing well in the market and we have a compelling roadmap of modems under development. We're also making strong progress towards 5G.

Q: After hearing about the spending cuts proposed by the CEO, I was wondering how he plans to take on that task.

A: We're committed to improving Intel's operating efficiency and reducing our spending as a percent of revenue to 30% by 2020 through a combination of revenue growth, spending discipline, and an intense focus on our strategic priorities.

Q: How much are you planning to increase or decrease financial support for your Drone initiative in the upcoming year?

A: We don't provide forecasts at this level. Intel is working to evolve and broaden the use of drones via technology to make them smarter and more aware, to evangelize drone policy and regulation, and to demonstrate how drones can be used in productive and exciting ways. We
have a fixed wing platform and multi-rotor system in production for commercial applications. Our drones are also used for exciting and new light show usages and have been showcased worldwide. Additionally, we provide ingredients for drone ecosystem and our solutions are enabled in a majority of consumer drone units.

Q: I see that you are moving the company to be more Data centric increasing the overall TAM. But, how will the announcement that Microsoft's OS will run PC software on ARM-based platforms impact Intel's bottom line and stock price. Has the new Data Centric strategy guarded against this competitive impact in time?

A: We operate in a highly competitive market and take all competitors seriously. Having proved scalable and dynamic since its release, the flexibility of Intel architecture and three decades of application compatibility on the Windows platform is a key advantage in a world over 15 million Window desktop applications. Intel offers industry-leading processor performance across all notebook segments to deliver amazing experiences. The breadth of our product line also includes optimized SSDs, Intel® Optane™ memory, and connectivity assets in the areas of Wi-Fi, WiGig and state of the art modems.

Q: When do you anticipate confronting fundamental physical limitations of silicon technology and what are our plans for dealing with it?

A: Moore's Law is alive and well at Intel. We expect cost per transistor to continue to decline as a result of process scaling and product density improvements, and we have a strong research pipeline and plans for 7 nm, 5 nm and beyond.

Mobileye

Q. It appears that the investment for Mobileye comes at a very high cost. How did the valuation of a company with approximately $360M in revenue come out to become something approximately $15B? This is more than a Fab that Intel could have built.

A: This question was answered in the meeting. Please refer to the webcast replay available here.

Q. On March 13, 2017, Intel announced acquisition of Mobileye for almost $15 bil, offering 32% premium to pre-announcement price. Just ten weeks before that, the same stock was available 27% cheaper than pre-announcement price, and 32% premium to that price would have saved Intel shareholders about $3.5 bil. You don't wake up one day morning and decide to spend $15 bil. Assuming Intel has been evaluating buying Mobileye for a few months, why didn't the management decide to buy it in late-Dec/early-January, and save shareholders $3.5 billion dollars? Thanks

A: Public information related to the Mobileye transaction is available here: http://intelandmobileye.transactionannouncement.com.
Technical Issues

Q. Which browsers cannot access this meeting while it is in progress?

Q. Meeting software didn't work with Safari on a Mac

Q. No punctuation allowed in questions submitted

A. The video webcast platform supports all browsers including Google Chrome*, Microsoft Internet Explorer*, Mozilla Firefox* and Apple Safari*. If you encountered issues with the webcast, please provide us additional information as to what the specific issue may have been (freezing, buffering or no stream at all) and email it to investor.relations@intel.com so that we may troubleshoot.

For question submissions, the Q&A platform accepts alphanumeric characters and punctuation is allowed. However, if certain special characters are included in a question or if the questions is copied from another source, it may not be accepted by the Q&A platform. We did receive many questions that were submitted with commas, periods, question marks and other punctuation.

Forward Looking Statements

Intel’s responses to these questions, including any forward-looking statements in this document, reflect management’s views as of May 18, 2017. 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 or the SEC's website at www.sec.gov.

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