Professor Jing Zhao
160 Maidenhair Ct.
San Ramon, CA 94582

22 February 2011

Dear Professor Zhao:

Thank you for meeting my Intel colleagues and me at our Corporate Headquarters in Santa Clara, CA on February 2, 2011. We very much enjoyed the candid discussion on your Human Rights proposal. We also learned the personal challenges and struggles that you and your family have been through related to human rights. I hope you too were able to learn more about Intel's commitment to human rights and the various programs and systems we have in place to manage human rights at Intel.

While Intel is very proud of its performance as a socially responsible company, we recognize that our work is never finished. We value the input of external stakeholders and have a very robust program for ensuring all voices are heard. In that regard we expressed our desire to continue our dialogue with you on this important topic. We agreed to set up additional meetings to go into more detail, about our privacy policies and we will be glad to set up a briefing with our executives in China.

In our meeting we discussed different groups we were working with in China, and you offered to give us your unique perspective on which of these groups offer the most credibility and value, so that's something we would be interested in learning more about. I will have someone from my office contact you to set up a meeting time.

Similarly, in a spirit of cooperation, you said that you were willing to withdraw your proposal based on what you learned during our conversation and our agreement to continue our discussion. I'm hoping that the sentiment expressed at the meeting is still valid today and you will withdraw your proposal. In pursuit of that, I have requested Irving Gomez, our Assistant Corporate Secretary, to send you an official withdrawal letter.

At our meeting you asked for some additional documentation regarding our human rights programs, and I have attached to this letter a summary of some of the key items we discussed at our meeting. If you should desire additional information, please let us know. Again, it was a pleasure meeting with you and I look forward to additional discussions on this important topic.

Respectfully,

Michael M. Jacobson
Corporate Responsibility Office

This document outlines the discussion between Professor Jing Zhao and Intel's representatives including: Michael Jacobson, Corporate Responsibility Office; Mary Doyle, Ethics and Compliance; Pat Duffy, Human Resources; Gary Niekerk, Corporate Responsibility Office and John Miller, Global Public Policy, regarding the management of human rights at Intel.

The meeting started with Professor Zhao sharing his reasons for submitting the shareholder proposal. The text of the shareholder proposal is copied below:

> *Intel Corporation will establish a Human Rights Committee with the responsibility to review and approve all policies and actions taken by the Company that might affect human rights observance in countries where it does business. The Human Rights Committee should develop and put in place a comprehensive oversight and compliance system, consistent with the good business practice standards set out in the U.S. compliance guidelines, to monitor, identify and evaluate potential negative human rights impacts of its business in China and other repressive countries.*

Intel representatives shared Intel's policies and procedures regarding human rights:

Corporate Social Responsibility. Michael Jacobson shared the management practices associated with Corporate Social Responsibility (CSR), including human rights. Intel has long been committed to CSR, publishing our first voluntary environmental report back in 1994. Since the beginning, corporate responsibility has not been something we treat as separate from our business. We have always worked to integrate it into the core of our operations and product design.

From board governance and accountability, to supply chain and human rights, we focus on long-term decision making, weighing the impacts on shareholders, stakeholders, people, planet and society. We treat CSR just like any other part of Intel with metrics and measures, continuous improvement and investment.

We rely on a number of cross-functional groups to effectively manage corporate responsibility across the organization, including human rights issues. In addition to Board of Directors-level responsibility and oversight, we have a number of Management Review Committees (MRCs) that bring together senior leaders from different business groups to review our performance and set direction. For example, our Corporate Responsibility MRC reviews emerging issues across a range of corporate responsibility focus areas including human rights.

Ethics and Compliance. Mary Doyle shared with you the management practices we use to manage ethics and compliance worldwide. The Intel Code of Conduct (the Code) guides the behavior of our employees, officers, non-employee

directors, and suppliers, and serves as a cornerstone of Intel culture. The Code's business principles and guidelines promote honest and ethical conduct, deter wrongdoing, and support compliance with applicable laws and regulations. The Code directs employees to consider both short- and long-term impacts on the environment and the community when they are making business decisions. The Code (and the annual training course that all employees are required to take) covers our commitment to human rights.

The Board of Directors has ultimate responsibility for implementation of ethics and compliance programs, and the CEO sets the tone for our culture and holds the senior management team accountable. Our Ethics and Compliance Oversight Committee (ECOC) includes senior representatives from across the company and is chartered by and reports to the Audit Committee of the Board. The ECOC is co-chaired by the Director of Internal Audit and the Vice President, Director of Corporate Legal. Each quarter, the ECOC invites various organizations within Intel to assess and report on ethics and compliance in their respective businesses, and reviews risk topics that span business groups. Our Ethics and Compliance Program Office is responsible for the administration of Intel's Ethics and Compliance Program, and ensures implementation of oversight and operational execution.

Supply Chain. Gary Niekerk shared with you how we manage human rights across our supply chain. Intel has adopted the Electronic Industry Code of Conduct (EICC Code), which is consistent with Intel's own Code of Conduct and Human Rights Principles. We expect our employees and suppliers to comply with the EICC Code, which describes best practices adopted and implemented by major electronics companies, our customers, and their supply chains. We also expect our suppliers to ensure that their suppliers abide by the EICC Code. The EICC Code sets forth performance, compliance, management system, and reporting guidelines, as well as assessment and audit procedures across key areas of social responsibility and environmental stewardship. It covers human rights issues and labor standards related to child and forced labor, freedom of association and collective bargaining, diversity and nondiscrimination, working hours and minimum wages, ethical practices, and worker health and safety.

The EICC Code embodies principles from external standards, such as pertinent International Labor Organization conventions, the United Nations Global Compact, the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises, and the Universal Declaration of Human Rights. We also include language in our contracts about our expectations for suppliers on corporate responsibility issues. The primary leadership team chartered with setting the direction and strategy for all supply chain corporate responsibility issues is our Supply Chain Environmental, Social, and Governance (ESG) Management Review Committee (MRC). This team is made up of representatives from relevant business units across Intel, such as Materials, Technology Manufacturing Engineering, Customer Fulfillment, Planning and

Logistics, Corporate Responsibility, Environmental Health and Safety, Human Resources, and Legal. The MRC also provides regular updates to Intel's Eco MRC and senior vice president and general manager of manufacturing and supply chain.

Human Resources. Pat Duffy from our Human Resources organization shared with you Intel's commitment to cultivate a safe and respectful work environment where employees can thrive, create and innovate. Our "open door policy" has been a hallmark of Intel culture since the company's founding. Employees are free to speak directly with all levels of management about their ideas, concerns, or problems, and to collaborate with managers to address workplace issues. Quarterly Business Update Meetings provide two-way communication venues where employees can ask questions and share their views about our business directly with senior leaders. Feedback from regular employee surveys provides real-time information and data to drive continuous improvement over time.

Managing a complex, geographically dispersed workforce is extremely challenging, so we have instituted a number of ways to regularly assess the health of our overall organization and business groups, and obtain feedback so that adjustments can be made as needed. Each year Intel administers an online Organizational Health Survey (OHS) to learn what our employees think about our workplace. This assessment provides insight into current business-specific issues, historical trending on a core set of questions, and comparisons to external benchmarks. It helps us Identify strengths and areas for improvement in our business groups and geographies, and provides data for planning and improvement. Survey results (companywide and business-unit level) are openly shared with employees and summary data is included in our annual Corporate Responsibility Report.

Privacy and Accountability. John Miller from our Privacy and Security Policy team in our Global Public Policy Group shared with you our privacy practices, principles and policies as they relate to human rights, and described how our internal accountability and product development processes and related guidelines help protect privacy and human rights.

Intel has robust existing internal privacy structures, including a management review committee (Privacy & Security MRC), and several organizations devoted to protecting different aspects of privacy, including the Privacy and Security Policy Team, the Privacy Compliance Team, and the Privacy Council. We believe having strong internal accountability processes is also critical to protecting privacy in products, which is why we developed a Product and Services Privacy Review Process to ensure that when Intel creates a product which may impact the privacy of an individual, mitigation is an integral part of the development process. We educate our engineers and architects on Privacy by Design principles to drive privacy from the earliest stages of technology development, and integrate Privacy Assessments at regular checkpoints

throughout Intel's Secure Development Lifecycle, our security assurance program. Additionally, Intel's commitment to ensuring privacy in our products extends to all customer engagements, including those with governments – Intel takes a global approach to product design and does not modify products to enable violations of privacy or human rights.

Intel is recognized around the globe as a leader in privacy and accountability, and our policy experts have been called upon to provide U.S. Congressional testimony on accountability practices, and have provided valuable input to current efforts by the Federal Trade Commission and Department of Commerce in the U.S. that are designed to strengthen U.S. privacy laws. Intel's leadership is equally recognized in Europe and Asia, and we regularly participate in various International privacy and accountability efforts such as the APEC (Asia-Pacific Economic Cooperation) Data Privacy Pathfinder project. In recent years we have worked extensively with academics and civil society in China on privacy, organizing and sponsoring a privacy law symposium at Tsinghua University, and co-sponsoring and participating in privacy symposia with the Chinese Academy of Social Sciences.