

**Critical Talent Retention**  
**Addressing Employee Questions**  
**Please do not distribute broadly**  
**Last updated: June 8, 2021**

**General Questions:**

**Q1. What is Critical Talent Retention (CTR)?**

A1. The intent of this effort is to (1) identify Intel's highest performing, highest potential and most critical talent – those who have an outsized impact on Intel's ability to accomplish its strategic and business objectives – and (2) make proactive investments to reward, recognize, and retain these critical talent employees through special CTR stock awards.

**Q2. Is this CTR event related to comments Pat Gelsinger has made recently about Intel's compensation practices being outdated?**

A2. CTR is not a new program for Intel, but this 2021 CTR event was designed to address, to a far greater extent than in the past, the challenges we have with compensation, particularly in competitive domains, and which have recently intensified despite increased investments by Intel over the last few years. Pat's comments about compensation at Intel reflect the fact that he understands and acknowledges the challenges, wants to see swift action, and supports increases to the compensation of Intel's top and most critical talent in areas of the business most closely aligned to driving Intel's current business strategy.

**Q3. Will we do this every year?**

A3. Intel has been and will continue to make ongoing investments in cash and stock rewards. Our current focus is on critical talent in domains such as Artificial Intelligence (AI), Hardware (HW), and Software (SW), as well as other critical technical/customer-facing roles. We may not replicate this exact CTR event every year, but that does not prevent us from doing something similar in the future based on where we have identified additional areas of opportunity for these types of investments.

**Q4. Who is eligible for 2021 CTR?**

A4. This year, we are focusing on Intel's top talent in domains like Artificial Intelligence (AI), Hardware (HW), and Software (SW) as well as other critical technical/customer-facing roles.

**Q5. Which groups are not eligible for 2021 CTR, and why?**

A5. Corporate functions (HR, GAT, Finance/IT/Strategy, CSO) are not included in this 2021 CTR event. Given our corporate strategy, we made the decision to focus on AI, SW, and HW in eligible business units, as well as other technical and sales roles, for this particular CTR event. It is important to acknowledge that all business groups and job profiles at Intel are imperative to Intel's growth success. While corporate functions are not part of this formal program, we continually look to recognize and reward our employees in all areas and at all levels of the company.

**Q6. Why are we focusing on Artificial Intelligence (AI), Hardware (HW), and Software (SW)?**

A6. Intel can only be the best place for the best talent if we reward those who drive our business transformation and competitive advantage. Domains like AI, HW, and SW are working on our most business-critical technical challenges in a highly competitive industry. Intel's business strategy demands that we optimize our compensation practices.

**Q7. Why are other roles outside of AI, Hardware, Software, and other critical technical/customer-facing roles not participating in CTR this year?**

A7. Intel has identified that we are behind market compensation in our AI, HW, and SW populations. In April 2021, Intel responded with the roll-out of this initiative for employees in this population. Given our corporate strategy and the market gap, we've made the decision to focus on these job categories in the eligible business units for this effort. It is important to acknowledge that all business groups and job profiles at Intel are imperative to Intel's growth success. While corporate functions are not part of this formal program, we will continually look to recognize and reward our employees, so they remain in a strong pay position.

**Q8. Why are we focusing on the top talent of the defined eligible roles for this CTR event, and not a broader population in these groups?**

A8. In order to make meaningful CTR stock investments, we focused this CTR event both on domains critical to Intel's current business strategy, as well as a targeted population within those who have been identified by senior leaders in their business groups as the most critical top talent of their organizations.

**Q9. How does Intel define critical talent?**

A9. Employees may be considered critical talent if they meet one or more of the following criteria:

- **High performer:** An individual who consistently produces superior results, exceeding expectations for role and grade level, role models each Intel culture value, and embodies continuous learning and growth.
- **High potential:** An individual who demonstrates the aspiration, capacity, and resiliency to develop the qualities, behaviors, and skills required for effective performance in significantly more complex and challenging roles. Identified by high learning agility and drive; exhibits strong followership, lifts others up, improves the contributions of those around them.
- **Critical role:** A role that has a disproportionate impact on Intel's ability to accomplish its strategic and business objectives, causes significant disruption or challenges for the business when the role is vacant or improperly staffed, and requires differentiated capabilities that drive our competitive advantage.

**Q10. Who determines which employees are considered critical talent for 2021 Critical Talent Retention?**

A10. Each eligible business unit has identified critical talent from their G11 and below population in a way that makes sense for their organization's needs using consistent definitions. For more information on the specific rationale and decision-making criteria, refer to your respective leadership team.

**Q11. Will these employees always be considered critical talent? How long until we reevaluate critical talent identifications?**

A11. No, not necessarily. To build the Intel of the future, it is essential that we attract, retain, and reward the talent that drives our business transformation and competitive advantage. Critical talent is defined as a role that has a disproportionate impact on Intel's ability to accomplish its strategic and business objectives, causes significant disruption or challenges for the business when the role is vacant or improperly staffed, and requires differentiated capabilities that drive our competitive advantage. As our business strategy shifts, our domains and focus of critical talent may also shift.

**Q12. If I do not receive a CTR award during this event, and/or I am not in one of the groups targeted for this CTR award, does that mean that Intel does not consider me a critical employee?**

A12. We believe that every Intel employee plays an important role in the success of the company. Our ongoing Insights and Rewards programs continue to be the forum for you to have meaningful discussions with your manager and receive feedback on your performance and potential, in addition discussing near- and long-term development opportunities. For this CTR event, Intel used specific criteria to make critical talent identifications (see Q9) within the domains of AI/SW/HW and other technical or sales roles in

eligible business groups. There may be employees who are critical to the business strategy and priorities of other business groups who were not part of this CTR event.

**Q13. Will critical talent information be used to identify employees who are not considered critical talent for potential future CPM actions?**

A13. No. This is not related to potential future Corporate People Movement (CPM) actions.

**Q14. Will the employees who have not been identified as critical talent be excluded from any out of cycle retention/reward efforts in the future?**

A14. No, we have been and continue to make on-going cash investment and stock awards in certain locations, grades and/or jobs in response to competitive benchmarking, retention risk, and market shifts which may include opportunistic retention/reward efforts, pending business unit direction and available budget.

**Q15. Will this critical talent identification effort be used for any other decisions or reporting in the future?**

A15. This effort is a first step in developing a robust practice of regularly assessing Intel's talent and identifying employees who are most critical to the continued success of the organization, as defined by their performance, potential, and/or the criticality of their role. We expect the population of critical talent will change as our business objectives and environment evolve, so we plan to integrate a critical talent identification process into our ongoing talent cycle. This will enable Intel to drive actions that help us attract, develop, and retain top talent. This work is currently in scope as part of the Empower Talent initiative, and we expect to hear more later this year.

**Q16. Will there be additional efforts to invest more in other areas and domains at Intel?**

A16. We are in the process of evaluating Intel's employee compensation framework and it is evident that the market has become increasingly more competitive for some disciplines, including AI, HW, and SW, and has outpaced Intel, despite the increased investments we've made in stock targets for this group over the last several years.

Optimizing compensation is just one of the many ways in which we are investing in and empowering our people. Over the next few years, Intel will continue to focus on not only empowering talent, but also developing inspirational leaders, amplifying the impact and decision-making of our technologists and being the most diverse, inclusive and responsible company on the planet.

## **Questions specific to 2021 CTR stock award recipients**

**Q17. What is the grant date for this CTR stock award, and what is the vesting schedule?**

A17. The stock award will be granted to employees identified during the 2021 CTR event effective July 30, 2021. The stock will vest annually over four years, starting in Q3 2022.

**Q18. Can recipients of the CTR stock award opt for a cash award instead of stock?**

A18. No. However, in a very limited number of cases, CTR recipients may live in countries that do not participate in Intel's stock program; in these cases, employees may receive a cash award in place of a stock award.

**Q19. Will the CTR stock award impact future rewards decisions?**

A19. CTR does not impact annual Rewards Planning. Employees who are selected in CTR and are granted CTR stock awards should not be negatively impacted or have future Rewards reduced as a direct result of receiving these stock awards.

NOTE: At the time employment with Intel is terminated, all unvested RSUs will be cancelled and the employee will lose them (unless the employee terminates under a provision that will allow vesting to accelerate. (See Event Impact on Stock Benefits). Employees are responsible for understanding how change of employment status impacts their RSUs.

**Q20. Who should I contact with questions?**

A20. For questions about Critical Talent Retention in your business unit, please contact your manager and/or BU leadership.