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 29, 2012.

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 000-06217

INTEL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware State or other jurisdiction of incorporation or organization	**94-1672743** (I.R.S. Employer Identification No.)
2200 Mission College Boulevard, Santa Clara, California (Address of principal executive offices)	**95054-1549** (Zip Code)

Registrant's telephone number, including area code **(408) 765-8080**

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

Title of each class	Name of each exchange on which registered
Common stock, $0.001 par value	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 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.

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 ☒

Aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2012, based

REPORT OF ERNST & YOUNG LLP, INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Intel Corporation

We have audited the accompanying consolidated balance sheets of Intel Corporation as of December 29, 2012 and December 31, 2011, and the related consolidated statements of income and comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 29, 2012. Our audits also included the financial statement schedule listed in the Index at Part IV, Item 15. These financial statements and schedule are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Intel Corporation at December 29, 2012 and December 31, 2011, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 29, 2012, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Intel Corporation's internal control over financial reporting as of December 29, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 19, 2013 expressed an unqualified opinion thereon.

Ernst + Young LLP

San Jose, California
February 19, 2013

Note 21: Commitments

A portion of our capital equipment and certain facilities are under operating leases that expire at various dates through 2028. Additionally, portions of our land are under leases that expire at various dates through 2062. Rental expense was $214 million in 2012 ($178 million in 2011 and $124 million in 2010).

Minimum rental commitments under all non-cancelable leases with an initial term in excess of one year were as follows as of December 29, 2012:

(In Millions)	
2013	$ 206
2014	177
2015	138
2016	98
2017	80
2018 and thereafter	210
Total	**$ 909**

Commitments for construction or purchase of property, plant and equipment totaled $4.6 billion as of December 29, 2012 ($4.7 billion as of December 31, 2011), substantially all of which will be due within the next year. Other purchase obligations and commitments totaled approximately $2.0 billion as of December 29, 2012 (approximately $1.0 billion as of December 31, 2011). Other purchase obligations and commitments include payments due under various types of licenses and agreements to purchase goods or services, as well as payments due under non-contingent funding obligations. Funding obligations include, for example, agreements to fund various projects with other companies. In addition, we have various contractual commitments with Micron and IMFT. For further information on these contractual commitments, see "Note 10: Equity Method and Cost Method Investments."

Note 22: Employee Equity Incentive Plans

Our equity incentive plans are broad-based, long-term programs intended to attract and retain talented employees and align stockholder and employee interests.

In May 2011, stockholders approved an extension of the 2006 Equity Incentive Plan (the 2006 Plan). Stockholders approved 168 million additional shares for issuance, increasing the total shares of common stock available for issuance as equity awards to employees and non-employee directors to 596 million shares. The approval also extended the expiration date of the 2006 Plan to June 2014. The maximum shares to be awarded as non-vested shares (restricted stock) or non-vested share units (restricted stock units) was increased to 394 million shares. As of December 29, 2012, 247 million shares remained available for future grant under the 2006 Plan.

Going forward, we may assume the equity incentive plans and the outstanding equity awards of certain acquired companies. Once they are assumed, we do not grant additional shares under those plans. In connection with our completed acquisition of McAfee in 2011, we assumed McAfee's equity incentive plan and issued replacement awards. The stock options and restricted stock units issued generally retain similar terms and conditions of the respective plan under which they were originally granted.

We issue restricted stock units with both a market condition and a service condition (market-based restricted stock units), referred to in our 2012 Proxy Statement as outperformance stock units, to a small group of senior officers and non-employee directors. For market-based restricted stock units issued in 2012, the number of shares of Intel common stock to be received at vesting will range from 50% to 200% of the target amount, based on total stockholder return (TSR) on Intel common stock measured against the benchmark TSR of a peer group over a three-year period. TSR is a measure of stock price appreciation plus any dividends paid in this performance period. As of December 29, 2012, 4 million market-based restricted stock units were outstanding. These market-based restricted stock units accrue dividend equivalents and generally vest three years and one month from the grant date.

Equity awards granted to employees in 2012 under our equity incentive plans generally vest over four years from the date of grant, and options expire seven years from the date of grant, with the exception of market-based restricted stock units, a small number of restricted stock units granted to executive-level employees, and replacement awards related to acquisitions.

The 2006 Stock Purchase Plan allows eligible employees to purchase shares of our common stock at 85% of the value of our common stock on specific dates. In May 2011, stockholders approved an extension of the 2006 Stock Purchase Plan. Stockholders approved 133 million additional shares for issuance, increasing the total shares of common stock available for issuance to 373 million shares. The approval also extended the expiration date of the 2006 Stock Purchase Plan to August 2016. As of December 29, 2012, 237 million shares were available for issuance under the 2006 Stock Purchase Plan.

INTEL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Share-Based Compensation

Share-based compensation recognized in 2012 was $1.1 billion ($1.1 billion in 2011 and $917 million in 2010).

On a quarterly basis, we assess changes to our estimate of expected equity award forfeitures based on our review of recent forfeiture activity and expected future employee turnover. We recognize the effect of adjustments made to the forfeiture rates, if any, in the period that we change the forfeiture estimate. The effect of forfeiture adjustments in 2012, 2011, and 2010 was not significant.

The total share-based compensation cost capitalized as part of inventory as of December 29, 2012 was $41 million ($38 million as of December 31, 2011 and $48 million as of December 25, 2010). During 2012, the tax benefit that we realized for the tax deduction from share-based awards totaled $510 million ($327 million in 2011 and $266 million in 2010).

We estimate the fair value of restricted stock unit awards with time-based vesting using the value of our common stock on the date of grant, reduced by the present value of dividends expected to be paid on our common stock prior to vesting. We estimate the fair value of market-based restricted stock units using a Monte Carlo simulation model on the date of grant. We based the weighted average estimated value of restricted stock unit grants, as well as the weighted average assumptions that we used in calculating the fair value, on estimates at the date of grant, as follows:

	2012	2011	2010
Estimated values	$ 25.32	$ 19.86	$ 22.56
Risk-free interest rate	0.3%	0.7%	1.1%
Dividend yield	3.3%	3.4%	2.6%
Volatility	26%	27%	31%

We use the Black-Scholes option pricing model to estimate the fair value of options granted under our equity incentive plans and rights to acquire stock granted under our stock purchase plan. We based the weighted average estimated value of employee stock option grants and rights granted under the stock purchase plan, as well as the weighted average assumptions used in calculating the fair value, on estimates at the date of grant, as follows:

	Stock Options			Stock Purchase Plan		
	2012	2011	2010	2012	2011	2010
Estimated values	$ 4.22	$ 3.91	$ 4.82	$ 5.47	$ 4.69	$ 4.71
Expected life (in years)	5.3	5.4	4.9	0.5	0.5	0.5
Risk-free interest rate	1.0%	2.2%	2.5%	0.1%	0.2%	0.2%
Volatility	25%	27%	28%	24%	26%	32%
Dividend yield	3.3%	3.4%	2.7%	3.3%	3.6%	3.1%

We base the expected volatility on implied volatility because we have determined that implied volatility is more reflective of market conditions and a better indicator of expected volatility than historical volatility. Prior to 2011, we used the simplified method of calculating expected life due to significant differences in the vesting terms and contractual life of current option grants compared to our historical grants. In 2011, we began using historical option exercise data as the basis for determining expected life, as we believe that we have sufficient historical data to provide a reasonable basis upon which to estimate the expected life input for valuing options using the Black-Scholes model.

Restricted Stock Unit Awards

Information with respect to outstanding restricted stock unit (RSU) activity is as follows:

(In Millions, Except Per RSU Amounts)	Number of RSUs	Weighted Average Grant-Date Fair Value
December 26, 2009	**105.4**	**$ 17.03**
Granted	32.4	$ 22.56
Vested	(34.6)	$ 17.70
Forfeited	(3.4)	$ 17.98
December 25, 2010	**99.8**	**$ 18.56**
Granted	43.3	$ 19.86
Assumed in acquisition	5.8	$ 20.80
Vested	(37.5)	$ 18.60
Forfeited	(4.4)	$ 19.07
December 31, 2011	**107.0**	**$ 19.18**
Granted	49.9	$ 25.32
Vested	(43.2)	$ 18.88
Forfeited	(4.4)	$ 20.93
December 29, 2012	**109.3**	**$ 22.03**
Expected to vest as of December 29, 2012	**103.5**	**$ 20.21**

The aggregate fair value of awards that vested in 2012 was $1.2 billion ($753 million in 2011 and $808 million in 2010), which represents the market value of Intel common stock on the date that the restricted stock units vested. The grant-date fair value of awards that vested in 2012 was $816 million ($697 million in 2011 and $612 million in 2010). The number of restricted stock units vested includes shares that we withheld on behalf of employees to satisfy the minimum statutory tax withholding requirements. Restricted stock units that are expected to vest are net of estimated future forfeitures.

As of December 29, 2012, there was $1.5 billion in unrecognized compensation costs related to restricted stock units granted under our equity incentive plans. We expect to recognize those costs over a weighted average period of 1.3 years.

Stock Option Awards

As of December 29, 2012, options outstanding that have vested and are expected to vest are as follows:

	Number of Options (In Millions)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value (In Millions)
Vested	139.8	$ 19.76	2.5	$ 199
Expected to vest	59.9	$ 21.12	4.7	$ 69
Total	**199.7**	**$ 20.17**	**3.2**	**$ 268**

Aggregate intrinsic value represents the difference between the exercise price and $20.23, the closing price of Intel common stock on December 28, 2012, as reported on The NASDAQ Global Select Market*, for all in-the-money options outstanding. Options outstanding that are expected to vest are net of estimated future option forfeitures.

Options with a fair value of $205 million completed vesting during 2012 ($226 million during 2011 and $240 million during 2010). As of December 29, 2012, there was $96 million in unrecognized compensation costs related to stock options granted under our equity incentive plans. We expect to recognize those costs over a weighted average period of 1.0 years.

INTEL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Additional information with respect to stock option activity is as follows:

(In Millions, Except Per Option Amounts)	Number of Options	Weighted Average Exercise Price
December 26, 2009	**451.3**	**$ 25.08**
Grants	20.2	$ 23.25
Exercises	(16.6)	$ 18.36
Cancellations and forfeitures	(16.1)	$ 24.76
Expirations	(52.4)	$ 60.68
December 25, 2010	**386.4**	**$ 20.45**
Grants	14.7	$ 21.49
Assumed in acquisition	12.0	$ 15.80
Exercises	(86.3)	$ 20.06
Cancellations and forfeitures	(8.6)	$ 20.47
Expirations	(19.9)	$ 24.85
December 31, 2011	**298.3**	**$ 20.12**
Grants	13.5	$ 27.01
Exercises	(85.8)	$ 20.45
Cancellations and forfeitures	(3.9)	$ 21.17
Expirations	(19.3)	$ 22.45
December 29, 2012	**202.8**	**$ 20.20**
Options exercisable as of:		
December 25, 2010	263.0	$ 21.03
December 31, 2011	203.6	$ 20.44
December 29, 2012	139.8	$ 19.76

The aggregate intrinsic value of stock option exercises in 2012 was $517 million ($318 million in 2011 and $65 million in 2010), which represents the difference between the exercise price and the value of Intel common stock at the time of exercise.

The following table summarizes information about options outstanding as of December 29, 2012:

	Outstanding Options			Exercisable Options	
Range of Exercise Prices	Number of Shares (In Millions)	Weighted Average Remaining Contractual Life (In Years)	Weighted Average Exercise Price	Number of Shares (In Millions)	Weighted Average Exercise Price
$1.12–$15.00	3.6	4.0	$ 11.94	2.3	$ 11.75
$15.01–$20.00	125.1	2.9	$ 18.30	96.5	$ 18.37
$20.01–$25.00	50.3	3.6	$ 22.18	30.1	$ 22.14
$25.01–$30.00	23.3	4.1	$ 27.09	10.4	$ 26.97
$30.01–$33.03	0.5	0.9	$ 32.08	0.5	$ 32.08
Total	**202.8**	**3.2**	**$ 20.20**	**139.8**	**$ 19.76**

These options will expire if they are not exercised by specific dates through April 2021. Option exercise prices for options exercised during the three-year period ended December 29, 2012 ranged from $0.33 to $28.15.

Stock Purchase Plan

Approximately 72% of our employees were participating in our stock purchase plan as of December 29, 2012 (70% in 2011 and 75% in 2010). Employees purchased 17.4 million shares in 2012 for $355 million under the 2006 Stock Purchase Plan (18.5 million shares for $318 million in 2011 and 17.2 million shares for $281 million in 2010). As of December 29, 2012, there was $13 million in unrecognized compensation costs related to rights to acquire common stock under our stock purchase plan. We expect to recognize those costs over a period of approximately one and a half months.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

This section of the proxy statement explains how the Compensation Committee of the Board of Directors oversees our executive compensation programs, and discusses the compensation earned by Intel's listed officers (the CEO, the CFO, and the three other most highly compensated executive officers in 2012) as presented in the tables below under "Executive Compensation." This Compensation Discussion and Analysis is composed of four sections:

- **Executive Summary** —Highlights 2012 performance and pay;
- **Compensation Philosophy and Practices** —A discussion of Intel's executive compensation framework, including the philosophy behind the total compensation package, as well as descriptions of each element of the package;
- **2012 Compensation of Our Listed Officers** —Provides greater detail on individual compensation of our listed officers; and
- **Other Aspects of Our Compensation Programs** —A discussion of other policies and processes related to our executive compensation programs.

Detailed compensation tables quantifying and further explaining our listed officers' compensation follow this Compensation Discussion and Analysis.

For 2012, our listed officers were:

- Paul S. Otellini, President and Chief Executive Officer
- Stacy J. Smith, Executive Vice President, Director, Corporate Strategy, and Chief Financial Officer
- David Perlmutter, Executive Vice President, General Manager, Intel Architecture Group, and Chief Product Officer
- Brian M. Krzanich, Executive Vice President and Chief Operating Officer
- Renee J. James, Executive Vice President and General Manager, Software and Services Group

Executive Summary

Intel has a long-standing commitment to pay for performance that we implement by providing a majority of compensation through programs in which the amounts ultimately received vary to reflect our financial and operational performance. Our executive compensation programs evolve and are adjusted over time to support Intel's business goals and to promote both the near- and long-term profitable growth of the company. Total compensation for each executive officer varies with Intel's performance in achieving financial and non-financial objectives and with individual performance. The majority of cash compensation consists of payments under our annual incentive cash plans, which are based on absolute and relative financial performance, company performance relative to operational goals, and individual performance. Equity-based compensation, consisting of variable performance-based restricted stock units (OSUs), time-based restricted stock units (RSUs), and stock options, is used to align compensation with the long-term interests of Intel's stockholders by focusing our executive officers on total stockholder return (TSR). In setting 2012 listed officer compensation, the Compensation Committee reviewed compensation of a peer group consisting of 13 technology companies (the technology peer group) and 10 other companies in the S&P 100.

During 2012 the Compensation Committee determined to maintain the key components of our annual compensation program, consisting of base salary, annual and semi-annual incentive cash awards, and annual equity grants reflecting a mix of OSUs, RSUs and stock options. The committee also adjusted compensation levels and approved special equity awards in anticipation of the transition to Intel's next CEO and to retain our executive talent through the transition.

As shown in the following table, Intel's revenue for 2012 was down 1% from 2011 and lower than we expected at the start of the year. In a challenging environment, the company's business continues to produce significant cash from operations, generating $18.9 billion in 2012. Intel returned $4.4 billion to stockholders through dividends and repurchased $4.8 billion of common stock through the common stock repurchase program. In addition, the company purchased $11 billion in capital assets as we continue to make significant investments to extend our manufacturing leadership.

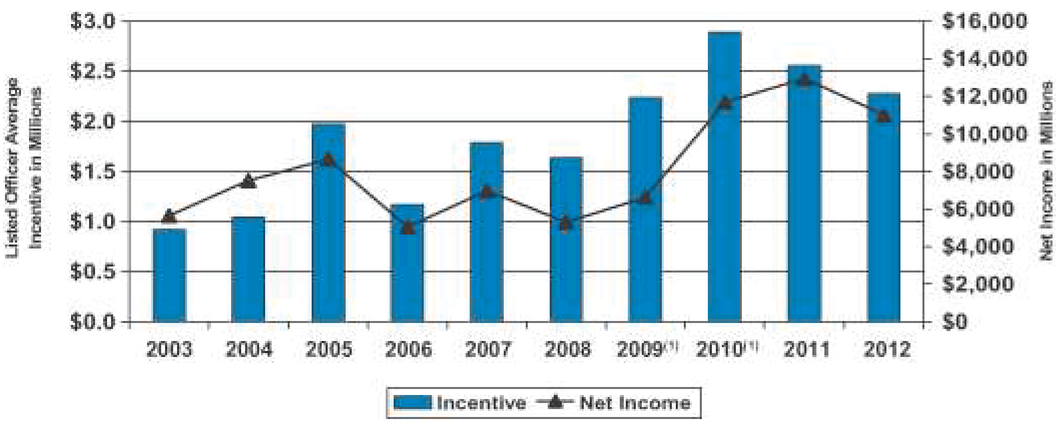
	2012 [1] ($ in millions, except per share amounts)	2011 [1] ($ in millions, except per share amounts)	Change (%)
Net Revenue	53,341	53,999	(1)%
Net Income	11,005	12,942	(15)%
Stock Price (high and low) [2]	29.18/19.36	25.66/19.19	n/a
Stock Price per Share as of Fiscal Year-End	20.23	24.25	(17)%

1 *2012 was a 52-week year and 2011 was a 53-week year.*

2 *For 2012, based on a 52-week closing-price high and low, and for 2011, based on a 53-week closing-price high and low. Net income results are based on U.S. generally accepted accounting principles (GAAP).*

The listed officers' reported compensation for 2012 was affected by our annual performance. The annual incentive cash plan is designed to reward annual performance, and represents the largest portion of cash compensation for the listed officers. Because Intel's annual incentive cash plan focuses primarily on net income growth performance, the payouts for 2012 were lower than they were in 2011. The calculated payout multiplier for 2012 was 99% of the annual incentive cash target amount, in contrast to the payout multiplier of 117% in 2011. However, for 2012 the Compensation Committee determined to use its negative discretion under the plan to reduce the multiplier for all the executive officers to 94% of the annual incentive cash target amount to reflect the committee's view that the company had not satisfied all of its business objectives for the year and that the cash payout to the executive officers ought to reflect greater overall responsibility for the company's results compared to other employees.

The link between the company's financial performance and the listed officers' annual incentive cash plan is illustrated in the following graph, which shows how the average cash incentive payments have varied based on Intel's net income results.



1 *Non-GAAP net income was used for 2009 and 2010.*

Compensation Philosophy and Practices

The Compensation Committee and Intel's management believe that compensation is an important tool for helping to recruit, retain, and motivate the employees on whom the company depends for its 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 special payment arrangements that would be triggered by a "change in control" of Intel.
- *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 include the use of several objective performance measures, including measuring Intel's relative TSR performance against the technology peer group and a market comparator group.

Intel's Compensation Framework

The Compensation Committee determines the compensation for our executive officers. The committee considers, adopts, reviews, and revises executive officer compensation plans, programs, and guidelines, and reviews and determines all components of each executive officer's compensation. As discussed above under "Corporate Governance; Compensation Committee," Farient Advisors served as the committee's independent advisor for 2012. During 2012, Farient Advisors' work with the Compensation Committee included advice and recommendations on:

- total compensation philosophy;
- program design, including program goals, components and metrics;
- compensation trends in the technology sector and in the general marketplace for senior executives;
- regulatory trends; and
- the compensation of the CEO and the other executive officers, including advice on the special retention awards related to the CEO succession process.

The committee also consults with management and Intel's Compensation and Benefits Group regarding executive and non-executive employee compensation plans and programs, including administering our equity incentive plans.

Executive officers do not propose or seek approval for their own compensation. The CEO makes a recommendation to the Compensation Committee on the base salary, annual incentive cash targets, and equity awards for each executive officer other than himself and the Chairman of the Board, based on his assessment of each executive officer's performance during the year and the CEO's review of compensation data gathered from compensation surveys. The CEO documents each executive officer's performance during the year, detailing accomplishments, areas of strength, and areas for development. The CEO bases his evaluation on his knowledge of each executive officer's performance, an individual self-assessment completed by each executive officer, and feedback provided by employees who report directly to such executive officer. When developing his recommendations for each executive officer other than himself, the CEO also reviews the compensation data gathered from compensation surveys. Intel's Senior Vice President of Human Resources and the Compensation and Benefits Group assist the CEO in developing the executive officers' performance reviews and reviewing market compensation data to determine the compensation recommendations.

The annual performance reviews of the CEO and of the Chairman are developed by the independent directors acting as a committee of the whole Board. For the CEO's review, formal input is received from the independent directors, the Chairman, and senior management. The CEO also submits a self-assessment focused on pre-established objectives agreed upon with the Board. The independent directors meet as a group in executive sessions to prepare the review, which is completed and presented to the CEO. This evaluation is used by the Compensation Committee to determine the CEO's base salary, annual incentive cash target, and equity awards.

Performance reviews for the CEO and other executive officers consider these and other relevant topics that may vary depending on the role of the individual officer:

- *Strategic Capability.* How well does the executive officer identify and develop relevant business strategies and plans?
- *Execution.* How well does the executive officer execute strategies and plans?
- *Leadership Capability.* How well does the executive officer lead and develop the organization and people?

Elements of Compensation

Executive compensation at Intel consists of the following principal elements:

- *Base salary* refers to the annual fixed (non-variable) pay rate, which we use to provide a minimum, fixed level of cash compensation for executive officers.
- *Performance-based cash compensation,* includes payments under our annual incentive cash plan and our semiannual incentive cash plan, and is used to encourage and reward executive officers' contributions in producing strong financial and operational results.
- *Total cash compensation* refers to base salary plus performance-based cash compensation.
- *Equity awards* consist of OSUs, RSUs, and stock options, which we also use to seek to align the interests of executive officers with those of stockholders through equity ownership, and which are also used as retention tools through time-based vesting requirements.
- *Performance-based compensation* refers to performance-based cash compensation and equity awards.
- *Total direct compensation* refers to the aggregate value of base salary, performance-based cash compensation, and equity awards (with equity value based on accounting valuation as of the date the awards are approved or granted).
- *Total compensation,* as reported in the Summary Compensation table, includes total direct compensation and compensation provided through other benefit programs such as our retirement contribution plan and non-qualified deferred compensation plan, which are designed to provide for retirement income and tax-efficient retirement savings for executive officers.

How Pay-for-Performance Works at Intel

Intel's pay-for-performance programs include performance-based cash compensation that varies depending on financial and operational performance, and equity awards that vary in economic value depending on stock price and TSR performance. Annual and semiannual incentive cash payments are determined primarily by Intel's annual financial results and are not directly linked to Intel's stock price performance. Equity compensation is tied to Intel's stock price performance and to Intel's TSR performance relative to the technology peer group or a market comparator group over a long-term time horizon.

The Compensation Committee evaluates total direct compensation against the 50th to 65th percentile of our peer group, ensuring that the competitive data is adjusted appropriately, as needed, for the company's size, to provide flexibility to attract and retain the best people for our business and to recognize that the competitive market data can fluctuate upward or downward in any given year, thus altering our relative pay positioning. For these purposes, the technology peer group was referenced in 2012 for determining compensation of executives with direct business unit responsibility, whereas corporate-level executives' compensation was evaluated based on a peer group consisting of the technology peer group and 10 other companies in the S&P 100. The committee believes that this approach was appropriate because the relevant market for business unit executives is primarily technology companies and the relevant market for corporate-level executives is generally a broader market. Actual pay positions vary by individual and take into account factors such as recruitment and retention, individual performance, internal pay equity, and the size of previous-year awards.

Annual Incentive Cash Payments

Annual incentive cash payments to the listed officers are made under the Intel Executive Officer Incentive Plan. This plan mirrors the broad-based annual incentive cash plan for employees, with the added feature of an individual performance adjustment.

At the beginning of the year, the Compensation Committee sets an annual incentive cash target for each executive officer, and following the end of the year the annual incentive cash target amount is multiplied by an annual incentive cash multiplier, which is the average of three performance ratios. The resulting payout may then be adjusted upward or downward by up to 10% based upon an individual's performance. The committee may further adjust a payout downward (but not upward) on a discretionary basis. The three performance ratios are based on:

- Intel's current-year net income (GAAP) or adjusted net income (non-GAAP) relative to Intel's average net income used in the calculation over the previous three years;
- Intel's net income growth or adjusted net income growth relative to that of the market comparator group similarly calculated on a GAAP or non-GAAP basis, respectively; and
- satisfaction of Intel operational performance goals.

We typically expect the annual incentive cash multiplier calculated under the plan to range from 67% to 133% of the annual incentive cash target (100%), but the annual incentive cash multiplier may be higher or lower depending on the output of the formula and (as for 2012) the exercise of negative discretion by the Compensation Committee. The annual incentive cash payment in any event cannot exceed $10 million for any individual.

Semiannual Incentive Cash Payments

Intel's executive officers also participate in a company-wide, semiannual incentive cash plan that calculates payouts based on Intel's corporate profitability, which links compensation to financial performance. Payouts are communicated as a number of extra days of compensation, with executive officers typically receiving the same number of extra days as other employees.

Equity Awards

The Compensation Committee and management believe that equity compensation is a critical component of a total direct compensation package that helps Intel recruit, retain, and motivate the employees needed for the company's present and future success.

The committee determines the amount of equity grants based on its subjective consideration of factors such as relative job scope, individual performance, expected future contributions to the growth and development of the company, and the competitiveness of grants relative to the peer group. When evaluating future contributions, the committee projects the value of the executive officer's future performance based on the executive officer's expected career development. The difference in grant value from year to year for any individual will reflect a number of factors, including changes in market-competitive grant values, promotions, and individual performance considerations.

Stock awards to listed officers generally are granted annually, utilizing three different equity vehicles: variable performance-based restricted stock units which we refer to as outperformance stock units (OSUs), restricted stock units (RSUs) and stock options. The stock awards are designed to align the interests of our executive officers and our stockholders. The "portfolio" approach, using multiple equity vehicles, is intended to encourage a balanced approach to long-term value creation.

OSU Awards. For 2012, 50% of the total value of the listed officers' annual equity award was made in the form of OSUs. OSUs are performance-based RSUs under which the number of shares of Intel common stock received following vesting is based on Intel's Total Stockholder Return (TSR) performance measured against the TSR of a peer group of companies over a three-year period. In this regard, they are designed to reward and reflect performance compared to our peers. OSUs cliff vest 37 months after their grant date.

TSR is a measure of stock price appreciation plus any dividends payable during the performance or vesting period for the OSUs. The committee determined to use OSUs as the primary equity vehicle for listed officers because the OSUs reflect a balance between stock options and RSUs: they are performance-based and present significant upside potential for superior stock price performance comparable to that of stock options, but they share some attributes of traditional RSUs by offering some value to the recipient even if the stock price declines over the three-year measurement period. For more information on how OSUs are earned, see the Grants of Plan-Based Awards table in "Executive Compensation."

RSU Awards. For 2012, 30% of the total value of the listed officers' annual equity award was made in the form of RSUs. RSUs are intended to retain executive officers and reward them for absolute long-term stock price appreciation while providing some value to the recipient even if the stock price declines. RSUs also serve to balance the riskier nature of stock options and to provide a significant incentive to stay with the company. RSUs granted to the listed officers in 2012, except for special retention awards in the form of RSUs that will be discussed later, will vest in substantially equal quarterly increments over three years from the grant date. Quarterly vesting of RSUs helps offset the three-year cliff vesting of the OSUs.

Stock Options. For 2012, 20% of the total value of the listed officers' annual equity award was made in the form of stock options. Stock options' future realizable value depends upon stock price appreciation above the exercise price set on the grant date, thus rewarding listed officers for absolute long-term stock price appreciation. Stock options granted to listed officers in 2012 will vest in 25% increments annually over four years and have a term of seven years. The grant price of the stock options continues to be set on a regularly scheduled grant date with no discount or premium.

Special Awards. The Compensation Committee also retains the discretion to make equity grants for special purposes, including, for example, employee retention and to support or recognize particular goals or programs. As described in detail below under "Special Equity Awards for 2012", in 2012 the committee granted a success equity award in the form of RSUs to the CEO based on performance, and special retention awards in the form of RSUs to the other listed officers, all of which were designed to facilitate a smooth CEO transition.

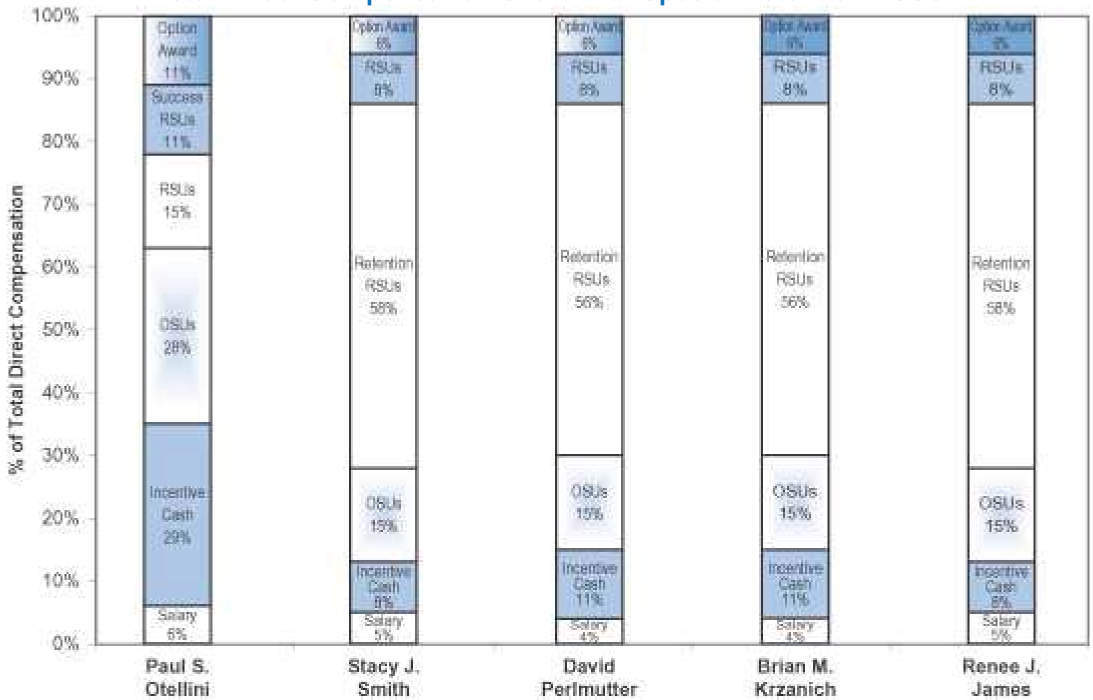
2012 Compensation of Our Listed Officers

In January of 2012, the Compensation Committee established base salaries, annual incentive cash target amounts, and operational goals under the annual incentive cash plan, and determined the equity awards for executive officers, including the special retention awards in the form of RSUs to the listed officers, other than the CEO. Because the special retention awards are designed to assist in retention over a multi-year period, they constituted the majority of the 2012 compensation for the listed officers other than the CEO. In January 2013, the committee approved the performance-based calculation used in making annual incentive cash payments and approved contributions to the retirement contribution plan.

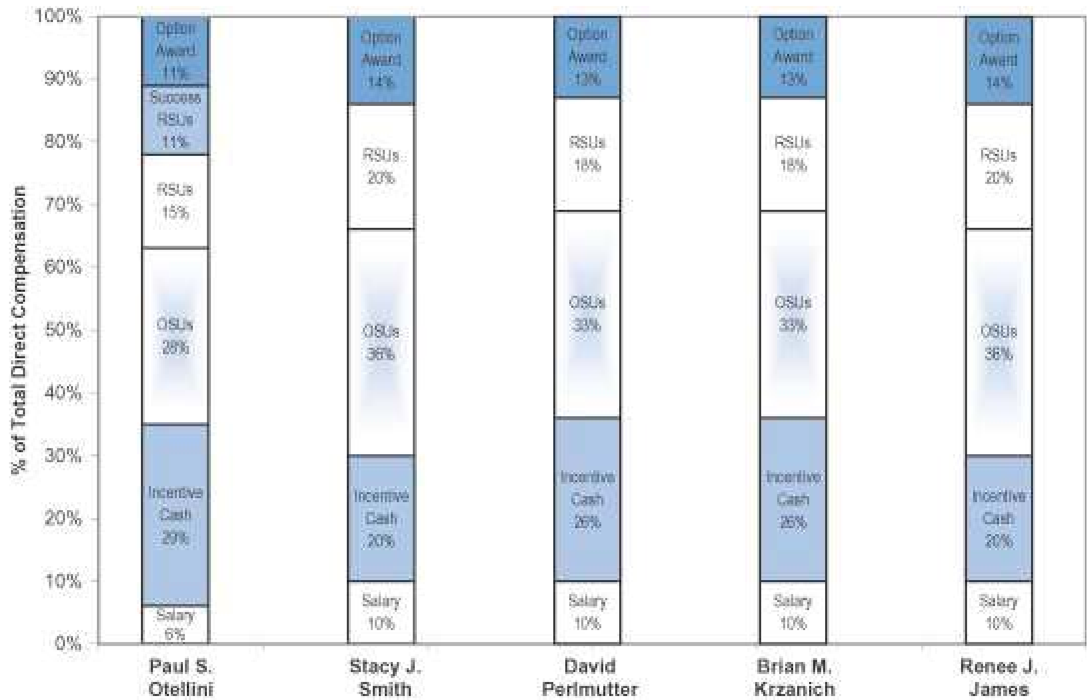
Total Direct Compensation

The following charts show the allocation of the listed officers' total direct compensation for 2012, both with and without the special retention awards in the form of RSUs, reflecting the extent to which their total direct compensation consists of performance-based compensation.

Total Direct Compensation Chart With Special Retention RSUs



Total Direct Compensation Chart Without Special Retention RSUs



Total Cash Compensation for 2012

When setting cash compensation for 2012 (both base salary and annual incentive cash targets), the Compensation Committee focused primarily on the following factors:

- changes in the levels of compensation in the competitive benchmark positions for each listed officer;
- internal pay equity and retention considerations as Intel prepares for the CEO transition; and
- changes in job responsibilities for certain listed officers.

For Mr. Otellini, the committee approved an approximate 9% increase in his salary to maintain this element of compensation at approximately the 50th percentile of the peer group, and approved a corresponding increase (of approximately 10%) in his annual incentive cash target amount to reinforce his focus on the mix of operational and financial improvement goals embodied in the annual incentive cash plan. The committee took into account the specific changes in job responsibilities (including through business unit expansion) and promotions for the other listed officers, as well as its desire to retain these executives as it prepared to evaluate CEO succession:

- Mr. Smith, who assumed additional responsibility for the strategy group. While Mr. Smith's salary is generally in line with the competitive benchmark for CFO salaries (requiring only a 2% increase to remain at the target competitive level), his incentive target was below market, particularly after factoring in his increased responsibility for corporate strategy. This added responsibility is recognized through both his 19% increase to annual incentive target and his subsequent promotion to Executive Vice President in 2012.
- Mr. Perlmutter, who had sole responsibility for Intel's engineering group, leading the strategic focus on System-on-Chip (SoC) development. Mr. Perlmutter's salary required only a 4% increase to maintain a market-competitive position. His annual incentive target was increased 69% to reflect the increased strategic significance of Intel's SoC efforts.
- Mr. Krzanich, who assumed additional responsibility for human resources and information technology operations, in addition to Intel's global manufacturing and supply chain operations, and was promoted to Chief Operating Officer (COO). Mr. Krzanich's salary was increased 25% and his annual incentive target increased 107% to maintain parity with the targeted competitive market position of his new role as Intel's COO. The increase is commensurate with the increased responsibilities of his new role and his promotion to Executive Vice President.
- Ms. James, who managed expanded operations as the Software and Services Group continued to grow in all of Intel's business lines. Ms. James' salary increased 18% in response to both competitive market increases and the increased importance of the Software and Services Group's contributions to Intel's future. Her annual incentive target increased 44% in recognition of increased strategic importance and complexity of her role, evidenced not only by her compensation increases but also her subsequent promotion to Executive Vice President in 2012.

For 2012, based on the factors discussed above, the Compensation Committee increased the listed officers' base salaries as shown in the table below.

Name	2012 Base Salary ($)	2011 Base Salary ($)	2011 to 2012 Increase (%)
Paul S. Otellini	1,200,000	1,100,000	9%
Stacy J. Smith	650,000	635,000	2%
David Perlmutter	700,000	670,000	4%
Brian M. Krzanich	700,000	560,000	25%
Renee J. James	650,000	550,000	18%

Table of Contents

In January 2012, the Compensation Committee increased the listed officers' fiscal 2012 annual incentive cash targets as shown in the table below.

Name	2012 Annual Incentive Cash Target Amount ($)	2011 Annual Incentive Cash Target Amount ($)	2011 to 2012 Change (%)
Paul S. Otellini	5,300,000	4,800,000	10%
Stacy J. Smith	1,250,000	1,050,000	19%
David Perlmutter	1,800,000	1,065,000	69%
Brian M. Krzanich	1,800,000	870,000	107%
Renee J. James	1,250,000	870,000	44%

Following the end of fiscal 2012, the Compensation Committee approved the annual incentive cash multiplier results pursuant to the plan's formula, which yielded an annual incentive cash multiplier of 99%, calculated as follows:

Absolute Financial Component ($ in millions)	Relative Financial Component	Operational Component	Scoring	Multiplier
$11,005 / $10,414	(1% – .150%) / (1% – .081%)	Revitalize the PC	25.7	
		Data Center and Cloud	15.0	
		Manufacturing, Technology and Velocity	16.0	
		Tablets	12.7	
		Phones	8.7	
		Compute Continuum	11.0	
		Organizational Health, Environment, Earnings, and NAND	9.0	
105.7%	**92.5%**	**TOTAL**	**98.1%**	**296%÷3=99%**

- The absolute financial component declined from 164.6% in the 2011 calculation to 105.7% due to the decline in the 2012 earnings compared with an increase in prior three-year average net income.
- The relative financial component was essentially flat year on year, changing from 93.1% for 2011 to 92.5% for 2012.
- The operational component improved from 92.3% for 2011 to 98.1% for 2012. Operational component goals differ each year based on business and operational planning for each new year. In 2012, goals related to the Data Center and Cloud and Revitalize the PC components had more weighting and better scoring than, for example, the Phone operational sub-component.

For more information on the three performance components, see the Grants of Plan-Based Awards table in "Executive Compensation."

The Compensation Committee determined to use its discretion under the plan to reduce the multiplier for all our executive officers from 99% to 94% of their annual incentive cash target amounts. The committee's view in taking this action was that Intel had not satisfied all of its business objectives for the year and that the annual incentive cash payout to the executive officers ought to reflect greater overall responsibility for Intel's results compared to other employees. The following table details the annual incentive cash payments for each listed officer, reflecting the year-over-year changes as a result of a lower annual incentive cash multiplier and the changes in annual incentive cash target amounts discussed above. Although the year-over-year performance was lower than the previous year, the increases in annual targets made at the beginning of the year resulted in payouts that were more than last year for some of the listed officers.

Name	2012 Annual Incentive Cash Payment ($)	2011 Annual Incentive Cash Payment ($)	2011 to 2012 Increase (Decrease) (%)
Paul S. Otellini	4,982,000	6,160,000	(19%)
Stacy J. Smith	1,175,000	1,288,000	(9%)
David Perlmutter	1,692,000	1,306,400	30%
Brian M. Krzanich	1,692,000	1,067,200	59%
Renee J. James	1,175,000	1,067,200	10%

Payments earned under our semi-annual incentive cash program in 2012 totaled 20.1 days of compensation per employee, including executive officers, down from 26.4 days in 2011 for eligible employees and for executive officers. This total includes two days of compensation resulting from Intel's achievement of its customer satisfaction goals in 2012 and 2011. In 2012, semiannual incentive cash payments represented approximately 6% of the listed officers' total performance-based cash compensation.

Annual Equity Awards for 2012

For 2012, the annual awards to listed officers were approximately 50% OSUs, 30% RSUs, and 20% stock options, based upon grant date fair value and reflecting the same mix as in 2011, and excluding any special incentive awards (success equity award for the CEO and the special retention awards for the other listed officers).

Award sizes for 2012 were determined through a combination of an annual review of the level of grant value appropriate to remain competitive with the peer group's equity grant values, along with an annual assessment of the individual's performance over the previous year and expected future contributions. For Mr. Otellini, the Compensation Committee approved a target equity award value that would place his target total direct compensation at the upper end of the targeted peer group range. For the listed officers other than Mr. Otellini, the committee applied a matrix of grant values reflecting employment grade level and individual performance ratings, ranking each of the other listed officers at the highest ranking in the matrix.

The following table illustrates the change in award values of the annual equity grant authorization in 2012 (excluding the special equity awards) relative to grant date fair value of awards in 2011. The increase for Mr. Otellini reflects increases in the competitive market for CEOs. The increases for Mr. Smith and Mr. Perlmutter reflect the increases to the competitive market for executive vice presidents. The increases for Mr. Krzanich and Ms. James reflect their promotions to Executive Vice President. Mr. Smith was also promoted to Executive Vice President in 2012, however, to ensure his parity with the competitive market for CFOs, his 2011 grant was made at the Executive Vice President level even though he was a Senior Vice President at the time.

Name	2012 Approved Value of Equity Awards ($)	2011 Grant Date Fair Value of Equity Awards ($)
Paul S. Otellini	10,000,000	9,133,900
Stacy J. Smith	4,500,000	4,050,700
David Perlmutter	4,500,000	4,050,700
Brian M. Krzanich	4,500,000	3,097,600
Renee J. James	4,500,000	3,097,600

Special Equity Awards for 2012

In connection with succession planning, the Compensation Committee established the Success Equity Program for Mr. Otellini. For 2012, this program consisted of a performance-based bonus in the form of RSUs that would vest after one year and be payable in shares of Intel common stock, with half of the shares subject to a one-year post-retirement holding period, and the other half subject to a two-year post-retirement holding period. The target award for 2012 was set at 75,000 shares of Intel common stock. The actual payout, which could range from 0% to 200% of target, was based on the Compensation Committee's and the Board of Directors' subjective assessment of Mr. Otellini's performance based on a number of criteria. In January 2013, the committee approved a payout valued at approximately $2 million, and Mr. Otellini was issued 94,518 shares. These shares are subject to the post-retirement holding periods described above.

In addition, in 2012 the Compensation Committee granted special retention awards in the form of RSUs to certain senior executive officers in anticipation of the transition to Intel's next CEO. The committee deemed it appropriate to make these grants, which did not include the CEO, as an incentive for them to remain with Intel through the CEO transition. When these special retention RSUs were granted in January 2012 the current CEO, Mr. Otellini, was expected to retire no later than 2016, and the committee used a five-year vesting schedule weighted to the later years for these special retention RSUs. The award value of the special retention RSUs granted to each of the listed officers, other than Mr. Otellini, was $10 million based on the average of Intel's high and low trading prices on the date of grant and equaled approximately twice the grant date value of the recipient's annual equity grant; however, under accounting standards applied by the company, the grant date fair value of these awards reported in the Summary Compensation table is approximately $8.8 million. The committee believed that the award values and the five-year vesting schedule were appropriate under the circumstances as a retention incentive.

In November 2012, Mr. Otellini announced his intention to retire effective May 2013, and the Board of Directors began a schedule of work with the goal of choosing a new CEO by the date of the annual stockholders' meeting. Due to this accelerated transition schedule, the committee concluded that the original five-year vesting schedule of the special retention RSUs approved in January 2012 was no longer appropriate and ought to be adjusted to offer value for retention purposes during the period of 2013-2015. As a result, in January 2013 the vesting schedule for these special retention RSUs was amended such that they now vest over four years from their original 2012 grant date, with 20% vesting on the second anniversary of the grant, 40% on the third anniversary and 40% on the fourth anniversary, as illustrated in the following table:

Date	January 2014	January 2015	January 2016
% Vesting	20%	40%	40%

Although these special retention RSUs will vest over four years from the date of their original grant, the total grant-date value of the awards is reported in the year in which they were granted in accordance with SEC regulations. As a result, the special retention RSUs constitute the majority of the 2012 compensation increases for the listed officers other than the CEO.

2009-2012 OSU Payout

Variable, performance-based OSUs were first granted in 2009, and 2012 was the first year in which the three-year OSU performance period ended and OSUs were settled. In 2012, the listed officers received Intel common shares totaling 162.9% percent of target for the OSUs granted in 2009. The settlement of these awards is not reflected in the listed officers' compensation reported in the Summary Compensation Table, but appears in the table captioned "Stock Option Exercises and Stock Vested in Fiscal Year 2012."

OSU payout was above target due to Intel's strong total stockholder return over the three-year performance period. Intel's TSR was 75.0%, exceeding the peer group TSR of 57.7% by 17.3 percentage points. The 2009 OSUs paid out at a 3:1 ratio for each percentage point that Intel's TSR exceeds the peer group TSR. For this purpose, peer group TSR is the average of the median TSR of the 2009 Proxy Statement's 15 technology peer group companies, which was 57.5%, and the median TSR of the S&P 100 (excluding the company's TSR), which was 57.8%. Therefore, the OSUs were converted into earned units equal to 151.9% of target. In addition, dividend equivalents are awarded on the earned units. The dividend equivalents, which were paid in the form of additional shares of Intel common stock, contributed an additional 11.0 percentage points to target. Total payout, including both TSR outperformance and dividend equivalents, was 162.9% of target.

Other Aspects of Our Executive Compensation Programs

2012 External Competitive Considerations

To assist the Compensation Committee in its review of executive compensation for 2012, Intel's Compensation and Benefits Group provided compensation data compiled from executive compensation surveys, as well as data gathered from annual reports and proxy statements from companies that the committee has selected as a "peer group" for executive compensation analysis purposes. This historical compensation data was then adjusted to arrive at current-year estimates for the peer group. The committee used this data to compare the compensation of our listed officers to that of the peer group.

The peer group for 2012 included 13 technology companies (the technology peer group) and 10 companies outside the technology industry from the S&P 100. When the peer group was created in 2007, the committee chose companies from the S&P 100 that resembled Intel in various respects, such as those that made significant investments in research and development and/or had substantial manufacturing and global operations. In addition, the committee selected companies whose three-year averages for revenue, net income, and market capitalization approximated Intel's. The peer group includes companies with which Intel competes for employees and includes the companies that Intel uses for measuring relative financial performance for annual incentive cash payments.

Table of Contents

The peer group for 2012 was substantially the same as for 2011, with the following adjustments, based on the criteria noted above: Advanced Micro Devices, Inc., NVIDIA Corporation, and Yahoo! Inc. were removed from the technology peer group, primarily due to their smaller size relative to Intel, and Amazon.com, Inc. was added as a larger-capitalization technology company with which Intel competes for employees.

Company	Reported Fiscal Year	Revenue ($ in billions)	Net Income (Loss) ($ in billions)	Market Capitalization on March 1, 2013 ($ in billions)
Amazon.com [1]	12/31/12	61.1	(.04)	120.79
Apple Inc. [1]	9/29/12	156.5	41.7	404.24
Applied Materials, Inc. [1]	10/28/12	8.7	0.1	16.31
AT&T Inc.	12/31/12	127.4	7.3	197.75
Cisco Systems, Inc. [1]	7/28/12	46.1	8.0	111.07
Dell Inc. [1]	2/1/13	56.9	2.4	24.33
The Dow Chemical Company	12/31/12	56.8	0.8	38.31
EMC Corporation [1]	12/31/12	21.7	2.7	48.99
General Electric Company	12/31/12	147.4	13.6	242.27
Google Inc. [1]	12/31/12	50.2	10.7	265.77
Hewlett-Packard Company [1]	10/31/12	120.4	(12.7)	39.35
International Business Machines Corporation [1]	12/31/12	104.5	16.6	227.26
Johnson & Johnson	12/30/12	67.2	10.9	214.40
Merck & Co., Inc.	12/31/12	47.3	6.2	129.60
Microsoft Corporation [1]	6/30/12	73.7	17.0	234.12
Oracle Corporation [1]	5/31/12	37.1	10.0	163.95
Pfizer Inc.	12/31/12	59.0	14.6	201.66
Qualcomm Incorporated [1]	9/30/12	19.1	6.1	113.91
Schlumberger Limited	12/31/12	42.1	5.5	103.13
Texas Instruments Incorporated [1]	12/31/12	12.8	1.8	38.14
United Parcel Service, Inc.	12/31/12	54.1	0.8	79.06
United Technologies Corporation	12/31/12	57.7	5.1	82.62
Verizon Communications Inc.	12/31/12	115.8	0.9	133.57
Intel 2012	12/29/12	53.3	11.0	104.01
Intel 2012 Percentile		39%	77%	36%

[1] *Indicates a company that we included as one of the 13 technology companies in the technology peer group for 2012.*

Post-Employment Compensation Arrangements

Intel does not provide employment agreements, severance payment arrangements, or change in control benefits to executive officers. Intel provides limited post-employment compensation arrangements to executive officers, including the listed officers, consisting of an employee-funded 401(k) savings plan, a discretionary company-funded retirement contribution plan, and a company-funded pension plan, each of which is intended to be tax-qualified and available to most U.S. employees, and a non-tax-qualified supplemental deferred compensation plan for highly compensated employees. The company-funded pension plan was closed to new hires starting January 1, 2011.

The Compensation Committee allows the listed officers to participate in these plans to encourage the officers to save for retirement and to assist the company in retaining the listed officers. The terms governing the retirement or deferred compensation benefits under these plans for the executive officers are the same as those available for other eligible employees in the United States. Each plan other than the pension plan results in individual participant balances that reflect a combination of amounts contributed by the company or deferred by the employee, amounts invested at the direction of either the company or the employee, and the continuing reinvestment of returns until the accounts are distributed.

Intel does not make matching contributions based on the amount of employee contributions under any of these plans. The retirement contribution plan consists of a discretionary cash contribution determined annually by the committee for executive officers, and by the CEO for other employees. These contribution percentages have historically been the same for executive officers and other employees. For 2012, Intel's discretionary contribution (including allocable forfeitures) to the retirement contribution plan for eligible U.S. employees, including executive officers, and to the similar account for new employees in the 401(k) savings plan, equaled 6% of eligible salary (which included annual and semiannual incentive cash payments as applicable). To the extent that the amount of the contribution is limited by the Internal Revenue Code of 1986, as amended (tax code), Intel credits the additional amount to the non-qualified deferred compensation plan. Intel invests all of its contributions to the retirement contribution plan in a diversified portfolio.

Because the listed officers do not receive preferential or above-market rates of return under the deferred compensation plan, earnings under the plan are not included in the Summary Compensation table, but are included in the Non-Qualified Deferred Compensation table (see "Executive Compensation"). The notional investment options available under the non-qualified plan are the same investment options that were available in the 401(k) savings plan prior to October 2011 when the 401(k) savings plan investment options were reduced in conjunction with the addition of a brokerage window.

The basic benefit provided by the pension plan for all eligible U.S. employees, including executive officers, is based on a formula that takes into account the employee's final average pay and years of service. The resulting benefit is reduced by the value of the employee's account in the retirement contribution plan. The pension plan pays a benefit only to the extent that it is not fully offset by the retirement contribution plan account value. The benefit provided to some listed officers who participate in the pension plan also includes a tax-qualified arrangement that offsets amounts that otherwise would be paid under the non-qualified deferred compensation plan described above. This tax-qualified arrangement is also available to other eligible employees and does not result in an overall increase in payments otherwise due under the non-qualified deferred compensation plan. Each participant's tax-qualified amount in this arrangement was established based on a number of elements, including the participant's non-qualified deferred compensation plan balance as of December 31, 2003, IRS pension rules that take into consideration age and other factors, and limits set by Intel for equitable administration. Due to the values in the individual retirement-contribution plan accounts, we do not expect that any of the listed officers will receive any payments from the pension plan other than the offset to the non-qualified deferred compensation plan just described.

Personal Benefits

Intel has very limited programs for providing personal benefit perquisites to executive officers, and it does not provide permanent lodging or defray the cost of personal entertainment or family travel. The company provides air and other travel for Intel's executive officers for business purposes only. Intel's company-operated aircraft hold approximately 40 passengers and are used in regularly scheduled routes between Intel's major U.S. facility locations, and Intel's use of non-commercial aircraft on a time-share or rental basis is limited to appropriate business-only travel. Intel's health care, insurance, and other welfare and employee benefit programs are essentially the same for all eligible employees, including executive officers, although the details of the programs, eligibility, and cost sharing may vary by country or local market practice. Intel shares the cost of health and welfare benefits with its employees, a cost that depends on the level of benefits coverage that each employee elects. Intel's employee loan programs are not available to its executive officers. Intel has no outstanding loans of any kind to any of its executive officers.

In 2012, Intel made financial planning services available to its executive officers, including the listed officers. In addition, Intel elected to bear the cost of upgrading the home security systems for Mr. Otellini.

2012 "Say on Pay" Advisory Vote on Executive Compensation

Intel has provided stockholders with an advisory vote on executive compensation in each of the past four years. Consistent with Intel's experience in prior years, at our 2012 Annual Stockholders' Meeting, approximately 97% 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 2012 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 due to the significant approval vote did not make changes to our executive compensation policies and decisions as a result of the 2012 advisory vote.

Corporate Officer Stock Ownership Guidelines

Because the Compensation Committee believes in linking the interests of management and stockholders, the Board has set stock ownership guidelines for Intel's executive officers. The ownership guidelines specify the number of shares that Intel's corporate officers must accumulate and hold within five years of appointment or promotion as a corporate officer. The following table lists the specific share requirements. Unvested OSUs and RSUs and unexercised stock options do not count toward satisfying these ownership guidelines.

As of December 29, 2012, each of Intel's listed officers had satisfied these ownership guidelines.

	CEO	CFO	Executive Vice President	Senior Vice President	Vice President
Minimum Number of Shares	250,000	125,000	100,000	65,000	35,000

Intel Policies Regarding Derivatives or "Short Sales"

Intel prohibits directors, listed officers, and other senior employees from investing in derivative securities of Intel common stock and engaging in short sales or other short-position transactions in Intel common stock. This policy does not restrict ownership of company-granted awards, such as OSUs, RSUs, employee stock options, and publicly traded convertible securities issued by Intel.

Intel Policies Regarding Claw-Backs

Intel's 2007 Executive Officer Incentive Plan, under which annual incentive cash payments are made, and Intel's 2006 Equity Incentive Plan include provisions for seeking the return (claw-back) from executive officers of incentive cash payments and stock sale proceeds in the event that those amounts had been inflated due to financial results that later had to be restated.

Tax Deductibility

Section 162(m) of the tax code places a limit of $1 million on the amount of compensation that Intel may deduct in any one year with respect to its CEO and each of the next three most highly compensated executive officers (excluding the CFO). Certain performance-based compensation provided under plans approved by stockholders is not subject to this tax deduction limit. Intel structured its 2006 Equity Incentive Plan with the intention that stock options awarded under the plan would qualify for tax deductibility. To maintain flexibility and promote simplicity in administration, other compensation arrangements such as OSUs, RSUs, and annual and semiannual incentive cash payments are not designed to satisfy the conditions of tax code Section 162(m) and therefore may not be deductible.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee, which is composed solely of independent directors of the Board of Directors, assists the Board in fulfilling its responsibilities with regard to compensation matters, and is responsible under its charter for determining the compensation of Intel's executive officers. The Compensation Committee has reviewed and discussed the "Compensation Discussion and Analysis" section of this proxy statement with management, including our Chief Executive Officer, Paul S. Otellini, and our Chief Financial Officer, Stacy J. Smith. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the "Compensation Discussion and Analysis" section be included in Intel's 2012 Annual Report on Form 10-K (incorporated by reference) and in this proxy statement.

Compensation Committee
David S. Pottruck, Chairman
John J. Donahoe
David B. Yoffie

EXECUTIVE COMPENSATION

The following table lists the annual compensation for fiscal years 2012, 2011, and 2010 of our CEO, CFO, and our three other most highly compensated executive officers in 2012 (referred to as listed officers).

2012 Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus [1] ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Paul S. Otellini	2012	1,200,000	—	9,940,400	1,963,200	5,234,500	130,000	523,200	18,991,300
President and	2011	1,100,000	34,000	7,331,100	1,802,800	6,429,500	319,000	475,500	17,491,900
Chief Executive Officer	2010	1,000,000	30,400	6,236,800	1,082,200	6,790,000	131,000	382,100	15,652,500
Stacy J. Smith	2012	650,000	—	12,363,700	883,500	1,265,900	53,000	128,100	15,344,200
Executive Vice President and	2011	635,000	12,400	3,251,200	799,500	1,386,000	170,000	133,500	6,387,600
Chief Financial Officer	2010	475,000	10,400	2,281,700	816,200	1,575,000	55,000	100,600	5,313,900
David Perlmutter [2]	2012	700,000	—	12,363,700	883,500	1,800,700	385,900	337,800	16,471,600
Executive Vice President and	2011	670,000	12,200	3,251,200	799,500	1,401,500	543,300	404,700	7,082,400
General Manager,	2010	506,200	11,200	3,002,300	1,182,900	1,837,000	221,600	398,100	7,159,300
Intel Architecture Group, and									
Chief Product Officer									
Brian M. Krzanich	2012	700,000	—	12,363,700	883,500	1,800,900	5,000	115,100	15,868,200
Executive Vice President and	2011	560,000	10,700	2,486,200	611,400	1,151,800	21,000	119,200	4,960,300
Chief Operating Officer	2010	425,000	9,200	2,329,200	736,200	1,414,500	8,000	89,400	5,011,500
Renee J. James	2012	650,000	—	12,363,700	883,500	1,265,100	24,000	109,000	15,295,300
Executive Vice President and	2011	550,000	10,600	2,486,200	611,400	1,150,900	69,000	118,600	4,996,700
General Manager,	2010	425,000	9,200	2,329,200	736,200	1,414,400	23,000	72,600	5,009,600
Software and Services Group									

[1] *These were special bonuses paid to all eligible employees in 2011 and 2010, including the listed officers, for their contribution in achieving Intel milestones: Intel's first year when revenue exceeded $50 billion (2011) and Intel's first year when revenue exceeded $40 billion (2010). These special bonuses were equivalent to three days of compensation for each year.*

[2] *Mr. Perlmutter receives his cash compensation in Israeli shekels. The amounts reported above in the "Salary" column and the annual incentive cash payment included in the "Non-Equity Incentive Plan Compensation" column for 2012 and 2011 are based on the amount approved by the Compensation Committee in U.S. dollars and therefore do not take into account increases or decreases that could result from the amount being converted into and paid in shekels. The amounts reported above in the "Bonus" column, certain amounts included in the "Non-Equity Incentive Plan Compensation" column, "Change in Pension Value and Non-Qualified Deferred Compensation Earnings" column and certain amounts included in the "All Other Compensation" column for 2012 and 2011 were converted to U.S. dollars using a rate of 3.75 and 3.78 shekels per dollar, calculated as of December 29, 2012 and December 31, 2011, respectively. The amounts reported above in the "Salary," "Bonus," "Non-Equity Incentive Plan Compensation" and "Change in Pension Value and Non-Qualified Deferred Compensation Earnings" columns and certain amounts in the "All Other Compensation" column were converted to U.S. dollars using 3.59 shekels per dollar, calculated as of December 25, 2010 for 2010.*

Total Compensation. Total compensation as reported in the Summary Compensation table increased 108% from 2011 to 2012 for listed officers, primarily due to the retention grants awarded to each of the listed officers other than Mr. Otellini that are included in the stock awards column.

Equity Awards. Under SEC rules, the values reported in the "Stock Awards" and "Option Awards" columns of the Summary Compensation table reflect the aggregate grant date fair value of grants of stock options and stock awards to each of the listed officers in the years shown.

The grant date fair values of OSUs are provided to us by Radford, an Aon Hewitt Consulting company, using the Monte Carlo simulation valuation method. We calculate the grant date fair value of an RSU by taking the value of Intel common stock on the date of grant and reducing it by the present value of dividends expected to be paid on Intel common stock before the RSU vests, because we do not pay or accrue dividends or dividend-equivalent amounts on unvested RSUs. We calculate the grant date fair value of stock options using the Black-Scholes option pricing model.

The following table includes the assumptions used to calculate the aggregate grant date fair value of awards reported for 2012, 2011, and 2010 on a grant-date by grant-date basis.

	Assumptions			
Grant Date	**Volatility (%)**	**Expected Life (Years)**	**Risk-Free Interest Rate (%)**	**Dividend Yield (%)**
1/22/10	30	5.1	2.0	3.1
4/15/10 [1]	n/a	n/a	0.8	2.6
1/24/11	27	5.2	1.6	3.4
1/24/12	25	5.4	0.6	3.1

1 *RSUs were the only awards granted on this date; therefore, the "volatility" and "expected life (years)" assumptions were not applicable.*

Non-Equity Incentive Plan Compensation. The amounts in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation table include annual incentive cash payments made under the annual incentive cash plan and semiannual incentive cash payments. The allocation of payments was as follows:

Name	**Year**	**Annual Incentive Cash Payments ($)**	**Semiannual Incentive Cash Payments ($)**	**Total Incentive Cash Payments ($)**
Paul S. Otellini	2012	4,982,000	252,500	5,234,500
	2011	6,160,000	269,500	6,429,500
	2010	6,524,000	266,000	6,790,000
Stacy J. Smith	2012	1,175,000	90,900	1,265,900
	2011	1,288,000	98,000	1,386,000
	2010	1,484,000	91,000	1,575,000
David Perlmutter	2012	1,692,000	108,700	1,800,700
	2011	1,306,400	95,100	1,401,500
	2010	1,738,700	98,300	1,837,000
Brian M. Krzanich	2012	1,692,000	108,900	1,800,900
	2011	1,067,200	84,600	1,151,800
	2010	1,335,000	79,500	1,414,500
Renee J. James	2012	1,175,000	90,100	1,265,100
	2011	1,067,200	83,700	1,150,900
	2010	1,335,000	79,400	1,414,400

Change in Pension Value and Non-Qualified Deferred Compensation Earnings . Amounts reported represent the actuarial increase of the benefit that executive officers have in the tax-qualified pension plan arrangement, which offsets the non-qualified pension plan benefit (other than for Mr. Perlmutter). Since that benefit is a fixed dollar amount payable at age 65, year-to-year differences in the present value of the accumulated benefit arise solely from changes in the interest rate used to calculate present value and the participant's age becoming closer to age 65. The listed officers (other than Mr. Perlmutter) had an overall increase in 2012 because the interest rate used to calculate present value decreased from 4.7% for 2011 to 3.9% for 2012. They had an overall increase in 2011 because the interest rate used to calculate present value decreased from 5.8% for 2010 to 4.7% for 2011, and they had an overall increase in 2010 because the interest rate decreased from 6.1% for 2009 to 5.8% for 2010.

Mr. Perlmutter participates in a pension savings plan, a severance plan as well as an adaptation plan for Israeli employees, which are explained further in "Retirement Plans for Mr. Perlmutter" following the

Pension Benefits for Fiscal Year 2012 table. The changes in pension value reported above in the Summary Compensation table are the increases in the balance of the pension savings plan (less Mr. Perlmutter's contributions) and the increases in the actuarial present values for the severance and adaptation plans explained below.

All Other Compensation. The amounts in the "All Other Compensation" column of the Summary Compensation table include tax-qualified discretionary company contributions to the retirement contribution plan, discretionary company contributions credited under the retirement contribution component of the non-qualified deferred compensation plan, matching charitable contributions from the Intel Foundation, and payments in connection with listed officer relocations, as detailed in the table below. Amounts included in the "Retirement Plan Contributions" column will be paid to the listed officers only upon the earliest to occur of retirement, termination (receipt may be deferred but not later than reaching age 70 1/2), disability, or death. Amounts included in the "Deferred Compensation Plan Contributions" column will be paid to the listed officers after a fixed period of years or upon termination of employment, in accordance with irrevocable elections made at the time that compensation is deferred.

Name	Year	Retirement Plan Contributions ($)	Deferred Compensation Plan Contributions ($)	Matching Charitable Contributions ($)	Financial Planning ($)	Home Security Services ($)	Relocation Payments ($)	Total All Other Compensation ($)
Paul S. Otellini	2012	15,000	444,800	—	4,800	58,600	—	523,200
	2011	14,700	460,800	—	—	—	—	475,500
	2010	14,700	364,900	2,500	—	—	—	382,100
Stacy J. Smith	2012	15,000	107,900	—	5,200	—	—	128,100
	2011	14,700	118,800	—	—	—	—	133,500
	2010	14,700	85,900	—	—	—	—	100,600
David Perlmutter [1]	2012	—	—	—	—	—	337,800	337,800
	2011	—	—	—	—	—	404,700	404,700
	2010	—	—	—	—	—	398,100	398,100
Brian M. Krzanich	2012	15,000	97,600	—	2,500	—	—	115,100
	2011	14,700	104,500	—	—	—	—	119,200
	2010	14,700	67,100	—	—	—	7,600	89,400
Renee J. James	2012	15,000	94,000	—	—	—	—	109,000
	2011	14,700	103,900	—	—	—	—	118,600
	2010	14,700	57,900	—	—	—	—	72,600

1 *In 2006, Mr. Perlmutter relocated to the United States from Israel with an original assignment for a two-year period, which was extended until August 2013. Since this is a temporary assignment, Mr. Perlmutter received a two-way relocation package. This package contained the same elements as a standard Intel employee relocation package. Intel's relocation packages include monetary allowances and moving services to help employees relocate. The packages are designed to meet the business needs of Intel and the personal needs of Intel employees and their families. Relocation packages apply to all employees based on set criteria, such as duration of the assignment, destination for the assignment, family size, and other needs as applicable.*

Table of Contents

Grants of Plan-Based Awards in Fiscal Year 2012

The following table presents equity awards granted under the 2006 Equity Incentive Plan, and awards granted under our annual and semiannual incentive cash plans in 2012. Under SEC rules, the values reported in the “Grant Date Fair Value of Stock and Option Awards” column reflect the grant date fair value of grants of stock awards and stock options determined under accounting standards applied by Intel discussed above.

				Estimated Future Payouts Under Non-Equity Incentive Plan Awards		Estimated Future Payouts Under Equity Incentive Plan Awards [1]							
Name	Award Type	Grant Date	Approval Date	Target [2] ($)	Maximum ($)	Minimum (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Securities Underlying Options (#)	Exercise or Base Price of Option Awards [3] ($/Sh)	Closing Market Price on Grant Date [3] ($/Sh)	Grant Date Fair Value of Stock and Option Awards [4] ($)
Paul S. Otellini	OSU	1/24/12	1/24/12			62,970	125,940	251,880					5,145,900
	Success RSU					—	75,000	150,000					1,947,000
	RSU	1/24/12	1/24/12						111,960				2,847,500
	Stock Option	1/24/12	1/24/12							451,470	26.80	26.90	1,963,200
	Annual Cash			5,300,000	10,000,000								
	Semiannual Cash			252,500									
Stacy J. Smith	OSU	1/24/12	1/23/12			28,340	56,680	113,360					2,315,900
	RSU	1/24/12	1/23/12						50,380				1,281,300
	Retention RSU	1/24/12	1/23/12						373,200				8,766,500
	Stock Option	1/24/12	1/23/12							203,160	26.80	26.90	883,500
	Annual Cash			1,250,000	10,000,000								
	Semiannual Cash			90,900									
David Perlmutter	OSU	1/24/12	1/23/12			28,340	56,680	113,360					2,315,900
	RSU	1/24/12	1/23/12						50,380				1,281,300
	Retention RSU	1/24/12	1/23/12						373,200				8,766,500
	Stock Option	1/24/12	1/23/12							203,160	26.80	26.90	883,500
	Annual Cash			1,800,000	10,000,000								
	Semiannual Cash			108,700									
Brian M. Krzanich	OSU	1/24/12	1/23/12			28,340	56,680	113,360					2,315,900
	RSU	1/24/12	1/23/12						50,380				1,281,300
	Retention RSU	1/24/12	1/23/12						373,200				8,766,500
	Stock Option	1/24/12	1/23/12							203,160	26.80	26.90	883,500
	Annual Cash			1,800,000	10,000,000								
	Semiannual Cash			108,900									
Renee J. James	OSU	1/24/12	1/23/12			28,340	56,680	113,360					2,315,900
	RSU	1/24/12	1/23/12						50,380				1,281,300
	Retention RSU	1/24/12	1/23/12						373,200				8,766,500
	Stock Option	1/24/12	1/23/12							203,160	26.80	26.90	883,500
	Annual Cash			1,250,000	10,000,000								
	Semiannual Cash			90,100									

1 *The “Estimated Future Payouts Under Equity Incentive Plan Awards” columns represent the minimum, target, and maximum number of OSUs that upon converting to shares could be received by each listed officer, excluding dividend equivalents. The “Estimated Future Payouts Under Equity Incentive Plan Awards” columns for the Success RSUs represent the minimum, target, and maximum number of RSUs that upon converting to shares could be received by Mr. Otellini.*

2 *Amounts reported as “Target” in the “Annual Cash” rows are the listed officer’s annual incentive cash target, and the amounts reported as “Target” in the “Semiannual Cash” rows are the listed officer’s 2012 semiannual incentive payment.*

3 *The exercise price was determined based on the average of the high and low price of Intel common stock on the grant date, while the market price on the grant date is the closing price of our common stock on that date.*

4 *The grant date fair value is generally the amount that Intel would expense in its financial statements over the award’s service period but does not include a reduction for forfeitures.*

OSU Awards. OSUs granted to the listed officers in 2012 have a three-year performance period from the grant date, and a 37-month vesting schedule, meaning that the performance metrics are measured over the first 36 months, and the number of corresponding shares vest in the 37th month. The number of shares of Intel common stock to be received at vesting will range from 50% to 200% of the target amount, based on the TSR of Intel common stock measured against the TSR of the technology peer group over a three-year period. TSR is a measure of stock price appreciation plus any dividends paid during the vesting period. Dividend equivalents are payable over the vesting period only on the number of shares of Intel common stock earned, and they will be paid in the form of additional shares of Intel common stock.

RSU Awards. RSUs granted to the listed officers in 2012 will vest in substantially equal quarterly increments over three years from the date of grant.

Stock Options. Stock options granted to the listed officers in 2012 will vest in 25% increments annually over four years, expire seven years from the date of grant, and have an exercise price of no less than 100% of the average of the high and low trading prices of Intel common stock on the date of grant. Also, upon retirement, Mr. Otellini may exercise his stock options for the full remaining life of the award.

Annual Cash. Annual incentive cash payments are made under the annual incentive cash plan. The Compensation Committee sets the incentive cash target amount under the annual incentive cash plan annually as part of the annual performance review and compensation adjustment cycle. This incentive cash target amount is then multiplied by the annual incentive cash multiplier calculated after the end of the year based on the average of three corporate performance components. This plan mirrors the broad-based plan for employees, with the added feature of an individual performance adjustment.

Each corporate performance component is targeted around a score of 100%, with a minimum score of zero. The committee may adjust Intel's net income based on qualifying criteria selected by the committee at its sole discretion, as described in the plan. The methodology used to calculate Intel's net income or adjusted net income for both absolute and relative financial performance is the same. Additional details on each component are set forth in the sections that follow.

- *Absolute Financial Component.* To determine absolute financial performance, Intel's current-year net income or adjusted net income is divided by Intel's average net income used in the calculation over the previous three years. Intel uses a rolling three-year average in the denominator so that Intel does not over- or under-compensate executive officers based on volatility in earnings. Through this component, the committee rewards executive officers for sustained performance. In 2012, Intel's net income was 5.7% higher than the trailing three-year average. This is down from the 2011 result, when net income was 64.6% higher than the trailing three-year average.
- *Relative Financial Component.* To calculate Intel's performance relative to the market comparator group, Intel's net income percentage growth or adjusted net income percentage growth, plus one, is divided by the sum of one plus the simple average (with each group weighted equally) of the annual net income percentage growth or adjusted net income percentage growth for the technology peer group and the S&P 100 (excluding Intel). There is some overlap in the S&P 100 and the 13 technology companies that we have identified (described above in "Compensation Discussion and Analysis; 2012 External Competitive Considerations"). We have done this intentionally to provide slightly more weighting to the company's relative performance compared to the technology companies that are also in the S&P 100. The committee has the flexibility to use discretion in either including or excluding certain charges to the market comparator group's net income results, similar to any charges that may have been included or excluded for Intel. Through this component, the committee rewards executive officers for how well Intel performs compared to a broader market. In 2012, the scoring for the relative component was 92.5% for Intel's performance relative to the market's performance, a decrease compared to the 2011 relative score of 93.1%.
- *Operational Component.* Each year, the Compensation Committee approves operational goals and their respective success criteria for measuring operational performance. The operational goals typically link to company performance in several key areas, including financial performance, product design and development roadmaps, manufacturing, cost, and productivity improvements, customer satisfaction, and corporate responsibility and environmental sustainability. For 2012, the committee approved a reduced number of operational goals to support inter-group collaborative efforts, allocated and grouped into certain major categories described in the following table, with weightings that total 100 points. The goals and success measures are defined within the first 90 days of the performance period. The scoring for most goals ranges from 0% to 125% based on the level of achievement reflected in Intel's confidential internal annual business plan. There were some goals with an upper range of 150% to 400% if certain extraordinary criteria were met. The results are summed and divided by 100, so that the final operational score is between 0% and 165%. The operational goals selected by the committee are also used in the broad-based employee annual incentive cash plan and are prepared each year as part of the annual planning process for the company, so that all employees are focused on achieving the same company-wide operational results. These operational goals are derived from a process for tracking and

evaluating performance; however, some goals have non-quantitative measures that require some degree of subjective evaluation. Over the past five years, operational goals have scored between 92.3% and 103.1%, with an average result of 98.9%. The operational goals are intended to be a practical and realistic estimate of the coming year based on the data, projections, and analyses that Intel uses in its planning processes. The scores for the year, representing Intel's achievement of the year's operational goals, are calculated by senior management and are reviewed and approved by the Compensation Committee. The company scored 98.1% on its operational goals in 2012, an increase compared to 92.3% in 2011.

2012 Operational Goal Categories

Revitalize the PC 24 points	**Accelerate Data Center Solutions and Win Cloud Build-Out 13 points**	**Manufacturing and Process Technology Leadership and Velocity 17 points**
• Ultrabook ™ systems • Next-generation client products	• Cloud leadership • Next-generation server products • High-performance computing	• Process technology milestones • Client and SoC velocity
Win and Ramp Intel ® Architecture-based Tablets 13 points	**Establish Intel Architecture in Phones 13 points**	**Compute Continuum Experiences Across Intel Architecture-based Devices 10 points**
• Tablet launch and volume • Tablet product long-term affordability	• Phone launch and volume • Entry smartphone • LTE	• Deliver compute continuum vertical services • Productize compute continuum capabilities • Grow software and services bookings
Organizational Health, Environment, Earnings Growth, and NAND 10 points		
• Organizational health and diversity • Environmental leadership • Net income growth		

Semiannual Cash. Semiannual cash awards are made under a broad-based plan based on Intel's profitability. Listed officers and other eligible employees receive 0.65 days of compensation for every two percentage points of corporate pretax margin, or a payment expressed as days of compensation based on 4.5% of net income divided by the current value of a worldwide day of compensation, whichever is greater. We pay up to an additional two days of compensation for each performance year if Intel achieves its customer satisfaction goals. Because benefits are determined under a formula and the Compensation Committee does not set a target amount under the plan, under SEC rules the target amounts reported in the table above are the amounts earned in 2012.

Stock Option Exercises and Stock Vested in Fiscal Year 2012

The following table provides information on stock option exercises and vesting of RSUs and OSUs during fiscal year 2012.

	Option Awards		Stock Awards		
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**	**Total Value Realized on Exercise and Vesting ($)**
Paul S. Otellini	1,920,000	16,142,600	615,399	16,432,500	32,575,100
Stacy J. Smith	541,940	2,933,700	216,830	5,747,900	8,681,600
David Perlmutter	89,000	504,100	267,072	7,098,000	7,602,100
Brian M. Krzanich	151,640	1,188,400	152,062	4,022,300	5,210,700
Renee J. James	494,903	3,301,600	152,062	4,022,300	7,323,900

Outstanding Equity Awards at Fiscal Year-End 2012

The following table provides information with respect to outstanding equity awards held by the listed officers as of December 29, 2012. Unless otherwise specified, equity awards vest at a rate of 25% per year on each of the first four anniversaries of the grant date. Market value for stock options is calculated by taking the difference between the closing price of Intel common stock on NASDAQ on the last trading day of the fiscal year ($20.23 on December 28, 2012) and the option exercise price, and multiplying it by the number of outstanding stock options. Market value for stock awards (OSUs and RSUs) is determined by multiplying the number of shares by the closing price of Intel common stock on NASDAQ on the last trading day of the fiscal year.

	Stock Option Awards						Stock Awards				
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options Exercisable (#)**	**Number of Securities Underlying Unexercised Options Unexercisable (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Market Value of Unexercised Options ($)**	**Grant Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested [1] (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)**
Paul S. Otellini							4/17/08	112,500(4)	2,275,900		
	4/15/04	300,000	—	27.00	4/15/14	—	1/22/10			231,680	4,686,900
	2/2/05	400,000	—	22.63	2/2/15	—	1/24/11	54,542(5)	1,103,400	180,250	3,646,500
	1/18/07	700,000	—	20.70	1/18/14	—	1/24/12	83,971(5)	1,698,700	125,940	2,547,800
	4/19/07	520,000	—	21.52	4/19/14	—	1/24/12			75,000(8)	1,517,300
	4/17/08	500,000	—	22.11	4/17/15	—					
	4/16/09	187,500	62,500	15.67	4/16/16	1,140,000					
	1/22/10	125,000	125,000	20.30	1/22/17	—					
	1/24/11	116,752	350,258	21.09	1/24/18	—					
	1/24/12	—	451,470	26.80	1/24/19	—					
Total		2,849,252	989,228			1,140,000		251,013	5,078,000	612,870	12,398,500
Stacy J. Smith	4/15/04	16,500	—	27.00	4/15/14	—	1/17/08	6,500(6)	131,500		
	1/17/08	—	45,000(2)	19.63	1/17/18	27,000	1/23/09	6,500(6)	131,500		
	4/17/08	58,750	—	22.11	4/17/15	—	1/22/10	6,500(6)	131,500	80,590	1,630,300
	1/23/09	—	45,000(2)	12.99	1/23/19	325,800	1/24/11	24,188(5)	489,300	79,940	1,617,200
							1/24/12			56,680	1,146,600
	4/16/09	30,735	30,735	15.67	4/16/16	280,300	1/24/12	373,200(7)	7,549,800		
	1/22/10	—	66,655	20.30	1/22/17	—	1/24/12	37,786(5)	764,400		
	1/22/10	—	45,000(2)	20.30	1/22/20	—					
	1/24/11	51,777	155,333	21.09	1/24/18	—					
	1/24/12	—	203,160	26.80	1/24/19	—					
Total		157,762	590,883			633,100		454,674	9,198,000	217,210	4,394,100
David Perlmutter							1/17/08	5,000(6)	101,200		
	1/21/04	150,000	50,000(3)	32.06	1/21/14	—					
	4/15/04	75,000	—	27.00	4/15/14	—	1/23/09	5,000(6)	101,200		
	4/21/06	52,500	—	19.51	4/21/16	37,800	1/22/10	11,750(6)	237,700	103,990	2,103,700
	1/18/07	52,500	—	20.70	1/18/17	—	1/24/11	24,188(5)	489,300	79,940	1,617,200
							1/24/12			56,680	1,146,600
	4/19/07	235,000	—	21.52	4/19/14	—	1/24/12	373,200(7)	7,549,800		
	1/17/08	—	52,500(2)	19.63	1/17/18	31,500	1/24/12	37,786(5)	764,400		
	4/17/08	300,000	—	22.11	4/17/15	—					
	1/23/09	—	52,500(2)	12.99	1/23/19	380,100					
	4/16/09	118,972	39,658	15.67	4/16/16	723,400					
	1/22/10	86,010	86,010	20.30	1/22/17	—					
	1/22/10	—	82,500(2)	20.30	1/22/20	—					
	1/24/11	51,777	155,333	21.09	1/24/18	—					
	1/24/12	—	203,160	26.80	1/24/19	—					
Total		1,121,759	721,661			1,172,800		456,924	9,243,600	240,610	4,867,500
Brian M. Krzanich	1/17/08	—	41,250(2)	19.63	1/17/18	24,800	1/17/08	3,750(6)	75,900		
							1/23/09	3,750(6)	75,900		
	1/23/09	—	41,250(2)	12.99	1/23/19	298,700	1/22/10	9,250(6)	187,100	80,590	1,630,300
	4/16/09	20,820	20,820	15.67	4/16/16	189,900					
	10/30/09	194,930	64,977	19.04	10/30/16	309,300	1/24/11	18,496(5)	374,200	61,130	1,236,700
	1/22/10	45,155	45,155	20.30	1/22/17	—	1/24/12			56,680	1,146,600
	1/22/10	—	65,000(2)	20.30	1/22/20	—	1/24/12	373,200(7)	7,549,800		
	1/24/11	39,595	118,785	21.09	1/24/18	—	1/24/12	37,786(5)	764,400		
	1/24/12	—	203,160	26.80	1/24/19	—					
Total		300,500	600,397			822,700		446,232	9,027,300	198,400	4,013,600
Renee J. James	1/17/08	—	41,250(2)	19.63	1/17/18	24,800	1/17/08	3,750(6)	75,900		
	1/23/09	—	41,250(2)	12.99	1/23/19	298,700	1/23/09	3,750(6)	75,900		
	4/16/09	—	20,820	15.67	4/16/16	94,900					
	10/30/09	10,917	10,917	19.04	10/30/16	26,000					
	1/22/10	—	45,155	20.30	1/22/17	—	1/22/10	9,250(6)	187,100	80,590	1,630,300
	1/22/10	—	65,000(2)	20.30	1/22/20	—	1/24/11	18,496(5)	374,200	61,130	1,236,700

							1/24/12			56,680	1,146,600
	1/24/11	—	118,785	21.09	1/24/18	—					
	1/24/12	—	203,160	26.80	1/24/19	—	1/24/12	373,200(7)	7,549,800		
							1/24/12	37,786(5)	764,400		
Total		10,917	546,337			444,400		446,232	9,027,300	198,400	4,013,600

[1] *OSUs are shown at their target amount. The actual conversion of OSUs into Intel shares following the conclusion of the performance period (37 months following the grant date) will range from 33% to 200% of that target amount (with respect to OSUs granted before 2011), and from 50% to 200% of that target amount for OSUs granted in 2011 and 2012, depending upon Intel's TSR performance versus the TSR benchmark over the applicable three-year performance period, and will include the shares from dividend equivalents that are received on the final shares earned and vested. The dividend equivalents will pay out in the form of additional shares.*

[2] *Stock options become exercisable on the fifth anniversary of the grant date.*

[3] *Stock options become exercisable in 25% annual increments on each anniversary of the grant date beginning in the sixth year after the grant date.*

[4] *RSUs vest in 25% annual increments on each anniversary of the grant date beginning in the fourth year after the grant date.*

[5] *RSUs vest quarterly over three years.*

[6] *RSUs vest in full on the fifth anniversary of the grant date.*

[7] *Retention RSUs originally had a 5-year vesting schedule (10% in year 2, 20% in year 3, 30% in year 4 and 40% in year 5). Vesting schedule was modified in January 2013 to 4 years (20% in year 2, 40% in year 3, 40% in year 4).*

[8] *Success performance-based RSUs vested on January 22, 2013.*

Pension Benefits for Fiscal Year 2012

The following table sets forth the estimated present value of accumulated pension benefits for the listed officers.

Name	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit [1] ($)
Paul S. Otellini	Pension Plan	n/a	1,862,000
Stacy J. Smith	Pension Plan	n/a	662,000
David Perlmutter	Pension Savings	n/a	1,103,400 (2)
	Severance Plan	33 (3)	1,995,000 (2)
	Adaptation Plan	33 (3)	609,000 (2)(4)
Brian M. Krzanich	Pension Plan	n/a	88,000
Renee J. James	Pension Plan	n/a	268,000

[1] *Until distribution, these benefits are also reflected in the listed officer's balance reported in the Non-Qualified Deferred Compensation table (other than for Mr. Perlmutter). The amounts of these tax-qualified pension plan arrangements are not tied to years of credited service. Upon termination, the amount that the listed officer receives under the non-qualified deferred compensation plan will be reduced by the amount that he/she receives under the tax-qualified pension plan arrangement.*

[2] *Balance converted from Israeli shekels at an exchange rate of 3.75 shekels per dollar as of December 29, 2012.*

[3] *The number of years of credited service has been rounded up for Mr. Perlmutter for 2012.*

[4] *The amount is the actuarial present value of 11 months of Mr. Perlmutter's base salary.*

The U.S. pension plan is a defined benefit plan with two components. The first component provides participants with retirement income that is determined by a pension formula based on final average compensation, Social Security covered compensation, and length of service upon separation not to exceed 35 years. It provides pension benefits only if the annuitized value of a participant's account balance in Intel's tax-qualified retirement contribution plan is less than the pension plan benefit, in which case the pension plan funds a net benefit that makes up the difference. As of December 29, 2012, none of the amounts included in the table above were associated with this component.

The second component is a tax-qualified pension plan arrangement under which pension benefits offset amounts that otherwise would be paid under the non-qualified deferred compensation plan described below. Employees who were participants in the non-qualified deferred compensation plan as of December 31, 2003 were able to consent to a one-time change to the non-qualified deferred compensation plan's benefit formula. This change has the effect of reducing the employee's distribution amount from the non-qualified deferred compensation plan by the lump sum value of the employee's tax-qualified pension plan arrangement at the time of distribution. Each participant's pension plan arrangement was established as a fixed single life annuity amount at age 65. The annual amount of this annuity is $165,000 for Mr. Otellini, $98,500 for Mr. Smith, $11,700 for Mr. Krzanich, and $41,200 for Ms. James.

Each participant's benefit was set based on a number of elements, including the participant's non-qualified deferred compensation plan balance as of December 31, 2003, IRS pension rules that take into consideration age and other factors, and limits that Intel sets for equitable administration. The benefit under this portion of the plan is frozen, and accordingly, year-to-year differences in the present value of the accumulated benefit arise solely from changes in the interest rate used to calculate present value and the participant's age becoming closer to age 65. We calculated the present value assuming that the listed officers will remain in service until age 65, using the discount rate and other assumptions used by Intel for financial statement accounting, as reflected in Note 20 to the financial statements in our Annual Report on Form 10-K for the year ended December 29, 2012. A participant can elect to receive his or her benefit at any time following termination of employment. However, distributions before age 55 may be subject to a 10% federal penalty tax.

Retirement Plans for Mr. Perlmutter. The retirement program of Intel Israel provides employees with benefits covering retirement, premature death, and disability. All employees are eligible, and the government encourages retirement savings with tax incentives. The Intel Israel retirement program has two key components: "pension savings," which operates as a defined contribution plan, and "severance plan," which provides a benefit based on final salary and years of service, depending on the employee's hiring date. Every month, Intel Israel and Mr. Perlmutter each contribute a percentage of Mr. Perlmutter's base salary to his retirement program. Mr. Perlmutter may elect to defer between 5% and 7% of his base salary to pension savings. Intel Israel contributes 5% of Mr. Perlmutter's base salary to pension savings and another 8.33% to the severance plan, for a total company contribution of 13.33% of base salary to his retirement program. Mr. Perlmutter holds investment discretion over such contributions.

Employees of Intel Israel receive their pension savings account balance upon retirement (age 67 for men and age 64 for women), termination, or voluntary departure. Because the pension savings plan is a traditional defined contribution plan, Intel does not retain any ongoing liability for the funds placed or invested in it. The severance plan is governed by Israeli labor law obligating an employer to compensate the termination of an employee with a payment equal to his or her latest monthly salary multiplied by years of service; the severance plan contribution covers part of this obligation. Although Israeli labor law requires only involuntary termination to be compensated, Intel's practice is to pay employees upon voluntary or involuntary separation if such employees were hired prior to 2003.

In addition, employees of Intel Israel may receive a discretionary special retirement amount called the Adaptation Plan in a lump sum following an employee's termination or retirement, according to the Adaptation Plan rules. This Adaptation Plan is available to all employees of Intel Israel. The grant is based on the number of years that an employee has worked at Intel Israel, and an employee must be employed at Intel Israel at least five years to be eligible for the special amount. The maximum amount that an employee could receive is 11 months of his or her base salary. Based on Mr. Perlmutter's years of service, he would be eligible for the maximum amount: which is the actuarial present value of 11 months of his base salary.

Non-Qualified Deferred Compensation for Fiscal Year 2012

The following table shows the non-qualified deferred compensation activity for each listed officer during fiscal year 2012.

Name	Executive Contributions in Last Fiscal Year [1] ($)	Intel Contributions in Last Fiscal Year [2] ($)	Aggregate Earnings (Losses) in Last Fiscal Year [3] ($)	Aggregate Balance at Last Fiscal Year-End [4] ($)
Paul S. Otellini	120,000	444,800	964,800	8,532,000
Stacy J. Smith	1,253,900	107,900	464,200	6,021,300
David Perlmutter	—	—	—	—
Brian M. Krzanich	—	97,600	63,200	618,600
Renee J. James	52,000	94,000	69,900	818,900

1 *Amounts included in the Summary Compensation table in the “Salary” and “Non-Equity Incentive Plan Compensation” columns for 2012.*

2 *These amounts, which accrued during fiscal year 2012 and were credited to the participants’ accounts in 2013, are included in the Summary Compensation table in the “All Other Compensation” column for 2012.*

3 *These amounts are not included in the Summary Compensation table because plan earnings were not preferential or above market.*

4 *These amounts are as of December 31, 2012 and do not take into account the amounts in the “Intel Contributions in Last Fiscal Year” column in the table above that were accrued during fiscal year 2012 but were credited to the participants’ accounts in 2013. The following amounts are included in the fiscal year-end balance and previously were reported as compensation to the listed officers in the Summary Compensation table for 2006 through 2011 (except for Mr. Smith, who was not a listed officer in 2006, and Mr. Krzanich and Ms. James who were not listed officers prior to 2012): Mr. Otellini, $1,909,000; Mr. Smith, $2,451,100.*

Intel will distribute the balances reported in the Non-Qualified Deferred Compensation table (plus any future contributions or earnings) to the listed officers in the manner that the officers have chosen under the plan’s terms. Each balance reported in the table above includes the offset amount that the employee would receive under the tax-qualified pension plan arrangement; the actual amount distributed under this plan will be reduced by the benefit under the pension plan arrangement. See the Pension Benefits table above for these amounts.

The following table summarizes the total contributions made by the participant and Intel, including gains and losses attributable to such contributions, that were previously reported (or that would have been reported had the participant been a listed officer for all years) in the Summary Compensation table over the life of the plan. The amounts in the table are as of December 31, 2012 and do not take into account any amounts that were accrued during fiscal year 2012 but were credited to the participants’ accounts in 2013.

Name	Aggregate Executive Deferrals over Life of Plan ($)	Aggregate Intel Contributions over Life of Plan ($)
Paul S. Otellini	4,037,800	4,494,200
Stacy J. Smith	5,459,900	561,400
David Perlmutter	—	—
Brian M. Krzanich	133,200	485,400
Renee J. James	424,500	394,400

Intel’s non-qualified deferred compensation plan allows highly compensated employees, including executive officers, to defer up to 50% of their salary and up to 100% of their annual incentive cash payment. Gains on equity compensation are not eligible for deferral. Intel’s contributions to the employee’s account represent the portion of Intel’s retirement contribution on eligible compensation (consisting of base salary and annual and semiannual incentive cash payments) earned in excess of the tax code covered compensation limit of $250,000 in 2012. Intel’s contributions are subject to the same vesting provisions as the retirement contribution plan. After two years of service, Intel’s contributions vest in 20% annual increments until the participant is 100% vested after six years of service. Intel's contributions also vest in full upon death, disability, or reaching the age of 60, regardless of years of service. All the listed officers are fully vested in the value of Intel's contributions, as they each have more than six years of service, except Mr. Perlmutter, who is not covered by the U.S. plan.

Intel does not provide a guaranteed rate of return on these funds. Thus, the amount of earnings that a participant receives depends on the participant's investment elections for his or her deferrals and on the performance of the company-directed diversified portfolio for Intel's contributions. Participants can elect for their deferrals to be treated as if invested in one or more mutual funds, index, and similar investment alternatives offered under the plan. Intel's retirement contributions are deemed to be invested in the same company-directed diversified portfolio as the retirement contribution plan. The deferred compensation plan requires participants to make irrevocable elections at the time of deferral to receive their annual distributions after termination of employment, or at a future date not less than 36 months from the deferral election date. Participants may make hardship withdrawals under specific circumstances.

Employment Contracts and Change in Control Arrangements

All of Intel's executive officers are employed at will without employment agreements (subject only to the effect of local labor laws), and we do not maintain any payment arrangements that would be triggered by a "change in control" of Intel. From time to time, we have implemented voluntary separation programs to encourage headcount reduction in particular parts of the company, and these programs have offered separation payments to departing employees. However, executive officers generally have not been eligible for any of these programs or other severance payment arrangements, nor do we generally retain executive officers following retirement on a part-time or consultancy basis.

Other Potential Post-Employment Payments

SEC rules require companies to report the amount of benefits that are triggered by termination of employment. These amounts are reported in the following tables under the headings "Accelerated Option Awards" and "Accelerated Stock Awards." We do not maintain arrangements for listed officers that are triggered by a change in control.

The columns in the tables below report the value of all forms of compensation that would be available to the listed officers upon the specified events, an amount that is sometimes referred to as the "walk-away" amount. This amount includes the value of vested equity awards that the listed officer is entitled to regardless of whether his or her employment terminated, and the value of vested deferred compensation and retirement benefits that are also reported in the tables above.

The amounts in the tables below assume that the listed officer left Intel effective December 31, 2012 and are based on the price per share of Intel common stock on the last trading day of the fiscal year ($20.23 on December 28, 2012). Amounts actually received if any of the listed officers cease to be employed will vary based on factors such as the timing during the year of any such event, the company's stock price, the listed officer's age, and any changes to our benefit arrangements and policies.

Voluntary Termination/Retirement

Name	Accelerated Option Awards ($)	Accelerated Stock Awards ($)	Previously Vested Option Awards ($)	Deferred Compensation ($)	Pension Plan ($)	Retirement Contribution Plan ($)	401(k) Savings Plan ($)	Medical Benefits [1] ($)	2012 Total ($)
Paul S. Otellini	285,000	13,683,200	855,000	8,976,700	1,952,300	1,706,500	794,800	57,000	28,310,500
Stacy J. Smith	—	—	140,200	6,021,300	818,500	547,300	446,000	—	7,973,300
David Perlmutter [2]	—	5,598,700	580,300	—	3,707,400	—	—	—	9,886,400
Brian M. Krzanich	77,300	4,652,700	326,900	716,200	282,600	828,000	785,700	43,500	7,712,900
Renee J. James	—	—	13,000	818,900	383,000	558,800	341,300	—	2,115,000

[1] *Sheltered Employee Retirement Medical Account funds can be used to pay premiums under the medical plan of the listed officer's choice.*

[2] *The amount in the "Pension Plan" column was converted to U.S. dollars at a rate of 3.75 shekels per dollar and includes the amounts from the plans discussed above under "Retirement Plans for Mr. Perlmutter."*

Table of Contents

Death or Disability

Name	Accelerated Option Awards ($)	Accelerated Stock Awards ($)	Previously Vested Option Awards ($)	Deferred Compensation ($)	Pension Plan ($)	Retirement Contribution Plan ($)	401(k) Savings Plan ($)	Medical Benefits [1] ($)	2012 Total ($)
Paul S. Otellini	285,000	15,959,100	855,000	8,976,700	1,952,300	1,706,500	794,800	57,000	30,586,400
Stacy J. Smith	493,000	13,592,300	140,200	6,129,100	818,500	562,300	446,000	—	22,181,400
David Perlmutter [2]	592,400	14,111,100	580,300	—	3,707,400	—	—	—	18,991,200
Brian M. Krzanich	495,700	13,040,900	326,900	716,200	282,600	828,000	785,700	43,500	16,519,500
Renee J. James	431,300	13,040,900	13,000	912,900	383,000	573,800	341,300	—	15,696,200

1 *Sheltered Employee Retirement Medical Account funds can be used to pay premiums under the medical plan of the listed officer's choice.*

2 *The amount in the "Pension Plan" column was converted to U.S. dollars at a rate of 3.75 shekels per dollar and includes the amounts from the plans discussed above under "Retirement Plans for Mr. Perlmutter."*

Equity Incentive Plans. Unvested OSUs are cancelled upon termination of employment for any reason other than retirement, death, or disability. OSUs are fully vested upon retirement under the rule of Age 60 or the Rule of 75. OSUs are not settled into shares of Intel stock until after the end of the performance period, even if the holder qualifies for early vesting. RSUs and stock options are subject to retirement vesting under the rule of Age 60 or the Rule of 75, but not both. Upon retirement under the rule of Age 60, for every five years of service, the holder receives one additional year of vesting. Upon retirement under the Rule of 75, when the holder's age and years of service equal at least 75, the holder receives one additional year of vesting. Additional years of vesting means that any RSUs or stock options scheduled to vest within the number of years from the retirement date determined under the rule of Age 60 or Rule of 75 will be vested on the holder's retirement date. Under the standard grant agreements for stock options granted under our equity incentive plans, the option holder generally has 90 days to exercise stock options that vested on or before the date that employment ends (other than for death, disability, retirement, or discharge for misconduct). The option holder's estate may exercise vested stock options upon the holder's death for a period of 365 days, unless the stock options' expiration date occurs first. Similarly, the option holder may exercise vested stock options upon termination due to disability or retirement for a period of 365 days, unless the options' expiration date occurs first. Upon disability or death, all unvested OSUs, RSUs, and stock options become 100% vested.

Non-Qualified Deferred Compensation Plan and Pension Plan. Each of the listed officers is fully vested in the non-qualified deferred compensation plan discussed above. If a listed officer ended employment with Intel on December 29, 2012, for any reason, the account balances set forth in the Non-Qualified Deferred Compensation table would continue to be adjusted for earnings and losses in the investment choices selected by the officer until paid, pursuant to the distribution election made by the officer. As discussed above, the actual amount payable under the non-qualified deferred compensation plan will be reduced to reflect the offset amount payable under the tax-qualified pension plan arrangement. The benefit amounts set forth in the Pension Benefits table would continue to be adjusted based on actuarial assumptions until paid to the officer.

Retirement Contribution Plan. After two years of service, Intel's contributions vest in 20% annual increments until the participant is 100% vested after six years. Intel's contributions vest in full upon death, disability, or reaching the age of 60, regardless of years of service. All listed officers are fully vested in the value of Intel's contributions, as they each have more than six years of service, except Mr. Perlmutter, who does not participate in the U.S. retirement plans. Eligible U.S. Intel retirees (including executive officers) receive a prorated contribution for the year in which they retire. The contribution is calculated based on eligible earnings in the year of retirement.

401(k) Savings Plan. Intel does not match the participant's contributions to his or her 401(k) savings plan. Each participant is always fully vested in the value of his or her contributions under the plan.