

INTEL CORP
Form PRE 14A
March 23, 2009

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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.
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(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 3, 2009

Dear Stockholder:

We look forward to your attendance in person, virtually via the Internet, or by proxy at the 2009 Annual Stockholders Meeting. We will hold the meeting at 8:30 a.m. Pacific Time on Wednesday, May 20, 2009 at Intel Corporation, Building SC-12, 3600 Juliette Lane, Santa Clara, California 95054. One of the steps we have taken this year to reduce operating expenses is to hold the meeting at an Intel building rather than at a rented facility, and only stockholders will be allowed to attend the meeting in person. In addition, unlike prior years, there will be no food service at the meeting. We are offering a live webcast of the annual meeting for our stockholders at www.intc.com where you will be able to vote electronically and submit questions during the meeting.

We also are pleased to be furnishing proxy materials to stockholders primarily over the Internet. We believe that this process expedites stockholders' receipt of proxy materials, significantly lowers the costs of our annual meeting, and conserves natural resources. On April 3, 2009, we mailed our stockholders a notice containing instructions on how to access our 2009 Proxy Statement and 2008 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 annual report and the proxy statement on the Internet, both of which are available at www.intel.com/intel/annualreports.

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

Agenda Item	Board Recommendation
Election of Directors	FOR
Ratification of Ernst & Young LLP as our independent registered public accounting firm	FOR
Amendment and extension of the 2006 Equity Incentive Plan	FOR
Approval of an employee stock option exchange program	FOR
Advisory vote on executive compensation	FOR
Stockholder proposal: Cumulative voting	AGAINST
Stockholder proposal: [to come]	AGAINST

Please refer to the proxy statement for detailed information on each of the proposals and the annual meeting. Your Intel stockholder vote is important, and we strongly urge you to cast your vote.

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. Stockholders holding stock in brokerage accounts (street name or beneficial holders) will need to bring a copy of a brokerage statement reflecting their stock ownership as of the record date.

Sincerely yours,

Craig R. Barrett
Chairman of the Board

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

NOTICE OF 2009 ANNUAL STOCKHOLDERS MEETING

TIME AND DATE	8:30 a.m. Pacific Time on Wednesday, May 20, 2009
PLACE	Intel Corporation, Building SC-12, 3600 Juliette Lane, Santa Clara, CA 95054
INTERNET	Attend the annual meeting online, including submitting questions, at <i>www.intc.com</i>
AGENDA	<p>Elect a Board of Directors</p> <p>Ratify Ernst & Young LLP as our independent registered public accounting firm</p> <p>Amend and extend the 2006 Equity Incentive Plan</p> <p>Approve an employee stock option exchange program</p> <p>Hold an advisory vote on executive compensation</p> <p>Act on stockholder proposals, if properly presented at the meeting</p> <p>Transact other business that may properly come before the annual meeting (including adjournments and postponements)</p>
RECORD DATE	March 23, 2009
MEETING ADMISSION	You are entitled to attend the annual meeting only if you were an Intel stockholder as of the close of business on March 23, 2009 or hold a valid proxy for the annual meeting. You should be prepared to present photo identification for admittance. In addition, if you are a stockholder of record, your ownership as of the record date will be verified prior to admittance into the meeting. If you are not a stockholder of record but hold shares through a broker, trustee, or nominee, you must provide proof of beneficial ownership as of the record date, such as an account statement or similar evidence of ownership. If you do not provide photo identification and comply with the other procedures outlined above, you will not be admitted to the annual meeting, but can attend the meeting via the webcast available at <i>www.intc.com</i> .
VOTING	<p>Please vote as soon as possible to record your vote promptly, even if you plan to attend the annual meeting in person or on the Internet. You have three options for submitting your vote before the annual meeting:</p> <p>Internet</p>

Phone

Mail

By Order of the Board of Directors

Cary I. Klafter
Corporate Secretary

Santa Clara, California
April 3, 2009

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INTERNET AVAILABILITY OF PROXY MATERIALS

We are furnishing proxy materials to our stockholders primarily via the Internet. On April 3, 2009, we mailed to 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 access your proxy card to be able to vote through the Internet or by telephone. Other stockholders, in accordance with their prior requests, have 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 printed 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 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

Attending and participating via the Internet

www.intc.com

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*

Anyone can view the annual meeting live via the Internet at *www.intc.com*

Webcast replay available until June 20, 2009

QUESTIONS

For questions regarding

Contact

Annual meeting

Intel Investor Relations, (408) 765-1480

Stock ownership

Computershare Investor Services, LLC
www.computershare.com/contactus
(800) 298-0146 (within the U.S. and Canada) or
(312) 360-5123 (outside the U.S. and Canada)

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 2009 Annual Stockholders Meeting and at any postponement or adjournment of the meeting for the purposes set forth in Notice of Annual Stockholders Meeting. The 2009 Annual Stockholders Meeting will be held at 8:30 a.m. Pacific Time on Wednesday, May 20, 2009 at Intel Corporation, Building SC-12, 3600 Juliette Lane, Santa Clara, CA 95054 and on the Internet at *www.intc.com*. We made this proxy statement available to stockholders beginning on April 3, 2009.

Record Date March 23, 2009

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

Shares Outstanding [x] shares of common stock outstanding as of March 23, 2009

Voting by Proxy Internet, phone, or mail

Voting at the Meeting Stockholders can vote in person or via the Internet during the meeting. Stockholders of record will be on a list held by the inspector of elections. Beneficial holders must obtain a proxy from their brokerage firm, bank, or other stockholder of record and present it to the inspector of elections with their ballot. Stockholders attending via the Internet will need to follow the instructions at *www.intc.com* in order to vote or submit questions at the meeting. Voting in person or via the Internet by a stockholder will replace any previous votes submitted by proxy.

Polls Close 9:30 a.m. Pacific Time on May 20, 2009

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 bank or brokerage firm, you may revoke any prior voting instructions by contacting that firm.

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 11 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 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.

- Non-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.
- Voting Instructions** If you complete and submit your proxy voting instructions, the persons named as proxies will follow your instructions. If 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. We have published rules about when to submit agenda items for the annual meeting, and we have not received timely notice of any other matters that may be properly presented for voting at the annual meeting.
- Voting Results** We will announce preliminary results at the annual meeting. We will report final results at *www.intc.com* and in our Form 10-Q for the second quarter of 2009.

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PROPOSAL 1: ELECTION OF DIRECTORS

Our nominees for the election of directors at the annual meeting include 10 independent directors, as defined in the applicable rules for companies traded on The NASDAQ Global Select Market* (NASDAQ), and our Chief Executive Officer (CEO). Stockholders elect all directors annually. At the recommendation of our Corporate Governance and Nominating Committee, our Board has selected the nominees listed below to serve as directors for the one-year term beginning at our annual meeting on May 20, 2009 or until their successors, if any, are elected or appointed.

Unless you direct otherwise through your proxy voting instructions, the persons named as proxies will vote all proxies received for the election of each nominee named in this section. 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.

Intel's 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 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 2008 and 2009. In May 2008, D. James Guzy retired at age 72 in accordance with the Board's retirement age policy. In January 2009, Dr. Craig R. Barrett, Chairman of the Board, announced his intention to retire as Chairman and member of the Board in May 2009 at the annual stockholders' meeting. Dr. Jane E. Shaw, if re-elected, will become the new Chairman of the Board beginning in May 2009. In March 2009, Carol A. Bartz resigned as a member of the Board in connection with her taking a new job as CEO of Yahoo! Inc., and the Board elected Mr. John J. Donahoe and Mr. Frank D. Yeary to the Board.

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

Ambassador Charlene Barshefsky, age 58

Intel Board member since 2004

2001 – present, Senior International Partner at

Wilmer Cutler Pickering Hale and Dorr LLP, multinational law firm, Washington, D.C.

1997 – 2001, United States Trade Representative, chief trade negotiator, and principal trade policy maker for the United States, and a member of the President's cabinet

Member of American Express Company, Estée Lauder Companies, and Starwood Hotels & Resorts Worldwide Boards of Directors

Susan L. Decker, age 46

Intel Board member since 2006

2007 2009, President of Yahoo! Inc., global

Internet company, Sunnyvale, California

2006 2007, Executive Vice President of the Advertiser and Publisher Group of Yahoo! Inc.

2000 2007, Executive Vice President of Finance and Administration, and Chief Financial Officer of Yahoo! Inc.

Member of Berkshire Hathaway Inc. and Costco Wholesale Corporation Boards of Directors

John J. Donahoe, age 49

Intel Board member since 2009

2008 present, President and Chief Executive Officer of eBay, Inc., online marketplace, San Jose, California

2005 2008, President of eBay Marketplaces

2000 2005, Worldwide Managing Director, Bain & Company

Reed E. Hundt, age 61

Intel Board member since 2001

1998 present, Principal of Charles Ross Partners, LLC, private investor and advisory service, Washington, D.C.

1998 present, independent adviser to

McKinsey & Company, Inc., worldwide

management consulting firm, Washington, D.C.

1993 1997, Chairman of Federal Communications Commission

Member of Data Domain, Inc. and Infinera Corporation Boards of Directors

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Paul S. Otellini, age 58

Intel Board member since 2002
2005 present, President and Chief Executive Officer of Intel Corporation
2002 2005, President and Chief Operating Officer
Member of Google, Inc. Board of Directors
Joined Intel 1974

James D. Plummer, age 64

Intel Board member since 2005
1999 present, Dean of the School of Engineering at Stanford University, Stanford, California
1978 present, Professor of Electrical Engineering at Stanford University
Member of National Academy of Engineering
Member of International Rectifier Corporation and Leadis Technology, Inc. Boards of Directors

David S. Pottruck, age 60

Intel Board member since 1998
2005 present, Chairman and Chief Executive Officer of Red Eagle Ventures, Inc., private equity firm, San Francisco, California
2004 present, Senior Fellow at Wharton School of Business Center for Leadership and Change Management
2005 2008, Chairman of Eos Airlines
1984 2004, served in various capacities at The Charles Schwab Corporation, including President, Chief Executive Officer, and member of the Board of Directors

Jane E. Shaw, age 70

Intel Board member since 1993
1998 2005, Chairman and Chief Executive Officer of Aerogen, Inc., specialty medical device company, Mountain View, California
Member of McKesson Corporation Board of Directors

John L. Thornton, age 55

Intel Board member since 2003
2003 present, Professor and Director of Global Leadership at Tsinghua University, Beijing, China
1981 2003, served in various capacities at Goldman Sachs Group, Inc., including President, Co-Chief Operating Officer, and member of the Board of Directors
Member of HSBC Holdings plc, China Unicom (Hong Kong) Limited, Ford Motor Company, and News Corporation Boards of Directors

Frank D. Yeary, age 45

Intel Board member since 2009
2008 present, Vice Chancellor, University of California, Berkeley, California
2004 2008, Managing Director, Global Head of Mergers and Acquisitions, Citigroup Investment Banking

David B. Yoffie, age 54

Intel Board member since 1989
1993 present, Professor of International Business Administration, Harvard Business School, Cambridge, Massachusetts
1981 present, member of Harvard University faculty

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 and evaluating the performance 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 believes that different people should hold the positions of Chairman of the Board and CEO to aid in the Board's oversight of management. In May 2008, the Board designated Dr. Shaw as our Lead Independent Director. We anticipate that Dr. Shaw will become Chairman of the Board beginning in May 2009. The duties of non-executive Chairman of the Board include:

presiding over all meetings of the Board;

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

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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

presiding over all meetings of stockholders.

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 management present, and the Lead Independent Director led those sessions in 2008. Dr. Shaw will lead these sessions in her capacity as Chairman of the Board following the annual meeting. 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 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, Corporate Governance and Nominating, Executive, and Finance Committees. The Board has determined that each member of the Audit, Compensation, 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 each committee conducts an annual evaluation of the committee's performance. We post each charter and the charter describing the position of Lead Independent Director on our web site at www.intel.com/intel/finance/corp_docs.htm. Each committee can engage outside experts, advisers, and counsel to assist the committee in its work. The following table identifies the current committee members.

Name	Audit	Compensation	Corporate Governance and Nominating	Executive	Finance
Craig R. Barrett				ü	
Charlene Barshefsky					ü
Susan L. Decker	ü		ü		
John J. Donahoe	ü				
Reed E. Hundt		Chair	ü		
Paul S. Otellini				ü	
James D. Plummer	ü				ü
David S. Pottruck		ü			ü
Jane E. Shaw	Chair			Chair	ü
John L. Thornton		ü	ü		
Frank D. Yeary	ü				
David B. Yoffie		ü	Chair		
Number of Committee Meetings Held in 2008	7	3	4	4	3

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, with the exception of Dr. Plummer, meets the U.S. Security and Exchange Commission (SEC) qualifications to be an audit committee financial expert, including meeting 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 stock option plans, including reviewing and granting stock options to our executive officers. The Compensation Committee also reviews and determines various other compensation policies and matters, including making

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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.

The Compensation Committee is responsible for executive compensation, and the Corporate Governance and Nominating Committee recommends 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.

Since 2005, the Compensation Committee has engaged the services of Professor Brian Hall of the Harvard Business School to advise the 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, and he