

EARLY RESOLUTION CONCILIATION AGREEMENT

Between

**THE U.S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

And

**INTEL CORPORATION
2200 MISSION COLLEGE BOULEVARD
SANTA CLARA, CALIFORNIA 95052**

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs (“OFCCP”) is currently evaluating Intel Corporation’s (“Intel”) establishments at: (1) Jones Farm (2) Ronler Acres (3) Chandler (4) Ocotillo (5) Folsom (6) Hawthorn Farm and (7) Austin¹ (“Reviewed Establishments”). OFCCP has not issued any formal notice of alleged violations regarding the Reviewed Establishments and there have not been any adjudicated findings. Intel elected to voluntarily enter into this Early Resolution Agreement (“Agreement”) to bring the audits of the Reviewed Establishments and the pending audits of an additional nine of its establishments to a close.

Based on informal findings, of pay data from 2016 and 2017, OFCCP alleges that Intel was not in compliance with Executive Order 11246 as amended (“E.O. 11246” or “Executive Order”), and its implementing regulations at 41 Code of Federal Regulations (CFR) Sections 60-1. Intel disagrees with these informal findings, but in the interest of resolving the violations without engaging in enforcement proceedings and in exchange for sufficient and valuable consideration described in this document, OFCCP and Intel enter into this Agreement, and the parties agree to all the terms therein. The attachments to this Agreement are deemed incorporated into this Agreement.

PART II. GENERAL TERMS AND CONDITIONS

- A. In exchange for Intel’s fulfillment of all obligations in Parts III and IV of the Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246, based on the alleged informal violations described in more detail in Part III below. However, OFCCP has the right to initiate legal proceedings to enforce the Agreement itself. In exchange for Intel’s fulfillment of all obligations in Parts III and IV of the Agreement, OFCCP further agrees not to initiate any new compliance evaluations pursuant to 41 CFR 60-1.20 at any Intel establishments until at least two years after Intel submits the final progress report described in Part V of this Agreement and the OFCCP confirms to Intel that it has fully complied with the terms of this Agreement. OFCCP has

¹ Intel’s Rio Rancho and Austin establishments are also under review. However, OFCCP has not alleged any violations and will issue a letter of closure upon execution of this Agreement.

60-days from the date of the last progress report described in Part V to confirm compliance with the terms of this Agreement otherwise, Intel will be deemed to have complied. OFCCP confirmation of compliance must be in writing addressed to Carolann Bullock, Director, Compliance Business Consulting and Training. OFCCP also agrees that it will not proceed with the audits of the additional sites noticed for review in the 2019 Corporate Scheduling Audit Letter ("CSAL") which have not yet been closed: (1) Hudson (2) Allentown (3) Columbia (4) Fort Collins (5) Dallas (6) DuPont (7) San Diego (8) San Jose and (9) Aloha.²

- B. Intel agrees that OFCCP may review its compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents to the extent they are relevant to Intel's compliance under this Agreement. Intel will permit access to its premises during normal business hours for these purposes and will provide OFCCP with reports and documents required pursuant to this Agreement.
- C. This Agreement does not constitute an admission by Intel of any violation of or noncompliance with any laws or of any other wrongdoing whatsoever, including but not limited to any violation of EO 11246, Section 503 of the Rehabilitation Act of 1973, as amended ("Section 503"), the Vietnam Era Veterans' Readjustment Assistance Act of 1974 ("VEVRAA") and their implementing regulations at 41 CFR Chapter 60, or other laws, nor has there been an adjudicated finding that Intel violated any laws.
- D. Intel understands that nothing in this Agreement relieves Intel of its obligation to fully comply with the requirements of EO 11246, Section 503, VEVRAA, their implementing regulations, and other applicable equal employment opportunity laws.
- E. Intel promises not to harass, intimidate, threaten, discriminate against, or otherwise retaliate against any individual because the individual benefits from this Agreement, or files a complaint or participates in any investigation or proceeding under EO 11246, Section 503, and/or VEVRAA, or engages in any activity listed at 41 CFR § 60-1.32(a).
- F. OFCCP and Intel ("the parties") understand the terms of this Agreement and enter into it voluntarily.
- G. This Agreement and its attachments contain the complete and final understanding of the parties with respect to the matters referenced therein. This Agreement contains all the terms by which the parties are bound and it supersedes all prior written or oral negotiations and agreements. There will be no modifications or amendments to this Agreement unless they are in writing and signed by all parties.

² OFCCP granted administrative closure of the Santa Clara (McAfee) site listed in the CSAL based on change of ownership. The DuPont and Columbia sites have closed and the Dallas (McAfee) site has changed ownership but no administrative closures have yet been granted.

- H. If one or more provisions of this Agreement are rendered unlawful or unenforceable, the remaining provisions will remain in full force and effect.
- I. This Agreement becomes effective on the day it is signed by the Regional Director of the Pacific Region (the "Effective Date").
- J. This Agreement will automatically expire sixty (60) days after Intel submits the final progress report required in Part V below, unless OFCCP notifies Intel in writing prior to the expiration date that it believes Intel has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date OFCCP determines Intel has met all of its obligations under the Agreement. The exemption period from further compliance evaluations will be extended commensurate with OFCCP's investigation and final determination into any alleged breach.
- K. At the expiration of the two-year exemption period following the five-year reporting period, any Intel establishment selected for a compliance evaluation will be selected in accordance with the scheduling methodology in place at that time. Per paragraph 10, should OFCCP allege that Intel breached this Agreement, the exemption period will be extended commensurate with OFCCP's investigation and final determination into any alleged breach.
- L. Each party shall bear its own fees and expenses with respect to this matter.
- M. If Intel violates the Agreement,
 - (1) The procedures set forth at 41 CFR § 60-1.34 will govern:
 - a. If OFCCP believes that Intel violated any term of the Agreement while it was in effect, OFCCP will send Intel a written notice within 60 days of the most recent progress report stating the alleged violations and summarizing any supporting evidence. Should OFCCP fail to raise any written objections within the 60-days of receipt of a progress report, Intel will be deemed in compliance with the Agreement. Any OFCCP objections must be in writing and sent to Carolann Bullock, Director, Compliance, Business Consulting and Training.
 - b. Intel will have 30 days from receipt of such notice to demonstrate in writing that it has not violated the Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - c. If Intel is unable to demonstrate that it has not violated the Agreement, or if OFCCP alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding

through any other requirement for those establishments with an open review at the time of this agreement and seek a full make-whole remedy for victims.

- d. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
 - e. Intel may be subject to the sanctions set forth in Section 209 of the Executive Order, and/or other appropriate relief for violation of this Agreement.
- N. The parties understand and agree that nothing in this Agreement is binding on other governmental departments or agencies other than the United States Department of Labor, and cannot be used as evidence that Intel is not in compliance with any applicable federal, state, or local laws, including but not limited to E.O. 11246, Section 503, VEVRAA, Title VII of the Civil Rights Act of 1964, the Equal Pay Act, and the Americans with Disabilities Act.
- O. This Agreement is limited to the facts of this case. Neither this Agreement, nor any part of the negotiations that occurred in connection with this Agreement, shall constitute admissible evidence with respect to either party's policies, practices, or positions in any lawsuit, legal proceeding, administrative proceeding, compliance evaluation or audit, except for legal or administrative proceedings concerning the enforcement or interpretation of this specific Agreement.
- P. All references to "days" in this Agreement are calendar days. If any deadline for an obligation scheduled to be performed under this Agreement falls on a weekend or a Federal holiday, that deadline will be extended to the next business day.
- Q. This agreement is between OFCCP and Intel (as collectively defined above) and does not confer any rights or benefits to any other parties, other than any successor to, or parent of, of Intel.

PART III. SPECIAL TERMS AND CONDITIONS

- A. OFCCP will not schedule any of Intel's U.S. establishments on the attached list for a compliance evaluation for five-year exemption period plus the two-year scheduling exemption period pursuant to the scheduling methodology. These periods shall be measured from the effective date of the Agreement, as set forth in Section II, paragraph 1 of this Agreement. Should Intel acquire additional U.S. establishments, it will alert OFCCP within 60 days of the close of acquisition of the need to amend the attached list.

- B. The five-year exemption period and the two-year scheduling exemption period are limited to regularly scheduled compliance evaluations and OFCCP retains the right to investigate complaints of discrimination at establishments covered by the Agreement under E.O. 11246, Section 503, and VEVRAA.
- C. If the Intel violates the terms of the Agreement, OFCCP reserves the right to bring an enforcement action under 41 CFR § 60-1.34. Should Intel be found to have violated this agreement, the five-year and two-year exemption periods will be void.
- D. This Agreement will not relieve Intel from its annual ongoing OFCCP requirements of equal employment opportunity through affirmative action and non-discrimination across its entire workforce, including monitoring an up-to-date AAP.

PART IV. VIOLATIONS AND REMEDIES

A. Alleged Compensation Disparities in 2016 and 2017

OFCCP alleged that during the compliance evaluations at the Pacific Region establishments listed in Part I, OFCCP reviewed employment policies, practices, and records; interviewed management, human resources, and non-management employees; analyzed individual compensation data and conducted an onsite inspection of the worksites. Based upon the information gathered during these activities, OFCCP evaluated and analyzed the Pacific Region establishments' compensation system and, through regression analysis, alleged statistically significant pay disparities for 2016 and 2017 based on gender and race.

Intel performed its own regression analysis using appropriate groupings and controlling for all legitimate explanatory factors that explain pay differentials and denies that it engaged in pay discrimination.

- (1) OFCCP alleges and Intel denies that Intel violated Executive Order 11246 § 201(1), 41 CFR § 60-1.4(a)(1), and 41 CFR § 60-20.3, by failing to afford equal employment opportunity to female employees by paying them less than comparable male employees in the following job titles across the multiple locations listed in Part I:

ENGINEER TECHNICIAN
PRINCIPAL ENGINEER
ENGINEERING MANAGER
SOFTWARE PROGRAM MANAGER
FIRMWARE ENGINEER
SOFTWARE ENGINEERING MANAGER
RESEARCH SCIENTIST
PHYSICAL DESIGN ENGINEER

- (2) OFCCP alleges and Intel denies that Intel violated Executive Order 11246 § 201(1) and 41 CFR § 60-1.4(a) (1) by failing to afford equal employment opportunity to Hispanic employees by paying them less than comparable Asian employees in the following job titles across multiple locations listed in Part I:

PACKAGING R&D ENGINEER
GRAPHICS SOFTWARE ENGINEER

- (3) OFCCP alleges and Intel denies that Intel violated Executive Order 11246 § 201(1) and 41 CFR § 60-1.4(a) (1)) by failing to afford equal employment opportunity to black employees by paying them less than comparable Asian employees in the following job titles across multiple locations listed in Part I:

ENGINEERING MANAGER
HARDWARE ENGINEER
MECHANICAL ENGINEER
PACKAGING R&D ENGINEER
PRINCIPLE ENGINEER
PROCESS TD ENGINEER
PRODUCT MARKETING ENGINEER (2017 only)
SOFTWARE ENGINEER
SOFTWARE ENGINEERING MANAGER

B. Identification of Problem Areas, Action-Oriented Programs, and Internal Auditing and Reporting (41 CFR §§ 60-2.17(b)-(d)).

OFCCP alleges that the Reviewed Establishments failed to conduct in-depth analyses of the total employment process in 2016 and 2017 including evaluating compensation systems to identify the existence of gender-, race-, and ethnicity-based pay disparities as required by (41 CFR §§ 60-2.17(b)-(d)). As a result, the Reviewed Establishments failed to develop and execute appropriate action-oriented programs designed to correct the pay disparities by gender, ethnicity and race.

Intel denies that it failed to perform an in-depth audit of its total employment process, or that it failed to identify, through an in-depth analysis, whether there were any gender, ethnicity or race-based disparities in its compensation system.

C. FINANCIAL REMEDY:

- (1) Notice. Pursuant to the dates agreed upon in Attachment C (“Timeline”), Intel will notify the individuals listed in Attachment A (“List of Class Members”) of the terms of this Agreement by certified mail (return receipt) and provide the Notice, and the Release Form included in Attachment B); and a postage paid return envelope. Eligible Class Members must return the completed Release Forms to Intel by the deadline included in the notice documents.

Pursuant to the dates in the Timeline, Intel will notify OFCCP of all letters returned as undeliverable, and OFCCP will then attempt to obtain updated addresses, and provide them to Intel. Intel will use these new addresses to notify the individuals of their potential status as Class Members, and provide them with a second mailing of the documents described above.

Intel shall notify Class Members of this settlement within 45 days of the Effective Date of this Agreement by mailing to each Class Member via certified mail a Notice Form explaining the settlement; a Claim Form; a Release of Claims for Make-Whole Relief under Executive Order 11246; and a self-addressed stamped envelope.

In order to be eligible for a payment, each class member must complete, sign, and return the enclosed Information Verification Form.

Within 90 days of the Effective Date of this Agreement, Intel shall provide OFCCP with a list of Class Members who did not timely and fully respond to the Notices. Within 15 days of receiving this from Intel, OFCCP shall conduct a search to attempt to locate the Class Members whose letters were returned as undeliverable or who did not respond. For all Class Members that OFCCP locates, Intel shall send another Notice, Claim Form, Release, and self-addressed stamped envelope within 15 days of receiving the Class Member's address from OFCCP via certified mail. Each such Class Member shall be given an additional 30 days from to respond by returning the completed Claim Form and executed Release to Intel's settlement administrator.

- (2) Eligibility. All class members (listed on Attachment A) who sign and return the Release forms to Intel by the deadline set forth above and in the notice documents ("Eligible Class Members") will be eligible for a payment. If an Eligible Class Member receives but does not return the Release Form to Intel within the prescribed deadline, the Class member will no longer be entitled to any relief pursuant to this Agreement.
- (3) Within 145 days of the Effective Date of this Agreement, Intel shall provide to OFCCP a list of all Class Members who timely submitted a completed Claim Form and executed Release along with electronic copies of all Claim Forms and Releases returned to Intel. Within 160 days of the Effective Date of this Agreement, OFCCP shall approve the list of Class Members who have timely responded to the first or second Notice, or work with Intel to revise the list so that they can be approved by OFCCP. The approved list of Class Members shall constitute the "Final Class Member List." OFCCP and the Intel agree that there shall be no further liability for back pay, interest, or any other relief under this Agreement to any Class Member who cannot be located or who does not submit a completed Claim Form and executed release within the timeframes enumerated above.

- (4) By the date indicated in the Timeline, Intel will notify OFCCP of the receipt of a Check to a class member that was returned as undeliverable. Intel will notify OFCCP's Director of Regional Operations in the Pacific region. Pursuant to the dates specified in the Timeline, OFCCP will attempt to locate the class member, and if OFCCP obtains an alternate address in the designated time period, OFCCP will advise Intel of the address and Intel will re-mail the check to an alternate or corrected address. Any check that remains uncashed for 120 days after the initial date the check was mailed to the class member will be void. With respect to any uncashed funds, Intel will make a second distribution, in equal shares, to all Class Members who cashed their first check. Intel will mail the second distribution to such participants by the date specified in the Timeline.
- D. Monetary Settlement. Intel agrees to distribute a total of \$3,500,000 in back pay and interest required by law on the portion representing back pay only (such as federal, state and/or local taxes and the employer's and class members' share of FICA and FUTA taxes) to the Class Members on the final list. Intel shall mail to each class member an IRS Form W-2 for that portion of the payment representing back pay and an IRS Form 1099 for that portion of the payment representing interest. These IRS forms will be provided to the class member either at the time of payment, electronically or with the settlement checks, or at the end of the year.

Intel will prospectively monitor compensation and make salary adjustments where warranted as delineated in Parts IV and V. Intel agrees that it will allocate \$300,000 per year for 2020-2024 for pay adjustments for US employees in the Engineering Job Family, as defined by Intel's Human Resources system of record, as part of its annual pay equity analysis. If the results of the annual pay equity analysis do not require adjustments of at least \$300,000, Intel will devote these funds to other efforts focused on pay, equity, including but not limited to working with pay consultants and enhanced training, among other options.

PART V. ENHANCED COMPLIANCE AGREEMENT

- A. The Agreement will be in effect for a five-year period beginning on the Effective Date of the Agreement. Following the expiration of the agreement, OFCCP agrees not to schedule any Intel establishments for an additional two-years.
- B. To proactively facilitate compliance with Executive Order 11246, Intel will take the steps described below to enhance its compliance with Executive Order 11246 in the compensation at all its establishments to ensure non-discriminatory pay practices.
- C. Intel will evaluate its compensation policies and practices to ensure they do not discriminate based on sex, race or ethnicity. If Intel determines it is needed, Intel will retain a third-party compensation consultant with the relevant educational background and substantial experience in developing and implementing job-related and neutral employee compensation processes.
- D. **ANNUAL ANALYSIS:**

If the model used during the five-year reporting period deviates from the model set forth below, Intel will submit a report explaining the reasons for such changes to the model. If OFCCP disagrees with the reported model changes, the parties must work to arrive at a mutually acceptable alternative model that hews as closely as possible to the monitoring model stipulated in this Agreement.

- (1) Methodology. Intel and OFCCP stipulate to use the statistical model below to evaluate whether Intel's U.S. compensation practices are non-discriminatory with regard to employees' sex, race, and ethnicity.
- (2) Coverage. Differences calculated by class for the statistical model should be applied to groupings with more than 30 incumbents. Moreover, there should be a minimum of 5 members in the disfavored group.
 - (a) Where there are groupings of less than 30 individuals a small group statistical test will be conducted.
 - (b) The data to be assessed should be the most recent annual payroll and HR data available. The analysis will be conducted annually during the five-year period using an employee "snapshot" date of April 30.
- (3) Model Specifics.
 - (a) Intel conducts an annual global pay equity analysis. For purposes of compliance with this agreement only, Intel will report for the U.S. Engineering Job Family only. Intel will annually conduct regression analyses for regular employees included in the U.S. Engineering Job Family using an April 30 employee snapshot date.
 - (b) Employees in the U.S. Engineering Job Family will fall into several modeling segments to most accurately reflect separate pay practices. The dividing factors for the U.S. Engineering employees are:
 - (1) Pay type (hourly v. salaried)
 - (2) Grade groupings:
 - (i) Grades two to six;
 - (ii) Grades seven through eleven and
 - (iii) Grades twelve and above.
 - (c) The dependent variable in the analysis will be the natural logarithm of annual compensation. To ensure comparison of similarly situated employees, the U.S. independent variables will include:
 - (i) City

- (ii) Age as proxy for experience and age squared
 - (iii) Intel tenure and Intel tenure squared
 - (iv) Tenure in grade and tenure in grade squared
 - (v) If hired in the past twelve months
 - (vi) If rehired ever
 - (vii) If promoted, demoted, or transferred in the last twelve months
 - (viii) Org level
 - (ix) Grade
 - (x) Job subfamily
 - (xi) Job type (i.e. R&D/ Tech vs. Non-Tech)
 - (xii) Market Benchmark Pay not Correlated with Race and Sex
 - (xiii) If LTI variable
 - (xiv) If full time or part time
- (d) The above analysis generates a predicted pay rate for each employee that is not influenced by race or gender. The differences in that prediction and actual pay rates is calculated, and rolled up by race and gender to estimate the pay equity gap.
- (e) If the U.S. employees in the Engineering Job Family are in groups that Intel identifies as having a statistically significant gap (at 1.96 standard deviation or greater) and the gap is greater than 1%, then Intel will conduct additional investigation of those pay differences. If Intel is unable to identify legitimate, non-discriminatory explanations for those pay differences, Intel will make appropriate pay adjustments to the applicable Engineering Family employees in accordance with applicable law.

E. TRAINING PROGRAM

Intel will develop and conduct a training program to be presented to all individuals involved in the compensation process at Intel's U.S. establishments. Individuals attending this training will include, at a minimum, all recruiters, members of Global Rewards and Talent Retention (GRTR) and Business HR. The training program will feature in-person and video instruction on the development and implementation of job-related and neutral employee compensation processes. At a minimum the training should include a broad understanding of Intel's non-discrimination obligations, industry best practices with respect to compensation, and the influence of implicit bias on promotion, performance ratings and other pay practices.

This Agreement between Intel and OFCCP does not provide Intel with any grant of immunity or protection from its requirement to comply with Executive Order 11246.

This Agreement between Intel and OFCCP may be modified upon the written consent of the parties, and such consent will not be unreasonably withheld.

This Agreement is between OFCCP and Intel (as collectively defined above) and does not confer any rights or benefits to any other parties, other than any successor to or parent of Intel or OFCCP. In case of a disagreement over the implementation of this Enhanced Compliance Agreement, the parties agree to negotiate in good faith prior to OFCCP instituting any enforcement proceedings.

PART VI. REPORTS REQUIRED

Intel must submit the documents, data, and reports described below to the Director of Enforcement of the OFCCP. Intel will provide a report to OFCCP including the following:

- A. Intel must submit an annual progress report while this Agreement is in effect. The first progress report will be due six months after completion of Intel's annual pay audit on July 1, 2020, and utilize a snapshot of base pay from April 30, 2020. Each subsequent report must cover the subsequent year and be submitted by July 1st. The annual report should include:
 - (1) A description of the evaluation conducted.
 - (2) A summary of findings regarding Intel's current policies, procedures and practices related to compensation, and the results of the compensation analyses completed using the stipulated model.
 - (3) Any additional recommended actions or revisions to the compensation policies, procedures, and practices to ensure non-discrimination in compensation.
 - (4) Recommendations for training for all individuals involved in compensation practices.
- B. For verification and replication purposes, Intel must submit limited compensation data to OFCCP. Intel will submit to OFCCP individualized compensation data with the reports in the second and fourth year so that OFCCP can replicate the analyses using the stipulated statistical model. The data shall be limited to the specifics of the stipulated model.
- C. Documentation of monetary payments to all Eligible Class Members as specified in section III.B.2. The documentation must include the names of all Eligible Class Members who were paid, and, for each Eligible Class Member, the number and the amount of the check and the date the check cleared the bank. Intel must provide OFCCP with copies of all canceled checks upon request.

- D. A signed certification that Intel has developed its annual Affirmative Action Plans required under E.O. 11246, Section 503, and VEVRAA.

TERMINATION DATE: This Agreement will remain in effect pursuant to the terms in Part II, Paragraph 10.

INTEGRATION CLAUSE: This Agreement represents the full Agreement between Intel and OFCCP and this Agreement supersedes any other agreements, oral or written. In signing this Agreement, neither Intel nor OFCCP relies upon any promise, representation of fact or law, or other inducement that is not expressed in this Agreement. This Agreement may be modified only by written agreement of the Parties affected and may not be modified by any oral agreement.

PART VII. SIGNATURES

The person signing this Agreement on behalf of Intel personally warrants that he/she is fully authorized to do so, that Intel has entered into this Agreement voluntarily and with full knowledge of the effect thereof and that execution of this Agreement is fully binding on Intel. This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Intel Corporation.

DATE: 9/30/2019

DATE: 9/30/2019

(b) (6), (b) (7)(C)

KATHLEEN DEIBERT
Vice President, Senior Director
Employment & Labor Legal
INTEL CORPORATION

(b) (7)(C), (b) (6)

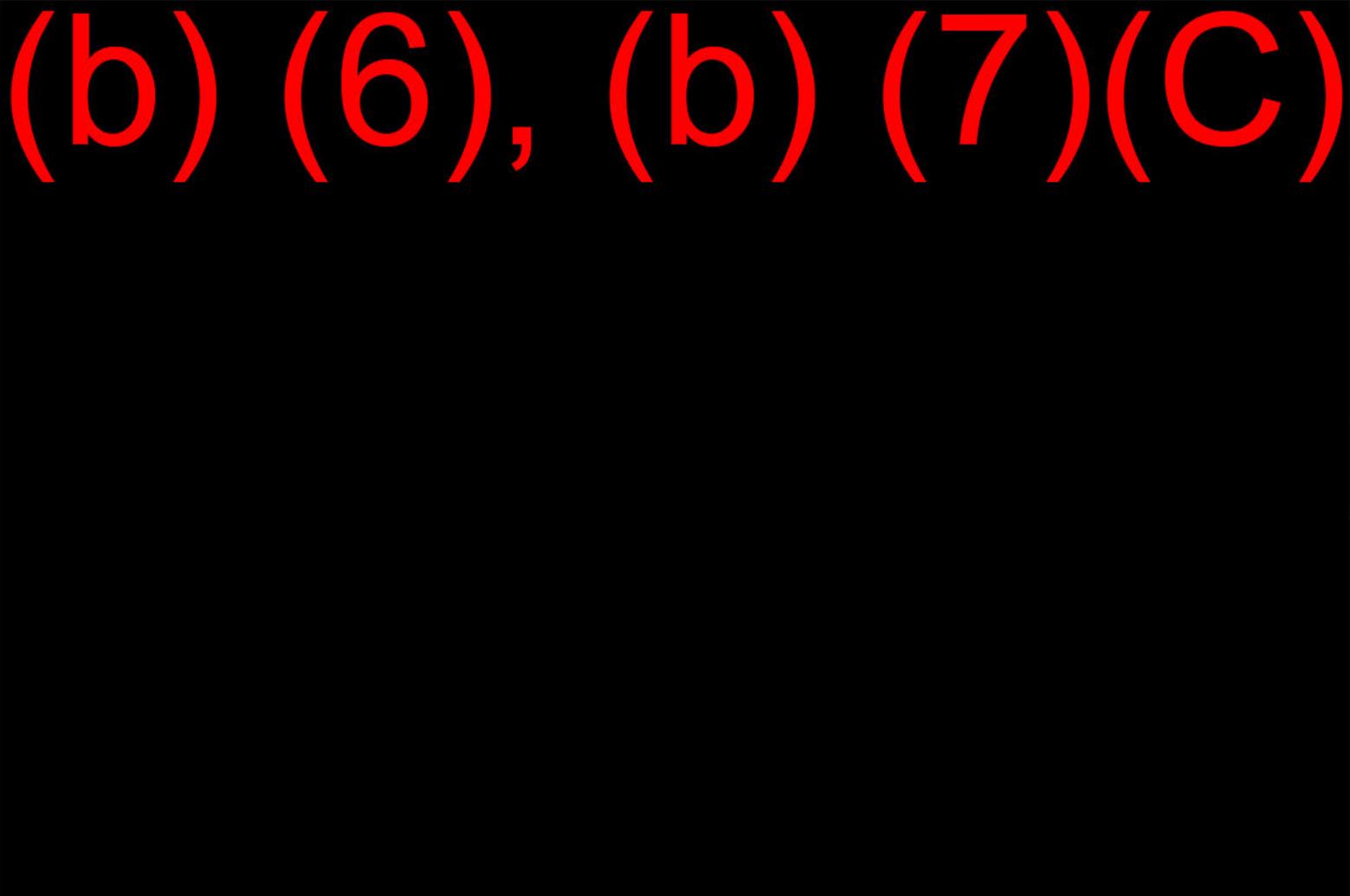
JANE SUHR
Pacific Regional Director
Office of Federal Contract Compliance Programs
90 7th Street, Suite 18 - 300
San Francisco, CA 94103

Attachments

- A. List of Eligible Class Members
- B. Notice Documents
 - B-1-Notice
 - B-2-Release Form
- C. Timeline

Attachment A: List of Eligible Class Members

(b) (6), (b) (7)(C)



Attachment B-1 Notice

Notice to Affected Class Members

We are writing to provide information about a legal settlement between the U.S. Department of Labor and INTEL CORPORATION (“INTEL”) that may benefit you. This settlement involves alleged claims of discrimination in compensation based on a preliminary review, and our records show that you may be one of the class members covered by the settlement. Intel disputes the Department’s preliminary findings.

If you take the steps described in this Notice by the deadline below, you may be eligible for a payment of back wages and salary adjustment with INTEL.

ARE YOU AFFECTED?

Certain Females, Blacks, and Hispanics who were employed in certain job titles and had an alleged disparity in compensation at the following INTEL locations - Jones Farm, Ronler Acres, Chandler, Ocotillo, Folsom, and Hawthorn Farm between in 2016 and 2017 are covered by this settlement.

WHAT IS THIS SETTLEMENT ABOUT?

The U.S. Department of Labor’s Office of Federal Contract Compliance Programs (OFCCP) conducted a review of INTEL’s compensation practices during 2016 and 2017. OFCCP is the government agency responsible for enforcing the nondiscrimination and equal employment opportunity through affirmative action requirements that apply to federal contractors. OFCCP alleges that INTEL discriminated against Female, Black, and Hispanic employees in select job titles in compensation. INTEL denies those claims. Ultimately, OFCCP and INTEL have agreed to resolve the issue through a Conciliation Agreement. A Conciliation Agreement is a legal document that explains the terms of an agreement between INTEL and OFCCP.

As a result, affected class members may be eligible for back pay and salary adjustments.

WHAT DOES THIS MEAN FOR YOU?

Because you were employed during the relevant time frame and in the relevant job titles, and had disparity in compensation, this settlement may provide you with some specific benefits:

- (1) **You may be eligible to receive a payment of at least \$ _____** (before adjustments for taxes and payroll contributions). This amount represents your share of back wages and other payments INTEL is making to settle the lawsuit. The final amount you will receive will be reduced by deductions for items such as income tax withholding and Social Security contributions.
- (2) **You may be eligible for a salary adjustment.** INTEL will continue to make salary adjustments for the individuals receiving this notification consistent with its annual pay equity audit. As a federal contractor, the U.S Department of Labor periodically reviews Intel's compliance with various legal obligations.

To receive back pay benefits, you will need to release or agree to give up certain legal claims, and sign the enclosed Release forms.

WHAT IS YOUR NEXT STEP?

You should read this Notice and the enclosed Interest and Release form.

To be eligible for a payment and job, you must complete, sign, and return the following enclosed "Release of Claims Under Executive Order 11246" (Release) to:

Heffler Claims Group
1515 Market Street
Suite 1700
Philadelphia, PA 19102

DEADLINE: The forms must be postmarked by [INSERT specific date for First or Second [Name Notice deadline date in Attachment D]

If you fail to return both of the required forms by the deadline above, you will not be eligible to receive any money available to you by the settlement.

HOW CAN YOU GET MORE INFORMATION?

If you have any questions, you may contact Compliance Officer (b) (7)(C), (b) (7)(E) at (310) 268- [REDACTED]. You can also visit the U.S. Department of Labor Web site about this case at www.dol.gov/ofccp/cml.

Attachment B-2 Release Form

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS RELEASE. YOU MUST RETURN A SIGNED RELEASE TO RECEIVE MONEY FROM THE SETTLEMENT

This Release of Claims under Executive Order 11246 ("Release") is a legal document. The document states that in return for INTEL CORPORATION, Inc. ("INTEL") paying you money, you agree that you will not file any lawsuit against INTEL for alleged pay discrimination under Executive Order 11246. It also says that INTEL does not admit it violated any laws. This Release says you had sufficient time to look at the document, to talk with others about the document, including an attorney if you choose, and that no one pressured you into signing the document. Finally, it says that if you do not sign and return the document by a certain date, you will not receive any money.

In consideration of payment of \$ [REDACTED] (less adjustments required by law) by INTEL to me, which I agree is acceptable, I (print name) _____ agree to the following:

I.

By signing this Release, I agree that I have been made whole for any claim that could have been brought under Executive Order 11246 relating to INTEL's compensation practices during my employment with INTEL through the Effective Date of this Release. I hereby release INTEL, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its shareholders, owners, directors, officers, employees, agents, and assigns from any claim for additional make whole relief obtained through any action based on or involving INTEL's compensation practices through the effective date of this Release that could have been brought under Executive Order 11246.

II.

I understand that INTEL does not agree that it treated me unlawfully or unfairly in any way and that INTEL entered into a Conciliation Agreement with the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP") and agreed to make the payment described above to resolve alleged disparities in compensation and to resolve the matter without further legal proceedings in the compliance reviews initiated by OFCCP related to the facilities covered by the Conciliation Agreement. I further agree that the payment of the aforesaid sum by INTEL to me is not to be construed as an admission of any liability by INTEL.

III.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors and seek legal advice. I further declare that I have decided of my own freewill to sign this Release.

IV.

I understand that if I do not sign this Release and return it to (b) (7)(C), (b) (7)(E) 1640 S. Sepulveda Boulevard, Suite 440, Los Angeles, California 90025, by the deadline listed on the Claim Form, I will not be entitled to receive any payment (less deductions required by law).

IN WITNESS WHEREOF, I have signed this document of my own free will.

Signature: _____

Date: _____

Printed Name: _____

Signature

Attachment C- Timeline

ACTIVITY	DATE
INTEL CORPORATION Mails Notice Documents (First Mailing)	TBD
Postmark Deadline for Affected Applicants to Reply to Notice	TBD
INTEL CORPORATION Notifies OFCCP of Undeliverable Mailings	TBD
OFCCP Provides Updated Contact Information to INTEL CORPORATION	TBD
INTEL CORPORATION Mails Notice Documents (Second Mailing)	TBD
Postmark Deadline for Affected Applicants to Reply to Second Notice	TBD
INTEL CORPORATION Provides List of its Determination of Eligible Applicants	TBD
OFCCP Reviews and Approves Final List and Distribution Amounts	TBD
INTEL CORPORATION Mails Back pay Checks	TBD

ACTIVITY	DATE
INTEL CORPORATION Notifies OFCCP of Any Checks Returned as Undeliverable	TBD
OFCCP Provides Updated Addresses	TBD
INTEL CORPORATION Mails Back pay Checks to New Addresses	TBD
Distribution of Remaining Funds to Eligible Applicants	TBD

Attachment C-
Timeline (Continued)

Enhanced Compliance Agreement Timeline

INTEL CORPORATION submits ECA report to OFCCP	TBD	TBD
INTEL CORPORATION implements recommendations	TBD	TBD