

INTEL CORP  
Form PRE 14A  
March 22, 2010

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**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of**  
**the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

**Confidential, for Use of the Commission Only**  
**(as permitted by Rule 14a-6(e)(2))**

**INTEL CORPORATION**

**(Name of the Registrant as Specified in Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**INTEL CORPORATION**  
**2200 Mission College Blvd.**  
**Santa Clara, CA 95054-1549**  
**(408) 765-8080**

April XX, 2010

Dear Stockholder:

We look forward to your attendance in person, virtually via the Internet, or by proxy at the 2010 Annual Stockholders Meeting. We will hold the meeting at 8:30 a.m. Pacific Time on Wednesday, May 19, 2010. You may attend and participate in the annual meeting via the Internet at [www.intc.com](http://www.intc.com) where you will be able to vote electronically and submit questions during the meeting. Only stockholders who use their control number to log on to the meeting will be able to vote electronically and submit questions during the meeting. Stockholders also may attend the meeting in person at Intel Corporation, Building SC-12, 3600 Juliette Lane, Santa Clara, California 95054. Only stockholders showing proof of ownership will be allowed to attend the meeting in person.

We also are pleased to furnish proxy materials to stockholders primarily over the Internet. We believe that this process expedites stockholders' receipt of proxy materials, while significantly lowering the costs of our annual meeting and conserving natural resources. On April XX, 2010, we mailed our stockholders a notice containing instructions on how to access our 2010 Proxy Statement and 2009 Annual Report and vote online. The notice also included instructions on how you can receive a paper copy of your annual meeting materials, including the notice of annual meeting, proxy statement, and proxy card. If you received your annual meeting materials by mail, the notice of annual meeting, proxy statement, and proxy card from our Board of Directors were enclosed. If you received your annual meeting materials via e-mail, the e-mail contained voting instructions and links to the proxy statement and the annual report on the Internet, both of which are available at [www.intel.com/intel/annualreports](http://www.intel.com/intel/annualreports).

At this year's annual meeting, the agenda includes the following items:

<b>Agenda Item</b>	<b>Board Recommendation</b>
Election of Directors	<b>FOR</b>
Ratification of Ernst & Young LLP as our independent registered public accounting firm	<b>FOR</b>
Advisory vote on executive compensation	<b>FOR</b>

Please refer to the proxy statement for detailed information on each of the proposals and the annual meeting. Your vote is important, and we strongly urge you to cast your vote. For the election of directors, if you do not provide voting instructions via the Internet, by telephone, or by returning a proxy card or voting instruction card, your shares will not be voted. We encourage you to vote promptly, even if you plan to attend the annual meeting.

Sincerely yours,

Jane E. Shaw  
*Chairman of the Board*

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**INTEL CORPORATION  
2200 Mission College Blvd.  
Santa Clara, California 95054-1549**

**NOTICE OF 2010 ANNUAL STOCKHOLDERS MEETING**

<b>TIME AND DATE</b>	8:30 a.m. Pacific Time on Wednesday, May 19, 2010
<b>PLACE</b>	Intel Corporation, Building SC-12, 3600 Juliette Lane, Santa Clara, CA 95054
<b>INTERNET</b>	Attend the annual meeting online, including voting and submitting questions, at <a href="http://www.intc.com">www.intc.com</a>
<b>AGENDA</b>	<p>Elect the 10 director nominees named in the proxy statement</p> <p>Ratify Ernst &amp; Young LLP as our independent registered public accounting firm</p> <p>Hold an advisory vote on executive compensation</p> <p>Transact other business that may properly come before the annual meeting (including adjournments and postponements)</p>
<b>RECORD DATE</b>	March 22, 2010
<b>MEETING ADMISSION</b>	<p>You are entitled to attend the annual meeting only if you were an Intel stockholder as of the close of business on March 22, 2010 or hold a valid proxy for the annual meeting. If attending the physical meeting, you should be prepared to present photo identification for admittance. In addition, if you are a stockholder of record, meaning that you hold shares directly with Computershare Investor Services, LLC ( registered holders ), the inspector of elections will have your name on a list, and you will be able to gain entry with a form of government-issued photo identification, such as a driver s license, state-issued ID card, or passport. If you are not a stockholder of record but hold shares through a broker, bank, or nominee ( street name or beneficial holders), in order to gain entry you must provide proof of beneficial ownership as of the record date, such as an account statement or similar evidence of ownership, along with a form of government-issued photo identification. If you do not provide photo identification and comply with the other procedures outlined above for attending the annual meeting in person, you will not be admitted to attend the annual meeting location in person.</p>
<b>VOTING</b>	<p>Please vote as soon as possible to record your vote promptly, even if you plan to attend the annual meeting in person or via the Internet. Because of a change in New York Stock Exchange rules, unlike previous annual meetings, your broker will NOT be able to vote your shares with respect to the election of directors if you have not given your broker specific instructions to do so. We strongly encourage you to vote. You have three options for submitting your vote before the annual meeting:</p>

Internet

Phone

Mail

By Order of the Board of Directors

Cary I. Klafter  
*Corporate Secretary*

Santa Clara, California  
April XX, 2010

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**INTERNET AVAILABILITY OF PROXY MATERIALS**

We are furnishing proxy materials to our stockholders primarily via the Internet. On April XX, 2010, we mailed most of our stockholders a Notice of Internet Availability containing instructions on how to access our proxy materials, including our proxy statement and our annual report. The Notice of Internet Availability also instructs you on how to vote via the Internet or by telephone. Other stockholders, in accordance with their prior requests, received e-mail notification of how to access our proxy materials and vote via the Internet, or have been mailed paper copies of our proxy materials and a proxy card or voting form.

Internet distribution of our proxy materials is designed to expedite receipt by stockholders, lower the cost of the annual meeting, and conserve natural resources. However, if you would prefer to receive paper copies of proxy materials, please follow the instructions included in the Notice of Internet Availability. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

**ATTENDING THE ANNUAL MEETING**

**Attending in person**

Doors open at 8:00 a.m. Pacific Time

Meeting starts at 8:30 a.m. Pacific Time

Proof of Intel Corporation stock ownership and photo identification will be required to attend the annual meeting

You do not need to attend the annual meeting to vote if you submitted your proxy in advance of the annual meeting

Security measures may include bag search, metal detector, and hand-wand search

The use of cameras is not allowed

There will be no food service at the meeting

**Attending and participating via the Internet**

[www.intc.com](http://www.intc.com); we encourage you to sign on prior to the meeting

Webcast starts at 8:30 a.m. Pacific Time

Stockholders may vote and submit questions while attending the meeting on the Internet

Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at [www.intc.com](http://www.intc.com)

Anyone can view the annual meeting live via the Internet at [www.intc.com](http://www.intc.com)

Webcast replay available until June 30, 2010

**QUESTIONS**

**For questions regarding**

**Contact**

Annual meeting Intel Investor Relations, (408) 765-1480

Stock ownership for registered holders Computershare Investor Services, LLC, [www.computershare.com/contactus](http://www.computershare.com/contactus) (800) 298-0146 (within the U.S. and Canada) or

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(312) 360-5123 (outside the U.S. and Canada)

Stock ownership for  
beneficial holders Please contact your broker, bank, or other nominee

Voting D. F. King & Co., Inc.  
(800) 967-7921 (within the U.S. and Canada) or  
(212) 269-5550 (outside the U.S. and Canada)

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**INTEL CORPORATION**  
**2200 Mission College Blvd.**  
**Santa Clara, CA 95054-1549**

**PROXY STATEMENT**

Our Board of Directors solicits your proxy for the 2010 Annual Stockholders Meeting and at any postponement or adjournment of the meeting for the matters set forth in Notice of 2010 Annual Stockholders Meeting. The 2010 Annual Stockholders Meeting will be held at 8:30 a.m. Pacific Time on Wednesday, May 19, 2010, via the Internet at [www.intc.com](http://www.intc.com) and at Intel Corporation, Building SC-12, 3600 Juliette Lane, Santa Clara, CA 95054. We made this proxy statement available to stockholders beginning on April XX, 2010.

**Record Date** March 22, 2010

**Quorum** Majority of shares outstanding on the record date must be present in person or by proxy

**Shares Outstanding** X,XXX,XXX,XXX shares of common stock outstanding as of March 22, 2010

**Voting by Proxy** Internet, phone, or mail

**Voting at the Meeting** We encourage stockholders to vote in advance of the annual meeting, even if they plan to attend the meeting. Stockholders can vote in person or via the Internet during the meeting. Stockholders of record who attend the annual meeting in person may obtain a ballot from the inspector of elections. Beneficial holders who attend the annual meeting in person must obtain a proxy from their broker, bank, or other nominee prior to the date of the annual meeting and present it to the inspector of elections with their ballot. Stockholders attending the annual meeting via the Internet should follow the instructions at [www.intc.com](http://www.intc.com) in order to vote or submit questions at the meeting. Voting in person or via the Internet by a stockholder during the meeting will replace any previous votes.

**Polls Close** 9:15 a.m. Pacific Time on May 19, 2010

**Changing Your Vote** Stockholders of record may revoke their proxy at any time before the polls close by submitting a later-dated vote in person or electronically at the annual meeting, via the Internet, by telephone, by mail, or by delivering instructions to our Corporate Secretary before the annual meeting. If you hold shares through a broker, bank, or other nominee, you may revoke any prior voting instructions by contacting that firm or by voting during the meeting via the Internet.

**Votes Required to Adopt Proposals** Each share of our common stock outstanding on the record date is entitled to one vote on each of the 10 director nominees and one vote on each other matter. To be elected, directors must receive a majority of the votes cast (the number of shares voted for a director nominee must exceed the number of votes cast against that nominee). Approval of each of the other matters on the agenda requires the affirmative vote of the majority of the shares of common stock

present or represented by proxy.

**Effect of Abstentions and Broker Non-Votes** Shares not present at the meeting and shares voting abstain have no effect on the election of directors. For each of the other proposals, abstentions have the same effect as negative votes. Broker non-votes (shares held by brokers that do not have discretionary authority to vote on a matter and have not received voting instructions from their clients) have no effect. If you are a beneficial holder and do not provide specific voting instructions to your broker, under a recent rule change the organization that holds your shares will not be authorized to vote on the election of directors. Accordingly, we encourage you to vote promptly, even if you plan to attend the annual meeting.

**Voting Instructions** If you complete and submit your proxy voting instructions, the persons named as proxies will follow your instructions. If you are a stockholder of record and you submit proxy voting instructions but do not direct how to vote on each item, the persons named as proxies will vote as the Board recommends on each proposal. The persons named as proxies will vote on any other matters properly presented at the annual meeting in accordance with their best judgment. Our Bylaws set forth requirements for advance notice of nominations and agenda items for the annual meeting, and we have not received timely notice of any such matters that may be properly presented for voting at the annual meeting, other than the three items from the Board of Directors described in this proxy statement.

**Voting Results** We will announce preliminary results at the annual meeting. We will report final results at [www.intc.com](http://www.intc.com) and in a filing with the U.S. Securities and Exchange Commission (SEC) on Form 8-K.

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**PROPOSAL 1: ELECTION OF DIRECTORS**

Upon the recommendation of our Corporate Governance and Nominating Committee, our Board has nominated the persons listed below to serve as directors for the one-year term beginning at our annual meeting on May 19, 2010 or until their successors, if any, are elected or appointed. Our nominees for the election of directors at the annual meeting include nine independent directors, as defined in the applicable rules for companies traded on The NASDAQ Global Select Market\* (NASDAQ), and our Chief Executive Officer (CEO).

If any director nominee is unable or unwilling to serve as a nominee at the time of the annual meeting, the persons named as proxies may vote for a substitute nominee chosen by the present Board to fill the vacancy. In the alternative, the proxies may vote just for the remaining nominees, leaving a vacancy that may be filled at a later date by the Board. Alternatively, the Board may reduce the size of the Board. We have no reason to believe that any of the nominees will be unwilling or unable to serve if elected as a director.

Our Bylaws require that in order to be elected, a director nominee must receive a majority of the votes cast with respect to such nominee in uncontested elections (the number of shares voted for a director nominee must exceed the number of votes cast against that nominee). Each of our director nominees is currently serving on the Board. If a nominee who is currently serving as a director is not re-elected, Delaware law provides that the director would continue to serve on the Board as a holdover director. Under our Bylaws and Corporate Governance Guidelines, each director submits an advance, contingent, irrevocable resignation that the Board may accept if stockholders do not re-elect the director. In that situation, our Corporate Governance and Nominating Committee would make a recommendation to the Board about whether to accept or reject the resignation, or whether to take other action. The Board would act on the Corporate Governance and Nominating Committee's recommendation, and publicly disclose its decision and the rationale behind it within 90 days from the date that the election results were certified.

*Director Changes in 2009 and 2010.* In March 2009, Carol A. Bartz retired from the Board, and the Board elected John J. Donahoe and Frank D. Yeary to the Board. In May 2009, Dr. Craig R. Barrett retired from the Board and as Chairman of the Board, and Dr. Jane E. Shaw became Chairman of the Board. In March 2010, John L. Thornton announced his intention to retire as a member of the Board in May 2010 at the annual stockholders meeting, and the size of the Board will be reduced to 10 at that time.

**Board Composition**

As a major semiconductor chip maker, our business involves a complex operational structure that operates on a global scale and encompasses research, manufacturing, and marketing functions in a context characterized by rapidly evolving technologies, exposure to business cycles, and significant competition. The Corporate Governance and Nominating Committee is responsible for reviewing and assessing with the Board the appropriate skills, experience, and background sought of Board members in the context of our business and the then-current membership on the Board. This assessment of Board skills, experience, and background includes numerous diverse factors, such as independence; understanding of and experience in manufacturing, technology, finance, and marketing; international experience; age; and gender and ethnic diversity. The priorities and emphasis of the committee and of the Board with regard to these factors change from time to time to take into account changes in the company's business and other trends, as well as the portfolio of skills and experience of current and prospective Board members. The committee and the Board review and assess the continued relevance of and emphasis on these factors as part of the Board's annual self-assessment process and in connection with candidate searches to determine if they are effective in helping to satisfy the Board's goal of creating and sustaining a Board that can appropriately support and oversee the company's activities.

We do not expect or intend that each director will have the same background, skills, and experience; we expect that Board members will have a diverse portfolio of backgrounds, skills, and experiences. One goal of this diversity is to assist the Board as a whole in its oversight and advice concerning our business and operations. Listed below are key skills and experience that we consider important for our directors to have in light of our current business and structure. The directors' biographies note each director's relevant experience, qualifications, and skills relative to this list.

*Senior Leadership Experience.* Directors who have served in senior leadership positions are important to us, as they bring experience and perspective in analyzing, shaping, and overseeing the execution of important operational and policy issues at a senior level. These directors' insights and guidance, and their ability to assess and respond to situations encountered in serving on our Board, may be enhanced if their leadership experience has been developed at businesses or organizations that operated on a global scale, faced significant competition, and/or involved technology or other rapidly evolving business models.

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*Public Company Board Experience.* Directors who have served on other public company boards can offer advice and insights with regard to the dynamics and operation of a board of directors; the relations of a board to the CEO and other management personnel; the importance of particular agenda and oversight matters; and oversight of a changing mix of strategic, operational, and compliance-related matters.

*Business Development and Mergers and Acquisitions (M&A) Experience.* Directors who have a background in business development and in M&A transactions can provide insight into developing and implementing strategies for growing our business through combination with other organizations. Useful experience in this area includes consideration of make versus buy, analysis of the fit of a proposed acquisition with a company's strategy, the valuation of transactions, and management's plans for integration with existing operations.

*Financial Expertise.* Knowledge of financial markets, financing and funding operations, and accounting and financial reporting processes is important because it assists our directors in understanding, advising, and overseeing Intel's capital structure, financing and investing activities, financial reporting, and internal control of such activities.

*Industry and Technical Expertise.* Because we are a technology, hardware, and software provider, education or experience in relevant technology is useful in understanding our research and development efforts, competing technologies, the various products and processes that we develop, our manufacturing and assembly-and-test operations, and the market segments in which we compete.

*Brand Marketing Expertise.* Directors who have brand marketing experience can provide expertise and guidance as we seek to maintain and expand brand and product awareness and a positive reputation.

*Government Expertise.* Directors who have served in government positions can provide experience and insight into working constructively with governments around the world and addressing significant public policy issues, particularly in areas related to Intel's business and operations, and support for mathematics, technology, engineering, and science education.

*Global Expertise.* Because we are a global organization with research and development, manufacturing, assembly and test facilities, and sales and other offices in many countries, directors with global expertise can provide a useful business and cultural perspective regarding many significant aspects of our business.

*Legal Expertise.* Directors who have legal education and experience can assist the Board in fulfilling its responsibilities related to the oversight of Intel's legal and regulatory compliance, and engagement with regulatory authorities.

**The Board recommends that you vote FOR the election of each of the following nominees.**

<b>Name</b>	<b>Position with the Company</b>	<b>Age as of the Record Date</b>	<b>Intel Board Member Since</b>
Ambassador Charlene Barshefsky	Director	59	2004
Susan L. Decker	Director	47	2006
John J. Donahoe	Director	49	2009
Reed E. Hundt	Director	62	2001
Paul S. Otellini	Director, President, and Chief Executive Officer	59	2002
James D. Plummer	Director	65	2005

David S. Pottruck	Director	61	1998
Jane E. Shaw	Director, Chairman of the Board	71	1993
Frank D. Yeary	Director	46	2009
David B. Yoffie	Director	55	1989

**Directors Principal Occupation, Business Experience, Qualifications, and Directorships**

*Ambassador Charlene Barshefsky* has been a director of Intel since 2004 and a Senior International Partner at Wilmer Cutler Pickering Hale and Dorr LLP, a multinational law firm in Washington, D.C., since 2001. Prior to joining the law firm, Ambassador Barshefsky served as the United States Trade Representative, chief trade negotiator, and principal trade policy maker for the United States and a member of the President’s cabinet from 1997 to 2001. Ambassador Barshefsky is also a director of American Express Company, Starwood Hotels & Resorts Worldwide, and Estée Lauder Companies; serves on the board of directors of the U.S. Council on Foreign Relations; and is a trustee of the Howard Hughes Medical Institute.



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Ambassador Barshefsky brings to the Board significant international experience acquired prior to, during, and after her tenure as a United States Trade Representative. As the chief trade negotiator for the United States, Ambassador Barshefsky headed an executive branch agency that operated on an international scale in matters affecting international trade and commerce. Ambassador Barshefsky's position as Senior International Partner at a multinational law firm also brings to the Board continuing experience in dealing with foreign governments, focusing on market access and the regulation of business and investment. Through her government and private experience, Ambassador Barshefsky provides substantial expertise in doing business in China, where Intel has significant operations. As a director for other multinational companies, Ambassador Barshefsky also provides cross-board experience.

**Susan L. Decker** has been a director of Intel since 2006 and an Entrepreneur-in-Residence at Harvard Business School in Cambridge, Massachusetts, since 2009, where she is involved in case development activities, works with students, and helps develop and teach the Silicon Valley Immersion Program for Harvard Business School students. Ms. Decker served as President of Yahoo! Inc., a global Internet company in Sunnyvale, California, from 2007 to 2009; Executive Vice President of the Advertiser and Publisher Group of Yahoo! Inc. from 2006 to 2007; and Executive Vice President of Finance and Administration, and Chief Financial Officer (CFO) of Yahoo! Inc. from 2000 to 2007. Prior to joining Yahoo!, Ms. Decker was with the Donaldson, Lufkin & Jenrette investment banking firm for 14 years, most recently as the global director of equity research. Ms. Decker is also a member of Berkshire Hathaway Inc. and Costco Wholesale Corporation boards of directors and a member of those companies' nominating and governance committees. Ms. Decker also served as a member of the board of directors of Pixar Animation Studios from 2004 to 2006.

Ms. Decker's experience as president of a global Internet company provides expertise in corporate leadership, financial management, and Internet technology. In her role as a CFO, Ms. Decker was responsible for finance, human resources, legal, and investor relations functions, and she played a significant role in developing business strategy, which experience supports the Board's efforts in overseeing and advising on strategy and financial matters. In addition, Ms. Decker's 12 years as a financial analyst and having served on the Financial Accounting Standards Advisory Council for a four-year term from 2000 to 2004, enables her to offer valuable perspectives on Intel's corporate planning, budgeting, and financial reporting. As a director for other multinational companies, Ms. Decker also provides cross-board experience.

**John J. Donahoe** has been a director of Intel since 2009 and President and CEO of eBay Inc., a global online marketplace in San Jose, California, since 2008. Mr. Donahoe joined eBay in 2005 as President of eBay Marketplaces, responsible for eBay's global e-commerce businesses. In this role, he focused on expanding eBay's core business, which accounts for a large percentage of the company's revenue. Prior to joining eBay, Mr. Donahoe was the Worldwide Managing Director for Bain & Company, a worldwide management consulting firm based in Boston, Massachusetts, from 2000 to 2005, where he oversaw Bain's 30 offices and 3,000 employees. In addition to serving on eBay Inc.'s board of directors, Mr. Donahoe is on the board of trustees of Dartmouth College.

Mr. Donahoe brings senior leadership, strategic, and marketing expertise to the Board from his current position as CEO of a major Internet company and his prior work as a management consultant and leader of a global business consulting firm. In his role at eBay, Mr. Donahoe oversaw a number of strategic acquisitions, bringing business development and M&A experience to the Board.

**Reed E. Hundt** has been a director of Intel since 2001 and a principal of REH Advisors LLC, a strategic advice firm in Washington, D.C., since 2009. Mr. Hundt was an independent adviser to McKinsey & Company, Inc., a worldwide management consulting firm in Washington, D.C., from 1998 to 2009, and Principal of Charles Ross Partners, LLC, a private investor and advisory service in Washington, D.C., from 1998 to 2009. Mr. Hundt served as Chairman of the U.S. Federal Communications Commission (FCC) from 1993 to 1997 and was a member of Barack Obama's Presidential Transition Team from 2008 to 2009. From 1982 to 1993, Mr. Hundt was a practicing attorney with

Latham & Watkins, a multinational law firm, in the firm's Los Angeles, California and Washington, D.C. offices. Within the past five years, Mr. Hundt has served as a member of the board of directors of Infinera Corporation and Data Domain, Inc., and numerous private companies.

As an independent adviser to a worldwide management consulting firm and an investor in telecommunications companies on a worldwide basis, Mr. Hundt has significant global experience in communications technology and the communications business. Mr. Hundt also has significant government experience from his service as Chairman of the FCC, where he helped negotiate the World Trade Organization Telecommunications Agreement, opening markets in 69 countries to competition and reducing barriers to foreign investment. Mr. Hundt's legal experience enables him to provide perspective and oversight with regard to the company's legal and compliance matters, and his board service with numerous other companies provides cross-board experience.

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**Paul S. Otellini** has been a director of Intel since 2002 and President and CEO since 2005. Mr. Otellini has been with Intel since 1974 and has also served as Intel's Chief Operating Officer (COO) from 2002 to 2005; Executive Vice President and General Manager, Intel Architecture Group, from 1998 to 2002; and Executive Vice President and General Manager, Sales and Marketing Group, from 1996 to 1998. Mr. Otellini is a member of the board of directors of Google Inc.

As our CEO and a senior executive, Mr. Otellini brings to the Board significant senior leadership, sales and marketing, industry, technical, and global experience. As CEO, Mr. Otellini has direct responsibility for Intel's strategy and operations. Mr. Otellini's service on the board of Google enables him to offer cross-board and industry expertise related to governance of a major global Internet company.

**James D. Plummer** has been a director of Intel since 2005 and a Professor of Electrical Engineering at Stanford University in Stanford, California since 1978, and the Dean of the School of Engineering since 1999. Dr. Plummer received his PhD degree in Electrical Engineering from Stanford University. Dr. Plummer has published over 400 papers on silicon devices and technology, has won numerous awards for his research, and is a member of the U.S. National Academy of Engineering. Dr. Plummer also directed the Stanford Nanofabrication Facility from 1994 to 2000. Dr. Plummer is a member of International Rectifier Corporation's board of directors. Within the past five years, Dr. Plummer has served as a member of the board of directors of Leadis Technology, Inc. and on the Technical Advisory Board of Cypress Semiconductor.

As a scholar and educator in the field of integrated circuits, Dr. Plummer brings to the Board industry and technical experience directly related to our company's semiconductor research and development, and manufacturing. Dr. Plummer's board service with other public companies provides cross-board experience.

**David S. Pottruck** has been a director of Intel since 1998 and Chairman and CEO of Red Eagle Ventures, Inc., a private equity firm in San Francisco, California, since 2005. Since 2009, Mr. Pottruck has also served as Co-Chairman of Hightower Advisors, a wealth management company in Chicago, Illinois. He has been an advisory board member of Diamond Technology and Management Consultants, Inc., a publicly held consulting firm, since 2004. Mr. Pottruck teaches in the MBA and Executive Education programs of the Wharton School of the University of Pennsylvania, and has held adjunct faculty positions at five universities. In 2004, Mr. Pottruck resigned from the Charles Schwab Corporation after a 20-year career, having served as President, CEO, and a member of the board.

As the Chairman and CEO of a private equity firm, and as former CEO of a major brokerage firm with substantial Internet operations, Mr. Pottruck brings to the Board significant senior leadership, management, operational, financial, and brand management experience.

**Jane E. Shaw** has been a director of Intel since 1993 and Chairman of the Board of Directors of Intel since May 2009. In 2005, Dr. Shaw retired as Chairman and CEO of Aerogen, Inc., a specialty medical device company in Mountain View, California, that develops drug-device combination aerosol products for patients with respiratory disorders, after serving as Chairman and CEO since 1998. Dr. Shaw served as President and COO of ALZA Corporation, a pharmaceutical company, from 1987 to 1994, and was founder of The Stable Network, a biopharmaceutical consulting company. Dr. Shaw serves on the board of McKesson Corporation, and she previously served on the board of OfficeMax Incorporated from 1994 to 2006. Dr. Shaw received a PhD from the University of Birmingham in England.

Dr. Shaw has significant executive experience with the strategic, financial, and operational requirements of large research and manufacturing-oriented organizations, and brings to our Board senior leadership, health industry, and financial experience. In addition, having served as CEO of pharmaceutical companies, she has substantial experience in dealing with research and development efforts and technological innovation. As a director of a public company board, including serving as Audit Committee chair, Dr. Shaw also provides cross-board experience.

**Frank D. Yeary** has been a director of Intel since 2009 and Vice Chancellor of the University of California in Berkeley, California since 2008, where he advises the chancellor and his senior staff on strategic planning and financial issues. Mr. Yeary is also guiding the university's long-range financial strategy and providing financial expertise for global research and education partnerships between public and private sectors. Mr. Yeary retired in 2008 as Managing Director, Global Head of Mergers and Acquisitions, at Citigroup Investment Banking, a financial services company, after nearly 25 years. Mr. Yeary is a trustee of the board of WNYC Public Radio and of the University of California, Berkeley Foundation.

Having an extensive career in investment banking and finance, Mr. Yeary brings to the Board significant business development, M&A, and financial experience related to the business and financial issues facing large corporations.

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**David B. Yoffie** has been a director of Intel since 1989 and a Professor of International Business Administration at Harvard Business School in Cambridge, Massachusetts since 1993. Dr. Yoffie has also served as Senior Associate Dean and Chair of Executive Education since 2006. He has been a member of the Harvard University faculty since 1981. He received a PhD from Stanford, where he has been a Visiting Scholar. Dr. Yoffie served as Chairman of the Harvard Business School Strategy department from 1997 to 2002, Chairman of the Advanced Management Program from 1999 to 2002, and chaired Harvard's Young Presidents' Organization from 2004 to 2010. He has also lectured and consulted in more than 30 countries. Dr. Yoffie is a member of the boards of directors of the U.S. National Bureau of Economic Research and Mindtree, Ltd., and he served as a member of the Charles Schwab Corporation board of directors.

Dr. Yoffie brings to the Board significant global experience and knowledge of competitive strategy, technology, and international competition.

**CORPORATE GOVERNANCE**

**Board Responsibilities and Structure**

The Board oversees, counsels, and directs management in the long-term interests of the company and our stockholders. The Board's responsibilities include:

selecting, evaluating the performance of, and determining the compensation of the CEO and other senior executives;

planning for succession with respect to the position of CEO and monitoring management's succession planning for other senior executives;

reviewing and approving our major financial objectives and strategic and operating plans, and other significant actions;

overseeing the conduct of our business and the assessment of our business risks to evaluate whether the business is being properly managed; and

overseeing the processes for maintaining our integrity with regard to our financial statements and other public disclosures, and compliance with law and ethics.

The Board and its committees met throughout the year on a set schedule, held special meetings, and acted by written consent from time to time as appropriate. The Board held four regularly scheduled sessions for the independent directors to meet without the CEO present. Board members have access to all of our employees outside of Board meetings, and the Board has a program that encourages each director to visit different Intel sites and events worldwide on a regular basis and meet with local management at those sites and events.

**Board Leadership Structure.** Historically, the Board has had a general policy that the positions of Chairman of the Board and CEO should be held by separate persons as an aid in the Board's oversight of management. This policy is in the Board's published Guidelines on Significant Corporate Governance Issues, and has been in effect since the company began operations. Typically in the past, the Chairman has been a former CEO of the company and has served as a full-time senior executive. Most recently, Dr. Barrett, a former CEO, served as a full-time senior executive in his position as Chairman. In 2009, Dr. Barrett retired from Intel and from his position as Chairman of the Board. In advance of Dr. Barrett's retirement, the Board considered the advisability of next electing an independent director as non-executive Chairman, and in May 2009 elected Dr. Shaw, an independent director, as Chairman. The duties of the

non-executive Chairman of the Board include:

presiding over all meetings of the Board;

preparing the agenda for Board meetings in consultation with the CEO and other members of the Board;

calling and presiding over meetings of the independent directors;

managing the Board's process for annual director self-assessment and evaluation of the Board and of the CEO;  
and

presiding over all meetings of stockholders.

The Board believes that there may be advantages to having an independent chairman for matters such as communications and relations between the Board, the CEO, and other senior management; in assisting the Board in reaching consensus on particular strategies and policies; and in facilitating robust director, Board, and CEO evaluation processes. Intel's Board currently consists of the CEO, Mr. Otellini, and 10 independent directors. Dr. Shaw is not a full-time senior executive of the company, unlike the case with Dr. Barrett and other employee-chairmen in prior years. One of Dr. Shaw's roles is to

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oversee and manage the Board and its functions, including setting meeting agendas and running Board meetings. In this regard, Dr. Shaw and the Board in their advisory and oversight roles are particularly focused on assisting the CEO and senior management in seeking and adopting successful business strategies and risk management policies, and in making successful choices in management succession.

### **The Board's Role in Risk Oversight at Intel**

One of the Board's functions is oversight of risk management at Intel. Risk is inherent in business, and the Board seeks to understand and advise on risk in conjunction with the activities of the Board and the Board's committees.

*Defining Risk.* The Board and management consider risk for these purposes to be the possibility that an undesired event could occur that adversely affects the achievement of our objectives. Risks vary in many ways, including the ability of the company to anticipate and understand the risk, the types of adverse impacts that could occur if the undesired event occurs, the likelihood that an undesired event and a particular adverse impact would occur, and the ability of the company to control the risk and the potential adverse impacts. Examples of the types of risks faced by a company include:

- macro-economic risks, such as inflation, reductions in economic growth, or recession;

- political risks, such as restrictions on access to markets, confiscatory taxation, or expropriation of assets;

- event risks, such as natural disasters; and

- business-specific risks related to strategic position, operational execution, financial structure, legal and regulatory compliance, and corporate governance.

Not all risks can be dealt with in the same way. Some risks may be easily perceived and controllable, and other risks are unknown; some risks can be avoided or mitigated by particular behavior, and some risks are unavoidable as a practical matter. For some risks, the potential adverse impact would be minor, and, as a matter of business judgment, it may not be appropriate to allocate significant resources to avoid the adverse impact; in other cases, the adverse impact could be significant, and it is prudent to expend resources to seek to avoid or mitigate the potential adverse impact. In some cases, a higher degree of risk may be acceptable because of a greater perceived potential for reward. Intel engages in numerous activities seeking to align its voluntary risk-taking with company strategy, and understands that its projects and processes may enhance the company's business interests by encouraging innovation and appropriate levels of risk-taking.

Management is responsible for identifying risk and risk controls related to significant business activities; mapping the risks to company strategy; and developing programs and recommendations to determine the sufficiency of risk identification, the balance of potential risk to potential reward, the appropriate manner in which to control risk, and the support of the programs discussed below and their risk to company strategy. The Board implements its risk oversight responsibilities by having management provide periodic briefing and informational sessions on the significant voluntary and involuntary risks that the company faces and how the company is seeking to control risk if and when appropriate. In some cases, as with risks of new technology and risks related to product acceptance, risk oversight is addressed as part of the full Board's engagement with the CEO and management. In other cases, a Board committee is responsible for oversight of specific risk topics. For example, the Audit Committee oversees issues related to internal control over financial reporting, the Finance Committee oversees issues related to the company's risk tolerance in cash-management investments, and the Compensation Committee oversees risks related to compensation programs, as discussed in greater detail below. Presentations and other information for the Board and Board committees generally identify and discuss relevant risk and risk control; and the Board members assess and oversee the risks as a part of

their review of the related business, financial, or other activity of the company. The full Board also receives specific reports on enterprise risk management, in which the identification and control of risk are the primary topics of the discussion.

*Risk Assessment in Compensation Programs.* Consistent with new SEC disclosure requirements, we have assessed the company's compensation programs and have concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the company. Intel management assessed the company's executive and broad-based compensation and benefits programs on a worldwide basis to determine if the programs' provisions and operations create undesired or unintentional risk of a material nature. This risk assessment process included a review of program policies and practices; program analysis to identify risk and risk control related to the programs; and determinations as to the sufficiency of risk identification, the balance of potential risk to potential reward, risk control, and the support of the programs and their risks to company strategy. Although we reviewed all compensation programs, we focused on the programs with variability of payout, with the ability of a participant to directly affect payout and the controls on participant action and payout. Intel's egalitarian culture supports the use of base salary, performance-based compensation, and retirement plans that are generally uniform in design and operation throughout the company and with



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all levels of employees. In most cases, the compensation policies and practices are centrally designed and administered, and are substantially identical at each business unit. Field sales personnel are paid primarily on a sales commission basis, but all of our officers (including those in the Sales and Marketing Group) are paid under the programs and plans for non-sales employees. Certain internal groups have different or supplemental compensation programs tailored to their specific operations and goals, and programs may differ by country due to variations in local laws and customs.

Based on the foregoing, we believe that our compensation policies and practices do not create inappropriate or unintended significant risk to the company as a whole. We also believe that our incentive compensation arrangements provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage significant risks; are compatible with effective internal controls and the risk management practices of Intel; and are supported by the oversight and administration of the Compensation Committee with regard to executive compensation programs.

**Board Committees and Charters**

The Board delegates various responsibilities and authority to different Board committees. Committees regularly report on their activities and actions to the full Board. The Board currently has, and appoints the members of, standing Audit, Compensation, Compliance, Corporate Governance and Nominating, Executive, and Finance Committees. The Board has determined that each member of the Audit, Compensation, Compliance, Corporate Governance and Nominating, and Finance Committees is an independent director in accordance with NASDAQ standards.

Each of the Board committees has a written charter approved by the Board, and we post each charter on our web site at [www.intc.com/corp\\_docs.cfm](http://www.intc.com/corp_docs.cfm). Each committee can engage outside experts, advisers, and counsel to assist the committee in its work. The following table identifies the current committee members.

<b>Name</b>	<b>Audit</b>	<b>Compensation</b>	<b>Compliance</b>	<b>Corporate Governance and Nominating</b>	<b>Executive</b>	<b>Finance</b>
Charlene Barshefsky			ü			Chair
Susan L. Decker	Chair					ü
John J. Donahoe	ü					ü
Reed E. Hundt		ü	ü	ü		
Paul S. Otellini					ü	
James D. Plummer	ü					ü
David S. Pottruck		Chair			ü	
Jane E. Shaw	ü			ü	Chair	
John L. Thornton		ü		ü		
Frank D. Yeary	ü		Chair			ü
David B. Yoffie		ü		Chair		
<b>Number of Committee Meetings Held in 2009</b>	9	4	Established in 2010	4	1	2

*Audit Committee.* The Audit Committee assists the Board in its general oversight of our financial reporting, financial risk assessment, internal controls, and audit functions, and is responsible for the appointment, retention, compensation, and oversight of the work of our independent registered public accounting firm. The Board has

determined that each member of the Audit Committee other than Dr. Plummer qualifies as an audit committee financial expert under SEC rules, and all members meet the relevant definition of an independent director. The Board determined that each Audit Committee member has sufficient knowledge in reading and understanding the company's financial statements to serve on the Audit Committee. The responsibilities and activities of the Audit Committee are described in detail in Report of the Audit Committee and the Audit Committee's charter.

*Compensation Committee.* The Compensation Committee has authority for reviewing and determining salaries, performance-based incentives, and other matters related to the compensation of our executive officers, and administering our equity plans, including reviewing and granting equity awards to our executive officers. The Compensation Committee also reviews and determines various other compensation policies and matters, including making recommendations to the Board and to management related to employee compensation and benefit plans, making recommendations to the Board on stockholder proposals related to compensation matters, and administering the employee stock purchase plan.

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The Compensation Committee is responsible for determining executive compensation, and the Corporate Governance and Nominating Committee recommends to the full Board the compensation for non-employee directors.

The Compensation Committee can designate one or more of its members to perform duties on its behalf, subject to reporting to or ratification by the Compensation Committee, and can delegate to one or more members of the Board the authority to review and grant stock-based compensation to certain classes of employees.

Since 2005, the Compensation Committee has engaged the services of Professor Brian Hall of the Harvard Business School to advise the Compensation Committee with respect to executive compensation philosophy, cash and equity incentive design, the amount of cash and equity compensation awarded, and committee process. The Compensation Committee selected Professor Hall based on his experience and independence, and he reports directly to the Compensation Committee and interacts with management at the direction of the Compensation Committee. Professor Hall attends the Compensation Committee meetings, reviews compensation data and issues with the Compensation Committee, and participates in discussions regarding executive compensation issues. Professor Hall has not performed work for Intel other than advising on the amount or form of executive compensation pursuant to his engagement by the Compensation Committee.

During 2009, Professor Hall's work with the Compensation Committee included:

advice and recommendations on the cash and equity compensation programs and instruments; and

recommendations for the compensation of the CEO and, prior to the Board electing a non-executive independent Chairman, compensation for our executive Chairman of the Board.

The Compensation Committee has continued to engage Professor Hall in 2010 to advise it with regard to executive compensation programs, review and analysis of compensation data, CEO compensation, and related matters.

The CEO makes a recommendation to the Compensation Committee on the base salary, annual incentive cash baselines, and equity awards for each executive officer other than himself, 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. For more information on the responsibilities and activities of the Compensation Committee, including the processes for determining executive compensation, see Compensation Discussion and Analysis, Report of the Compensation Committee, and Executive Compensation in this proxy statement, and the Compensation Committee's charter.

*Compliance Committee.* Established in 2010, the Compliance Committee, as directed by the Board, oversees Intel's policies, programs, and procedures with regard to significant pending and threatened litigation, and reviews our implementation of legal obligations arising from judgments, settlement agreements, and other similar obligations that bear upon the company's effective conduct of business in a legal and ethical manner.

*Corporate Governance and Nominating Committee.* The Corporate Governance and Nominating Committee reviews and reports to the Board on a periodic basis with regard to matters of corporate governance and corporate responsibility, such as environmental, sustainability, workplace, and stakeholder issues. The Corporate Governance and Nominating Committee also reviews and assesses the effectiveness of the Board's Corporate Governance Guidelines, makes recommendations to the Board regarding proposed revisions to the Guidelines and committee charters, reviews the policy related to the implementation of a poison pill, and makes recommendations to the Board regarding the size and composition of the Board and its committees. In addition, the Corporate Governance and Nominating Committee reviews stockholder proposals, makes recommendations to the Board for action on such proposals, and reviews and makes recommendations concerning compensation for our non-employee directors.

The Corporate Governance and Nominating Committee establishes procedures for the nomination process and recommends candidates for election to the Board. Consideration of new Board candidates typically involves a series of internal discussions, review of information concerning candidates, and interviews with selected candidates. Board members typically suggest candidates for nomination to the Board. In 2009, our CEO suggested Mr. Donahoe as a prospective Board candidate, and one of our independent directors suggested Mr. Yeary. The Corporate Governance and Nominating Committee considers candidates proposed by stockholders and evaluates them using the same criteria as for other candidates. A stockholder seeking to suggest a prospective nominee for the Corporate Governance and Nominating Committee's consideration should submit the candidate's name and qualifications to our Corporate Secretary. The Corporate Secretary's contact information can be found in Other Matters; Communicating with Us.

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*Executive Committee.* The Executive Committee may exercise the authority of the Board between Board meetings, except to the extent that the Board has delegated authority to another committee or to other persons, and except as limited by applicable law.

*Finance Committee.* The Finance Committee reviews and recommends matters related to our capital structure, including the issuance of debt and equity securities; banking arrangements, including the investment of corporate cash; and management of the corporate debt structure. In addition, the Finance Committee reviews and approves finance and other cash management transactions. The Finance Committee appoints the members of, and oversees, the Retirement Plans Investment Policy Committee, which sets the investment policy and chooses investment managers for our domestic profit sharing and retirement plans. Mr. Pottruck is chairman of the Retirement Plans Investment Policy Committee, whose other members are Intel employees.

*Attendance at Board, Committee, and Annual Stockholders Meetings.* The Board held nine meetings in 2009. We expect each director to attend every meeting of the Board and the committees on which he or she serves, as well as the annual stockholders meeting. All directors attended at least 75% of the meetings of the Board and the committees on which they served in 2009, with the exception of Mr. Donahoe, who joined the Board in 2009 and had previously scheduled international commitments that conflicted with two special meetings of the Board. Seven directors attended our 2009 Annual Stockholders Meeting.

*Director Independence.* The Board has determined that each of our directors other than Mr. Otellini, our CEO, qualifies as independent in accordance with the published listing requirements of NASDAQ: Ambassador Barshefsky, Ms. Decker, Mr. Donahoe, Mr. Hundt, Dr. Plummer, Mr. Pottruck, Dr. Shaw, Mr. Thornton, Mr. Yearly, and Dr. Yoffie. Because Mr. Otellini is employed by Intel, he does not qualify as independent. Ms. Bartz, a director whose service ended during 2009, qualified as an independent director. Dr. Barrett, our former Chairman of the Board whose service as a director ended during 2009, did not qualify as an independent director because he was an executive officer at Intel.

The NASDAQ rules have objective tests and a subjective test for determining who is an independent director. Under the objective tests, a director cannot be considered independent if:

the director is, or at any time during the past three years was, an employee of the company;

the director or a family member of the director accepted any compensation from the company in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the independence determination (subject to certain exclusions, including, among other things, compensation for board or board committee service);

a family member of the director is, or at any time during the past three years was, an executive officer of the company;

the director or a family member of the director is a partner in, controlling stockholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year or \$200,000, whichever is greater (subject to certain exclusions);

the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or

the director or a family member of the director is a current partner of the company's outside auditor, or at any time during the past three years was a partner or employee of the company's outside auditor, and who worked on the company's audit.

The subjective test states that an independent director must be a person who lacks a relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has not established categorical standards or guidelines to make these subjective determinations but considers all relevant facts and circumstances.

In addition to the Board-level standards for director independence, the directors who serve on the Audit Committee each satisfy standards established by the SEC providing that to qualify as independent for the purposes of membership on that committee, members of audit committees may not accept directly or indirectly any consulting, advisory, or other compensatory fee from the company other than their director compensation.

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*Transactions Considered in Independence Determinations.* In making its independence determinations, the Board considered transactions that occurred since the beginning of 2007 between Intel and entities associated with the independent directors or members of their immediate family. All identified transactions that appeared to relate to Intel and a family member of, or entity with a known connection to, a director were presented to the Board for consideration.

None of the non-employee directors was disqualified from independent status under the objective tests. In making its subjective determination that each non-employee director is independent, the Board reviewed and discussed additional information provided by the directors and the company with regard to each director's business and personal activities as they may relate to Intel and Intel's management. The Board considered the transactions in the context of the NASDAQ objective standards, the special standards established by the SEC for members of audit committees, and the SEC and U.S. Internal Revenue Service (IRS) standards for compensation committee members. Based on all of the foregoing, as required by NASDAQ rules, the Board made a subjective determination that, because of the nature of the director's relationship with the entity and/or the amount involved, no relationships exist that, in the opinion of the Board, would impair the director's independence. The Board's independence determinations included reviewing the following transactions.

Ambassador Barshefsky is a partner at the law firm Wilmer Cutler Pickering Hale and Dorr LLP. Intel paid this firm less than 2.5% of this firm's revenue in 2009, 2008, and 2007 for professional services. Ambassador Barshefsky does not provide any legal services to Intel, and she does not receive any compensation related to our payments to this firm. Ambassador Barshefsky's husband is an officer of American Honda Motor Co., Inc. (which is wholly owned by Honda Motor Co., Ltd.). Intel and the Intel Foundation participated in loans to Honda Finance Corp., a subsidiary of Honda Motor Co., Ltd., in 2009, 2008, and 2007 by purchasing short-term debt instruments as part of our cash management portfolio.

Ms. Decker, Mr. Donahoe, Mr. Hundt, Dr. Plummer, Mr. Pottruck, Dr. Shaw, Mr. Thornton, Mr. Yeary, Dr. Yoffie, or one of their immediate family members have each served as a trustee, director, employee, or advisory board member for one or more colleges or universities. Intel has a variety of dealings with these institutions, including: sponsored research and technology licenses; charitable contributions (matching and discretionary); fellowships and scholarships; facility, engineering, and equipment fees; and payments for training, event hosting, and organizational participation or membership dues.

Payments to each of these institutions (including discretionary contributions by Intel and the Intel Foundation) constituted less than the greater of \$200,000 or 1% of that institution's 2009 annual revenue.

With the exception of Mr. Donahoe, Mr. Pottruck, Mr. Yeary, and Dr. Yoffie, each of our non-employee directors is, or was during the previous three fiscal years, a non-management director of another company that did business with Intel at some time during those years. These business relationships were as a supplier or purchaser of goods or services, licensing or research arrangements, or financing arrangements in which Intel or the Intel Foundation participated as a creditor.

*Code of Conduct.* It is our policy that all employees must avoid any activity that is or has the appearance of being hostile, adverse, or competitive with Intel, or that interferes with the proper performance of their duties, responsibilities, or loyalty to Intel. Our Code of Conduct contains these policies and applies to our directors (with respect to their Intel-related activities), executive officers, and other employees.

Each director and executive officer must inform our Board when confronted with any situation that may be perceived as a conflict of interest with Intel, even if the person does not believe that the situation would violate our Code of Conduct. If, in a particular circumstance, the Board concludes that there is or may be a perceived conflict of interest,

the Board will instruct our Legal department to work with our relevant business units to determine if there is a conflict of interest and, if there is, how the conflict should be resolved.

Any waivers of these conflict rules with regard to a director or an executive officer require the prior approval of the Audit Committee or the Board. Our Code of Conduct is our code-of-ethics document. We have posted our Code of Conduct on our web site at

[www.intel.com/intel/corpresponsibility/governance.htm?iid=intel\\_corp+body\\_governance](http://www.intel.com/intel/corpresponsibility/governance.htm?iid=intel_corp+body_governance).

*Communications from Stockholders to Directors.* The Board recommends that stockholders initiate communications with the Board, the Chairman, or any committee of the Board in writing to the attention of our Corporate Secretary at the address set forth in *Other Matters; Communicating with Us*. This process will assist the Board in reviewing and responding to stockholder communications in an appropriate manner. The Board has instructed our Corporate Secretary to review such correspondence and, at his discretion, not to forward items if he deems them to be of a commercial or frivolous nature or otherwise inappropriate for the Board's consideration.



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*Corporate Governance Guidelines.* The Board has adopted a set of Corporate Governance Guidelines. The Corporate Governance and Nominating Committee is responsible for overseeing the Guidelines and annually reviews them and makes recommendations to the Board concerning corporate governance matters. The Board may amend, waive, suspend, or repeal any of the Guidelines at any time, with or without public notice, as it determines necessary or appropriate in the exercise of the Board's judgment or fiduciary duties.

We have posted the Guidelines on our web site at [www.intel.com/intel/corpresponsibility/governance.htm?iid=intel\\_corp+body\\_governance](http://www.intel.com/intel/corpresponsibility/governance.htm?iid=intel_corp+body_governance). Among other matters, the Guidelines include the following items concerning the Board:

Independent directors may not stand for re-election after age 72. Corporate officers may continue as such no later than age 65 (subject to certain exceptions for the CEO).

Directors are limited to service on four public company boards, including Intel's but excluding not-for-profit and mutual fund boards. If the director serves as an active CEO of a public company, the director is limited to service on three public company boards, including Intel's.

The CEO reports at least annually to the Board on succession planning and management development.

The Chairman of the Board manages a process whereby the Board and its members are subject to annual evaluation and self-assessment.

The Board will obtain stockholder approval before adopting any poison pill. If the Board later repeals this policy and adopts a poison pill without prior stockholder approval, the Board will submit the poison pill to an advisory vote by Intel's stockholders within 12 months from the date that the Board adopts the poison pill. If Intel's stockholders fail to approve the poison pill, the Board may elect to terminate, retain, or modify the poison pill in the exercise of its fiduciary responsibilities.

In addition, the Board has adopted a policy committing not to issue shares of preferred stock to prevent an unsolicited merger or acquisition.

**DIRECTOR COMPENSATION**

The general policy of the Board is that compensation for independent directors should be a mix of cash and equity-based compensation, with the majority of compensation being provided in the form of equity-based compensation. Intel does not pay management directors for Board service in addition to their regular employee compensation. The Corporate Governance and Nominating Committee, consisting solely of independent directors, has the primary responsibility for reviewing and considering any revisions to director compensation. The Board reviews the committee's recommendations and determines the amount of director compensation.

Intel's Legal department, Corporate Secretary, and Compensation and Benefits Group in the Human Resources department support the committee in recommending director compensation and creating director compensation programs. In addition, the committee can engage the services of outside advisers, experts, and others to assist the committee. During 2009, the committee did not use an outside adviser to aid in setting director compensation.

To assist the committee in its annual review of director compensation, Intel's Compensation and Benefits Group provides director compensation data compiled from the annual reports and proxy statements of companies that the Board uses as its peer group for determining director compensation. Based on the recommendation of our Compensation and Benefits Group, the director peer group was revised in 2009. The director peer group now aligns

with the peer group used to set executive pay and consists of 15 technology companies and 10 companies within the Standard & Poor's S&P 100\* Index, described in detail below under Compensation Discussion and Analysis; External Competitive Considerations. The committee targets cash and equity compensation at the median of the peer group.

After reviewing the revised peer group director compensation data in June 2009, the committee 1) set pay for the new non-executive Chairman of the Board, 2) increased the value of the annual equity award from \$145,000 to \$175,000, since the previous level of compensation was deemed below the market median, and 3) changed the equity grant vehicle from 100% restricted stock units (RSUs) to 50% RSUs and 50% outperformance stock units (OSUs) in order to more closely align with the equity package that Intel executives receive. The OSU program is more thoroughly discussed below under Compensation Discussion and Analysis.

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Non-employee director compensation consists of the following elements:

annual cash retainer of \$75,000

annual RSU grant with a grant date fair value of approximately \$87,500

annual OSU grant with a grant date fair value of approximately \$87,500

Audit Committee chair annual fee of \$20,000

all other Committee chair annual fees of \$10,000 per committee

non-chair Audit Committee member annual fee of \$10,000

non-executive Chairman of the Board annual cash retainer of \$212,500 and an annual equity award with a market value of approximately \$212,500, with the value delivered 50% in RSUs and 50% in OSUs

The following table details the total compensation of Intel's non-employee directors for the year ended December 26, 2009.

**Director Summary Compensation for Fiscal Year 2009**

<b>Name(1)</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)(2)</b>	<b>Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$)</b>	<b>All Other Compensation (\$)(3)</b>	<b>Total (\$)</b>
Charlene Barshefsky <sup>(4)</sup>	85,000	204,900			289,900
Carol A. Bartz <sup>(5)</sup>	21,250				21,250
Susan L. Decker	90,000	169,600		6,000	265,600
John J. Donahoe <sup>(6)</sup>		234,500			234,500
Reed E. Hundt	77,500	169,600			247,100
James D. Plummer	85,000	169,600		7,500	262,100
David S. Pottruck	95,000	169,600		10,000	274,600
Jane E. Shaw	168,750	205,900	3,000		377,650
John L. Thornton	75,000	169,600			244,600

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Frank D. Yeary	63,750	214,500			278,250
David B. Yoffie	85,000	169,600	36,000		290,600
Total	846,250	1,877,400	39,000	23,500	2,786,150

(1) Dr. Barrett, who retired as Chairman of the Board in May 2009, served and was compensated as an executive officer but did not receive any additional compensation in 2009 for his services as a director.

Series 2005B:

3,770	5.000%, 4/01/21	□ AMBAC Insured	10/15 at 100.00%
7,000	5.000%, 4/01/22	□ AMBAC Insured	10/15 at 100.00%
3,650	New York State Urban Development Corporation, Service Contract Revenue Bonds, Series 2005B, 5.000%, 3/15/25	□ FSA Insured	3/15 at 100.00%
	New York State Urban Development Corporation, State Personal Income Tax Revenue Bonds, Series 2004A-1:		
1,000	5.000%, 3/15/23	□ FGIC Insured	3/14 at 100.00%
5,000	5.000%, 3/15/25	□ FGIC Insured	3/14 at 100.00%
15,000	Triborough Bridge and Tunnel Authority, New York, Subordinate Lien General Purpose Revenue Refunding Bonds, Series 2002E, 5.000%, 11/15/32	□ MBIA Insured	11/12 at 100.00%

108,565 Total New York

**North Carolina □ 1.4% (0.9% of Total Investments)**

Mooresville, North Carolina, Enterprise System Revenue Bonds, Series 2004:

2,115	5.000%, 5/01/22	□ FGIC Insured	5/14 at 100.00%
2,575	5.000%, 5/01/26	□ FGIC Insured	5/14 at 100.00%
5,000	North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/16	□ FSA Insured	1/13 at 100.00%
	Raleigh Durham Airport Authority, North Carolina, Airport Revenue Bonds, Series 2005A:		
3,205	5.000%, 5/01/23	□ AMBAC Insured	5/15 at 100.00%
3,295	5.000%, 5/01/24	□ AMBAC Insured	5/15 at 100.00%

16,190 Total North Carolina

**North Dakota □ 0.6% (0.3% of Total Investments)**

Grand Forks, North Dakota, Sales Tax Revenue Bonds, Alerus Project, Series 2005A:

2,195	5.000%, 12/15/22	□ MBIA Insured	12/15 at 100.00%
1,355	5.000%, 12/15/23	□ MBIA Insured	12/15 at 100.00%
3,000	5.000%, 12/15/24	□ MBIA Insured	12/15 at 100.00%

6,550 Total North Dakota

**Ohio □ 4.6% (2.8% of Total Investments)**

3,485	Cincinnati City School District, Hamilton County, Ohio, General Obligation Bonds, Series 2006, 5.250%, 12/01/23	□ FGIC Insured	No Opt. Call
2,650	Cleveland State University, Ohio, General Receipts Bonds, Series 2004, 5.250%, 6/01/24	□	6/14 at 100.00%

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	FGIC Insured	
2,000	Columbus City School District, Franklin County, Ohio, General Obligation Bonds, Series 2004, 5.250%, 12/01/25 (Pre-refunded 12/01/14) □ FSA Insured	12/14 at 100.00
2,385	Columbus, Ohio, Tax Increment Financing Bonds, Easton Project, Series 2004A, 5.000%, 12/01/22 □ AMBAC Insured	6/14 at 100.00
2,205	Hamilton City School District, Ohio, General Obligation Bonds, Series 2005, 5.000%, 12/01/24 □ MBIA Insured	6/15 at 100.00
19,600	Hamilton County, Ohio, Sales Tax Bonds, Subordinate, Series 2006, 4.250%, 12/01/32 □ AMBAC Insured (UB)	12/16 at 100.00
20,100	Lucas County, Ohio, Hospital Revenue Bonds, ProMedica Healthcare Obligated Group, Series 1999, 5.375%, 11/15/39 □ AMBAC Insured	11/09 at 101.00
3,000	Ross Local School District, Butler County, Ohio, General Obligation Bonds, Series 2003, 5.000%, 12/01/28 (Pre-refunded 12/01/13) □ FSA Insured	12/13 at 100.00

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55,425 Total Ohio

**Oklahoma □ 2.1% (1.3% of Total Investments)**

3,500	Oklahoma Capitol Improvement Authority, State Facilities Revenue Bonds, Series 2005F, 5.000%, 7/01/24 □ AMBAC Insured	7/15 at 100.00
4,105	Oklahoma Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1987A, 7.997%, 8/01/18 (Alternative Minimum Tax)	No Opt. Cal
6,605	Oklahoma Municipal Power Authority, Power Supply System Revenue Bonds, Series 2007, Drivers 1904, 6.474%, 1/01/47 □ FGIC Insured (IF)	1/17 at 100.00
5,245	Oklahoma State Industries Authority, Revenue Bonds, Oklahoma Medical Research Foundation, Series 2001, 5.250%, 2/01/21 □ AMBAC Insured	2/11 at 100.00
4,880	University of Oklahoma, Student Housing Revenue Bonds, Series 2004, 5.000%, 7/01/22 □ AMBAC Insured	7/14 at 100.00

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24,335 Total Oklahoma

**Oregon □ 0.8% (0.5% of Total Investments)**

	Oregon Department of Administrative Services, Certificates of Participation, Series 2005A:	
2,535	5.000%, 5/01/25 □ FSA Insured	5/15 at 100.00
2,115	5.000%, 5/01/30 □ FSA Insured	5/15 at 100.00
3,470	Oregon Department of Administrative Services, Certificates of Participation, Series 2005B, 5.000%, 11/01/18 □ FGIC Insured	11/15 at 100.00
1,150	Oregon Housing and Community Services Department, Single Family Mortgage Revenue Bonds, Series 1995A, 6.450%, 7/01/26 (Alternative Minimum Tax)	1/08 at 100.00

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9,270 Total Oregon

**Pennsylvania □ 3.1% (1.9% of Total Investments)**

7,925	Commonwealth Financing Authority, Pennsylvania, State Appropriation Lease Bonds, Series 2006A, 5.000%, 6/01/26 □ FSA Insured	6/16 at 100.00
1,800	Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Drexel University, Series 2005A, 5.000%, 5/01/28 □ MBIA Insured	5/15 at 100.00
11,730	Pennsylvania Public School Building Authority, Lease Revenue Bonds, School District of Philadelphia, Series 2006B, 4.500%, 6/01/32 □ FSA Insured (UB)	12/16 at 100.00
2,625	Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2006A, 5.000%, 12/01/26 □ AMBAC Insured	6/16 at 100.00

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6,335	Radnor Township School District, Delaware County, Pennsylvania, General Obligation Bonds, Series 2005B, 5.000%, 2/15/30 ☐ FSA Insured	8/15 at 100.00
	Reading School District, Berks County, Pennsylvania, General Obligation Bonds, Series 2005:	
3,285	5.000%, 1/15/22 ☐ FSA Insured	1/16 at 100.00
3,450	5.000%, 1/15/23 ☐ FSA Insured	1/16 at 100.00
<hr/>		
37,150	Total Pennsylvania	
<hr/>		
	<b>Puerto Rico ☐ 0.5% (0.3% of Total Investments)</b>	
2,500	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/30 (Pre-refunded 7/01/15) ☐ XLCA Insured	7/15 at 100.00
2,000	Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2003G, 5.250%, 7/01/19 ☐ FGIC Insured	7/13 at 100.00
1,550	Puerto Rico Municipal Finance Agency, Series 2005C, 5.250%, 8/01/21 ☐ CIFG Insured	No Opt. Cal
<hr/>		
6,050	Total Puerto Rico	
<hr/>		
	<b>Rhode Island ☐ 2.1% (1.3% of Total Investments)</b>	
2,195	Providence Housing Development Corporation, Rhode Island, FHA-Insured Section 8 Assisted Mortgage Revenue Refunding Bonds, Barbara Jordan Apartments, Series 1994A, 6.750%, 7/01/25 ☐ MBIA Insured	1/08 at 100.00
20,475	Rhode Island Depositors Economic Protection Corporation, Special Obligation Refunding Bonds, Series 1993B, 5.250%, 8/01/21 (Pre-refunded 2/01/11) ☐ MBIA Insured	2/11 at 100.00
1,405	Rhode Island Health and Educational Building Corporation, Higher Education Auxiliary Enterprise Revenue Bonds, Series 2004A, 5.500%, 9/15/24 ☐ AMBAC Insured	9/14 at 100.00
<hr/>		
24,075	Total Rhode Island	
<hr/>		
	<b>South Carolina ☐ 4.4% (2.7% of Total Investments)</b>	
10,000	Beaufort County, South Carolina, Tax Increment Bonds, New River Redevelopment Project, Series 2002, 5.000%, 6/01/27 ☐ MBIA Insured	12/12 at 100.00
	Medical University Hospital Authority, South Carolina, FHA-Insured Mortgage Revenue Bonds, Series 2004A:	
2,000	5.250%, 8/15/22 ☐ MBIA Insured	8/14 at 100.00
2,105	5.250%, 8/15/23 ☐ MBIA Insured	8/14 at 100.00
4,855	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 1988A, 0.000%, 1/01/13 ☐ AMBAC Insured (ETM)	No Opt. Cal
6,980	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 1988A, 0.000%, 1/01/13 (Pre-refunded 7/01/09) ☐ AMBAC Insured	7/09 at 76.63
7,955	Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 1988A, 0.000%, 1/01/13 ☐ AMBAC Insured	No Opt. Cal
8,000	South Carolina JOBS Economic Development Authority, Industrial Revenue Bonds, South Carolina Electric and Gas Company, Series 2002A, 5.200%, 11/01/27 ☐ AMBAC Insured	11/12 at 100.00
10,000	South Carolina JOBS Economic Development Authority, Industrial Revenue Bonds, South Carolina Electric and Gas Company, Series 2002B, 5.450%, 11/01/32 ☐ AMBAC Insured (Alternative Minimum Tax)	11/12 at 100.00
5,835	South Carolina Transportation Infrastructure Bank, Excise Tax Revenue Bonds, Series 2007, RI Trust K30W, 5.734%, 10/01/34 ☐ XLCA Insured (IF)	10/16 at 100.00
<hr/>		
57,730	Total South Carolina	

**Tennessee □ 0.6% (0.3% of Total Investments)**

6,455 Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 2001A, 3/11 at 100.00  
5.500%, 3/01/18 □ FSA Insured (Alternative Minimum Tax)

**Texas □ 15.9% (9.9% of Total Investments)**

22,650 Brazos River Authority, Texas, Revenue Refunding Bonds, Houston Industries Inc., Series 1998C, 5/08 at 102.00  
5.125%, 5/01/19 □ AMBAC Insured

521 Capital Area Housing Finance Corporation, Texas, FNMA Backed Single Family Mortgage Revenue Refunding Bonds, Series 2002A-2, 6.300%, 4/01/35 □ AMBAC Insured (Alternative Minimum Tax) 4/12 at 106.00

12,500 Dallas-Ft. Worth International Airport, Texas, Joint Revenue Bonds, Series 2000A, 6.125%, 11/09 at 100.00  
11/01/35 □ FGIC Insured (Alternative Minimum Tax)

Harris County, Texas, Toll Road Senior Lien Revenue Bonds, Series 1989:

9,000 0.000%, 8/15/18 (Pre-refunded 8/15/09) □ AMBAC Insured 8/09 at 53.84

39,000 0.000%, 8/15/19 (Pre-refunded 8/15/09) □ AMBAC Insured 8/09 at 50.20

7,280 0.000%, 8/15/20 (Pre-refunded 8/15/09) □ AMBAC Insured 8/09 at 46.93

5,085 0.000%, 8/15/21 (Pre-refunded 8/15/09) □ AMBAC Insured 8/09 at 43.80

25,000 Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 □ MBIA Insured 11/11 at 100.00

4,671 Houston Housing Finance Corporation, Texas, GNMA Collateralized Mortgage Multifamily Housing Revenue Bonds, RRG Apartments Project, Series 2001, 6.350%, 3/20/42 9/11 at 105.00

Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2004A:

4,000 5.250%, 5/15/24 □ FGIC Insured 5/14 at 100.00

5,000 5.250%, 5/15/25 □ MBIA Insured 5/14 at 100.00

6,570 Houston, Texas, General Obligation Public Improvement Bonds, Series 2001A, 5.375%, 3/01/19 (Pre-refunded 3/01/11) □ FSA Insured 3/11 at 100.00

17,500 Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 5.250%, 9/01/33 □ AMBAC Insured 9/11 at 100.00

4,170 Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000B, 5.500%, 7/01/30 □ FSA Insured 7/10 at 100.00

23,865 Jefferson County Health Facilities Development Corporation, Texas, FHA-Insured Mortgage Revenue Bonds, Baptist Hospital of Southeast Texas, Series 2001, 5.500%, 8/15/41 □ AMBAC Insured 8/11 at 100.00

140 Lower Colorado River Authority, Texas, Revenue Refunding and Improvement Bonds, Series 2001A, 5/11 at 100.00  
5.000%, 5/15/21 (Pre-refunded 5/15/11) □ MBIA Insured

8,065 Lower Colorado River Authority, Texas, Revenue Refunding and Improvement Bonds, Series 2001A, 5/11 at 100.00  
5.000%, 5/15/21 □ MBIA Insured

Port of Houston Authority, Harris County, Texas, General Obligation Port Improvement Bonds, Series 2001B:

3,205 5.500%, 10/01/18 □ FGIC Insured (Alternative Minimum Tax) 10/11 at 100.00

3,375 5.500%, 10/01/19 □ FGIC Insured (Alternative Minimum Tax) 10/11 at 100.00

7,205 San Antonio, Texas, Airport System Improvement Revenue Bonds, Series 2001, 5.375%, 7/01/15 - 7/11 at 101.00  
FGIC Insured (Alternative Minimum Tax)

Tarrant County Health Facilities Development Corporation, Texas, Revenue Bonds, Texas Health Resources System, Series 1997A:

2,900 5.250%, 2/15/22 (Pre-refunded 2/15/08) □ MBIA Insured 2/08 at 102.00

165 5.000%, 2/15/26 (Pre-refunded 2/15/08) □ MBIA Insured 2/08 at 101.00

6,655 5.000%, 2/15/26 (Pre-refunded 2/15/08) □ MBIA Insured 2/08 at 101.00

1,840 Ysleta Independent School District Public Facility Corporation, Texas, Lease Revenue Refunding Bonds, Series 2001, 5.375%, 11/15/24 □ AMBAC Insured 11/09 at 100.00

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220,362 Total Texas

**Utah □ 0.2% (0.1% of Total Investments)**

2,000 Clearfield City, Utah, Sales Tax Revenue Bonds, Series 2003, 5.000%, 7/01/28 (Pre-refunded 7/01/13) □ FGIC Insured 7/13 at 100.00

**Virginia □ 2.0% (1.3% of Total Investments)**

8,000 Greater Richmond Convention Center Authority, Virginia, Hotel Tax Revenue Bonds, Series 2005, 5.000%, 6/15/30 □ MBIA Insured 6/15 at 100.00

1,035 Loudoun County Industrial Development Authority, Virginia, Lease Revenue Bonds, Public Safety Facilities, Series 2003A, 5.250%, 12/15/20 □ FSA Insured 6/14 at 100.00

4,840 Metropolitan Washington D.C. Airports Authority, Airport System Revenue Bonds, Series 2001A, 5.500%, 10/01/19 □ MBIA Insured (Alternative Minimum Tax) 10/11 at 101.00

10,000 Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series 2001H-1, 5.375%, 7/01/36 □ MBIA Insured 7/11 at 100.00

23,875 Total Virginia

**Washington □ 2.3% (1.4% of Total Investments)**

2,500 Grant County Public Utility District 2, Washington, Revenue Bonds, Wanapum Hydroelectric Development, Series 2005A, 5.000%, 1/01/29 □ FGIC Insured 1/15 at 100.00

3,500 King County School District 401, Highline, Washington, General Obligation Bonds, Series 2004, 5.000%, 10/01/24 □ FGIC Insured 12/14 at 100.00

3,195 Kitsap County, Washington, Limited Tax General Obligation Bonds, Series 2000, 5.500%, 7/01/25 (Pre-refunded 7/01/10) □ AMBAC Insured 7/10 at 100.00

4,250 Snohomish County Public Utility District 1, Washington, Generation System Revenue Bonds, Series 1989, 6.650%, 1/01/16 □ FGIC Insured (ETM) No Opt. Ca

Tacoma, Washington, Solid Waste Utility Revenue Refunding Bonds, Series 2006:

3,890 5.000%, 12/01/24 □ XLCA Insured 12/16 at 100.00

4,085 5.000%, 12/01/25 □ XLCA Insured 12/16 at 100.00

4,290 5.000%, 12/01/26 □ XLCA Insured 12/16 at 100.00

25,710 Total Washington

**West Virginia □ 0.8% (0.5% of Total Investments)**

10,000 Harrison County Commission, West Virginia, Solid Waste Disposal Revenue Bonds, West Penn Power Company □ Harrison Station, Series 1993B, 6.300%, 5/01/23 □ MBIA Insured (Alternative Minimum Tax) 11/07 at 100.00

**Wisconsin □ 4.1% (2.5% of Total Investments)**

18,000 Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Healthcare Inc., Series 1997, 5.250%, 8/15/17 □ MBIA Insured 8/07 at 102.00

15,000 Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 1997, 5.750%, 2/15/27 □ MBIA Insured 8/07 at 102.00

1,675 Wisconsin Public Power Incorporated System, Power Supply System Revenue Bonds, Series 2005A, 5.000%, 7/01/30 □ AMBAC Insured 7/15 at 100.00

290 Wisconsin, General Obligation Bonds, Series 2004-3, 5.250%, 5/01/20 □ FGIC Insured 5/14 at 100.00

2,600 Wisconsin, General Obligation Bonds, Series 2004-3, 5.250%, 5/01/20 (Pre-refunded 5/01/14) - FGIC Insured 5/14 at 100.00

10,945 Wisconsin, General Obligation Bonds, Series 2004-4, 5.000%, 5/01/20 □ MBIA Insured 5/14 at 100.00



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48,510 Total Wisconsin

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\$ 2,033,557 Total Investments (cost \$1,883,521,136) □ 161.8%

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Floating Rate Obligations □ (7.4)%

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Other Assets Less Liabilities □ 1.5%

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Preferred Shares, at Liquidation Value □ (55.9)%

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Net Assets Applicable to Common Shares □ 100%

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All of the bonds in the Portfolio of Investments are either covered by Original Issue Insurance, Secondary Market Insurance or Portfolio Insurance, or are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, any of which ensure the timely payment of principal and interest.

The Fund may invest in □zero coupon□ securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. Such securities are included in the portfolio with a 0.00% coupon rate in their description. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the higher of Standard & Poor's or Moody's rating. Ratings below BBB by Standard & Poor's Group or Baa by Moody's Investor Service, Inc. are considered to be below investment grade.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

### Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate transactions subject to SFAS No. 140.

At July 31, 2007, the cost of investments was \$1,792,276,955.

Gross unrealized appreciation and gross unrealized depreciation of investments at July 31, 2007, were as follows:

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Gross unrealized:

Appreciation

\$92,935,858

Depreciation	(6,981,904)
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Net unrealized appreciation (depreciation) of investments	\$85,953,954
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**Item 2. Controls and Procedures.**

- a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: EX-99 CERT Attached hereto.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Insured Municipal Opportunity Fund, Inc.

By (Signature and Title)\* /s/ Kevin J. McCarthy  
Kevin J. McCarthy  
Vice President and Secretary

Date September 28, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Gifford R. Zimmerman  
Gifford R. Zimmerman  
Chief Administrative Officer (principal executive officer)

Date September 28, 2007

By (Signature and Title)\* /s/ Stephen D. Foy  
Stephen D. Foy  
Vice President and Controller (principal financial officer)

Date September 28, 2007

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\* Print the name and title of each signing officer under his or her signature.