

As filed with the Securities and Exchange Commission on February 2, 1998

Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM S-8
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

INTEL CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware 94-1672743
(State or Other Jurisdiction (I.R.S. Employer
of Incorporation or Organization) Identification Number)

2200 Mission College Blvd. 95052-8119
Santa Clara, CA (Zip Code)
(Address of Principal Executive
Offices)

Intel Corporation Special Deferred Compensation Plan
(Full Title of the Plan)

F. THOMAS DUNLAP, JR.
Vice President, General Counsel and Secretary
Intel Corporation
2200 Mission College Blvd.
Santa Clara, CA 95052-8119
(Name and Address of Agent for Service)

(408) 765-8080
(Telephone Number, Including Area Code, of Agent for Service)

Copies to:
RONALD O. MUELLER, ESQ.
Gibson, Dunn & Crutcher LLP
1050 Connecticut Avenue, NW, Suite 900
Washington, DC 20036
(202) 955-8500

CALCULATION OF REGISTRATION FEE				
Title of Securities to be Registered (1)	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee (3)
Intel Corporation Special Deferred Compensation Plan Obligations (1)	\$10,000,000	100%	\$10,000,000	\$2,950.00

(1) The Intel Corporation Special Deferred Compensation Plan Obligations are unsecured obligations of Intel Corporation to pay deferred compensation in the future in accordance with the terms of the Intel Corporation Special Deferred Compensation Plan.

INTRODUCTION

This Registration Statement on Form S-8 is filed by Intel Corporation, a Delaware corporation (the "Company", "Corporation" or the "Registrant"), relating to \$10,000,000 of unsecured obligations of the Company to pay deferred compensation in the future (the "Obligations") in accordance with the terms of the Company's Special Deferred Compensation Plan (the "SDC Plan").

PART I

INFORMATION REQUIRED IN SECTION 10(a) PROSPECTUS

Item 1. Plan Information.

Omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933, as amended (the "Securities Act"), and the Note to Part I of Form S-8.

Item 2. Registrant Information and Employee Plan Annual Information.

Omitted from this Registration Statement in accordance with Rule 428 under the Securities Act of 1933, as amended (the "Securities Act"), and the Note to Part I of Form S-8.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents, which previously have been filed by the Company with the Securities and Exchange Commission (the "Commission"), are incorporated herein by reference and made a part hereof:

- (i) The Company's latest Annual Report on Form 10-K for the fiscal year ended December 28, 1996;
- (ii) All other reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") since the end of the fiscal year covered by the Annual Report referred to in (i) above; and
- (iii) The description of the Company's Common Stock contained in Amendment No. 1 to the Company's Registration Statement on Form S-3 (Registration No. 33-56107), filed with the Commission on April 18, 1995, including any amendment or report filed for the purpose of updating such description.

All reports and other documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment hereto, which indicates that all securities offered hereunder

have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

For purposes of this Registration Statement, any document or any statement contained in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded to the extent that a subsequently filed document or a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated herein by reference modifies or supersedes such document or such statement in such document. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

\$10,000,000 of SDC Plan Obligations are being registered under this Registration Statement to be offered to certain eligible employees of the Company pursuant to the SDC Plan. The Obligations are general unsecured obligations of the Company to pay deferred compensation in the future in accordance with the terms of the SDC Plan from the general assets of the Company, and rank 'pari passu' with other unsecured and unsubordinated indebtedness of the Company from time to time outstanding.

The amount credited to the account of each participant ("Participant") in the SDC Plan is determined in accordance with the Deferred Compensation Agreement entered into between the Company and such Participant, as adjusted from time to time to reflect credited investment return or loss. Obligations in an amount equal to each Participant's deferral account under the Plan will be payable upon the Participant's termination or retirement or on such earlier or later distribution date as may be elected by the Participant under the Plan and the Participant's Deferred Compensation Agreement, either in an immediate lump-sum distribution or, upon the election of a Participant, in installments over a five-year period.

Under the SDC Plan, Obligations for each Participant will be credited investment return or loss based on the performance of

such investment media as the Participant shall have elected from among those designated from time to time by the Company (which may include Intel stock). The value of a Participant's SDC Plan Obligations will be credited with investment gains or losses accordingly.

A Participant's SDC Plan Obligations cannot be alienated, sold, transferred, assigned, pledged, attached or otherwise encumbered by the Participant, and pass only to a survivor beneficiary under the SDC Plan, or by will or the laws of descent and distribution, or pursuant to a qualified order which recognizes the rights of a spouse or former spouse to share in such Obligations.

The Obligations are not subject to redemption, in whole or in part, prior to the termination, retirement or death of the Participant. However, the Company reserves the right to amend or terminate the SDC Plan at any time, except that no such amendment or termination shall adversely affect a Participant's right to Obligations in the amount of the Participant's SDC Plan accounts as of the date of such amendment or termination.

The Obligations are not convertible into any other security of the Company. The Obligations will not have the benefit of a negative pledge or any other affirmative or negative covenant on the part of the Company. No trustee has been appointed having the authority to take action with respect to the Obligations and each Participant will be responsible for acting independently with respect to, among other things, the giving of notices, responding to any requests for consents, waivers or amendments pertaining to the Obligations, enforcing covenants and taking action upon a default.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law (the "DGCL") makes provision for the indemnification of officers and directors of corporations in terms sufficiently broad to indemnify the officers and directors of the Corporation under certain circumstances from liabilities (including reimbursement of expenses incurred) arising under the Securities Act of 1933, as amended (the "Act"). Section 102(b)(7) of the DGCL permits a corporation to provide in its Certificate of Incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) in respect of certain unlawful dividend payments or stock redemptions or repurchases, or (iv) for any transaction from which the director derived an improper personal benefit.

As permitted by the DGCL, the Corporation's Certificate of Incorporation (the "Charter") provides that, to the fullest extent permitted by the DGCL or decisional law, no director shall be personally liable to the Corporation or to its stockholders for monetary damages for breach of his fiduciary duty as a director. The effect of this provision in the Charter is to eliminate the rights of the Corporation and its stockholders (through stockholders' derivative suits on behalf of the Corporation) to recover monetary damages against a director for breach of fiduciary duty as a director thereof (including breaches resulting from negligent or grossly negligent behavior) except in the situations described in clauses (i)-(iv), inclusive, above. These provisions will not alter the liability of directors under federal securities laws.

The Corporation's Bylaws (the "Bylaws") provide that the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of any other corporation or enterprise (including an employee benefit plan), against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes and penalties, and amounts paid or to be paid in settlement, and any interest, assessments, or other charges imposed thereof, and any taxes imposed on such

person as a result of such payments) reasonably

incurred or suffered by such person in connection with investigating, defending, being a witness in, or participating in (including on appeal), or preparing for any of the foregoing in such action, suit or proceeding, to the fullest extent authorized by the DGCL, provided that the Corporation shall indemnify such person in connection with any such action, suit or proceeding initiated by such person only if authorized by the Board of Directors of the Corporation or brought to enforce certain indemnification rights.

The Bylaws also provide that expenses incurred by an officer or director of the Corporation (acting in his capacity as such) in defending any such action, suit or proceeding shall be paid by the Corporation, provided that if required by the DGCL such expenses shall be advanced only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation. Expenses incurred by other agents of the Corporation may be advanced upon such terms and conditions as the Board of Directors of the Corporation deems appropriate. Any obligation to reimburse the Corporation for expenses advanced under such provisions shall be unsecured and no interest shall be charged thereon.

The Bylaws also provide that indemnification provided for in the Bylaws shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; that any right of indemnification or protection provided under the Bylaws shall not be adversely affected by any amendment, repeal, or modification of the Bylaws; and that the Corporation may purchase and maintain insurance to protect itself and any such person against any such expenses, liability and loss, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the DGCL or the Bylaws.

In addition to the above, the Corporation has entered into indemnification agreements with each of its directors and certain of its officers. The indemnification agreements provide directors and officers with the same indemnification by the Corporation as described above and assure directors and officers that indemnification will continue to be provided despite future changes in the Bylaws of the Corporation. The Corporation also provides indemnity insurance pursuant to which officers and directors are indemnified or insured against liability or loss under certain circumstances, which may include liability or related loss under the Securities Act and the Exchange Act.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit Description
No.

- | | |
|------|--|
| 4.1 | Intel Corporation Special Deferred Compensation Plan |
| 4.2* | Intel Corporation Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of Registrant's Form 10-Q for the quarter ended June 26, 1993 [Commission File No. 0-6217] as filed on August 10, 1993). |
| 4.3* | Intel Corporation Bylaws as amended (incorporated by reference to Exhibit 4.2 of Registrant's Form S-8 as filed on February 3, 1997). |
| 4.4* | Agreement to Provide Instruments Defining the Rights of Security Holders (incorporated by reference to Exhibit 4.1 of Registrant's Form 10-K [Commission File No. 0-6217] as filed on March 28, 1986). |
| 4.5* | Warrant Agreement dated as of March 1, 1993, as amended, between the Registrant and Harris Trust and Savings Bank (as successor Warrant Agent) related to the issuance of 1998 Step-Up Warrants to Purchase Common Stock of Intel Corporation (incorporated by reference to Exhibit 4.6 of Registrant's Form 10-K [Commission File No. 0-6217] as filed on March 25, 1993), together with the First Amendment to Warrant |

Agreement dated as of October 18, 1993, the Second Amendment to Warrant Agreement dated as of January 17, 1994 (incorporated by reference to Exhibit 4.4 of the Registrant's Form 10-K [Commission File No. 0-6217] as filed on March 25, 1994), the Third Amendment to Warrant Agreement dated as of May 1, 1995 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 10-K as filed on March 29, 1996), and the Fourth Amendment to Warrant Agreement dated as of May 21, 1997 (incorporated by reference to Exhibit 4.2 of the Registrant's Form 10-Q as filed on August 11, 1997).

- 5.1 Legal Opinion of Gibson, Dunn & Crutcher.
- 23.1 Consent of Gibson, Dunn & Crutcher LLP (contained in Exhibit 5.1).
- 23.2 Consent of Ernst & Young LLP, Independent Auditors.
- 24 Power of Attorney (contained on signature page hereto).

* Incorporated by reference

Item 9. Undertakings.

(1) The undersigned Registrant hereby undertakes:

(a) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (1)(a)(i) and (1)(a)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this registration statement.

(b) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(2) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the Registration Statement

shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

- (3) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director,

officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Corporation certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, State of California, on this 31st day of December, 1997.

INTEL CORPORATION

By: /s/F. Thomas Dunlap, Jr.
Vice President, General
Counsel and Secretary

Each person whose signature appears below constitutes and appoints F. Thomas Dunlap, Jr. and Andy D. Bryant, and each of them, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, severally, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/Gordon E. Moore Gordon E. Moore	Chairman Emeritus	Dec. 31, 1997
/s/Andrew S. Grove Andrew S. Grove	Principal Executive Officer, Chairman of the Board and Director (Principal Executive Officer)	Dec. 31, 1997
/s/Craig R. Barrett Craig R. Barrett	President, Chief Operating Officer and Director	Dec. 31, 1997
/s/Andy D. Bryant Andy D. Bryant	Vice President, Principal Accounting and Chief Financial Officer (Principal Financial and	Dec. 31, 1997

	Accounting Officer)	
/s/John Browne John Browne	Director	Dec. 31, 1997
/s/Winston H. Chen Winston H. Chen	Director	Dec. 31, 1997
/s/D. James Guzy D. James Guzy	Director	Dec. 31, 1997
/s/Arthur Rock Arthur Rock	Director	Dec. 31, 1997
Jane E. Shaw	Director	
/s/Leslie L. Vadasz Leslie L. Vadasz	Director	Dec. 31, 1997
/s/David B. Yoffie David B. Yoffie	Director	Dec. 31, 1997
/s/Charles E. Young Charles E. Young	Director	Dec. 31, 1997

EXHIBIT INDEX

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24	Power of Attorney (contained on signature page hereto).

* Incorporated by reference

INTEL CORPORATION
SPECIAL DEFERRED COMPENSATION PLAN

This INTEL CORPORATION SPECIAL DEFERRED COMPENSATION PLAN (the "Plan") is adopted by Intel Corporation, a Delaware corporation ("Intel"), for the purpose of providing supplemental retirement benefits to highly compensated or key management employees of the Company and their beneficiaries in consideration of services rendered to the Company and as an inducement for their continued services in the future.

ARTICLE I

DEFINITIONS

Whenever used herein, the masculine pronoun shall be deemed to include the feminine, and the singular to include the plural, unless the context clearly indicates otherwise, and the following definitions shall govern the Plan:

- 1.1 "Account" means the book entry account established under the Plan for each Participant to which shall be credited such amounts as the Company shall determine, the Participant's Credited Investment Return (Loss) determined under Article IV and which shall be reduced by any distributions made to Participant.
- 1.2 "Alternate Payee" is a spouse or former spouse of a Participant.
- 1.3 "Beneficiary" means one (1), some, or all (as the context shall require) of those persons, trusts or other entities entitled to receive Benefits which may be payable hereunder upon a Participant's death as determined under Article VI.
- 1.4 "Benefits" means the amounts credited to a Participant's Account pursuant to such Participant's Deferred Compensation Agreements plus or minus all Credited Investment Return (Loss).
- 1.5 "Board of Directors" or "Board" means the Board of Directors of Intel Corporation.
- 1.6 "Code" means the Internal Revenue Code of 1986, as amended, and references to particular sections of the Code are deemed to refer to such sections or any successor sections thereto.
- 1.7 "Company" means Intel and any present or future parent corporation or subsidiary corporation of Intel which the Board determines should be included in the Plan. For purposes of the Plan, the terms parent corporation and subsidiary corporation shall be defined as set forth in Sections 424(e) and 424(f) of the Code.
- 1.8 "Credited Investment Return (Loss)" means the hypothetical investment return which shall be credited to the Participant's Account pursuant to Article IV.
- 1.9 "Deemed Investment Elections" means the investment elections described in Article IV.
- 1.10 "Deferred Compensation Agreement" means the Agreement to Participate and to Defer Compensation in the form attached hereto as Exhibit A, or such other form of deferred compensation agreement between Participants and the Company as the Company may prescribe from time to time.
- 1.11 "Distribution Date" means the date on which distribution of a Participant's Benefits is made or commenced pursuant to Article V.
- 1.12 "Distribution Election" means the election described in Section 5.2(b).
- 1.13 "Early Benefit Distribution Date" means the date elected by a Participant for the early distribution of Benefits, as provided in Section 5.1(b).

- 1.14 "Effective Date" means September 15, 1997.
- 1.15 "Financial Hardship" means one (1) or more of the following events:
- (1) A sudden and unexpected illness or accident of the Participant or a dependent (as defined in Section 152(a) of the Code) of the Participant;
 - (2) A loss of the Participant's property due to casualty; or
 - (3) Other similar and extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, as determined by the Company.
- 1.16 "Intel" means Intel Corporation, a Delaware corporation.
- 1.17 "Participant" means a highly compensated or key management employee of the Company who has been designated by the Company as eligible to participate in this Plan and for whom an Account has been established.
- 1.18 "Plan" shall mean this Intel Corporation Special Deferred Compensation Plan, as it may be amended from time to time.
- 1.19 "Plan Year" means the calendar year.
- 1.20 "QDRO" means a court order that recognizes the right of an Alternate Payee of a Participant to an interest in amounts deferred under this Plan on behalf of such Participant due to marital property rights and that the Company determines to be the equivalent of a "qualified domestic relations order," as that term is defined Section 414(p) of the Code, but for the fact that the Plan is not a plan described in Section 414(p) of the Code.
- 1.21 "Qualified Plan" means the Intel Corporation Profit Sharing Retirement Plan and 401(k) Savings Plan.
- 1.22 "Termination Event" means the termination of the Participant's employment with the Company for any reason, including but not limited to the Participant's death or Total Disability.
- 1.23 "Total Disability" means the condition that would entitle a Participant to benefits under the Intel Corporation Long Term Disability Plan as the same may be amended from time to time. No termination of employment shall be deemed to have occurred by reason of Total Disability unless the Company determines in its sole discretion that the condition constituting such Total Disability exists on the date of such termination of employment, that such condition actually is known to the Company at the date of such termination of employment, and that such condition is the direct cause of such termination.

ARTICLE II

ELIGIBILITY

- 2.1 Eligibility. Eligibility for participation in the Plan shall be limited to key management or highly compensated employees of the Company who are selected by the Company, in its sole discretion, to participate in the Plan. Individuals who are in this select group shall be notified as to their eligibility to participate in the Plan. Each individual who becomes a Participant shall execute a Deferred Compensation Agreement in the form prescribed by the Company.
- 2.2 Cessation of Participation. Participation in the Plan shall continue until all of the Benefits to which the Participant is entitled thereunder have been paid in full.

ARTICLE III

PARTICIPANT'S ACCOUNTS

- 3.1 Establishment of Accounts. The Company shall cause an Account to be kept in the name of each Participant and each Beneficiary of a deceased Participant which shall reflect

the value of such Participant's Benefits as adjusted from time to time to reflect Credited Investment Return (Loss). Each such Account initially

shall be credited with an amount specified in the Deferred Compensation Agreement.

3.2 Vesting. Accounts shall be 100% vested upon a Participant's death or Total Disability. Otherwise, Accounts shall be subject to such terms and conditions of vesting as are set forth in the Deferred Compensation Agreement. If a Participant's employment with the Company is terminated for any reason other than death or Total Disability, the unvested portion of his or her Account shall be forfeited to the Company as of the date of such termination.

3.3 Acceleration of Vesting. Notwithstanding anything herein to the contrary, the Company may, in its discretion, accelerate the vesting schedule to which any Account is subject.

ARTICLE IV

CREDITED INVESTMENT RETURN (LOSS) ON PARTICIPANT'S ACCOUNTS

4.1 Credited Investment Return (Loss).

(a) Each Participant's Account shall be credited monthly, or more frequently as the Company may specify, with the Credited Investment Return (Loss) attributable to his or her Account. The Credited Investment Return (Loss) is the amount which the Participant's Account would have earned if the amounts credited to the Account had, in fact, been invested in accordance with the Participant's Deemed Investment Elections.

(b) The Company shall designate deemed investments. The Company shall specify the particular funds, indices or reference rates which shall constitute deemed investments, and may, in its sole discretion, change or add to the deemed investments; provided, however, that the Company shall notify Participants of any such change prior to the effective date thereof.

4.2 Deemed Investment Elections. Each Participant may select among the deemed investments and specify the manner in which his or her Account shall be deemed to be invested for purposes of determining Participant's Credited Investment Return (Loss). The Company shall establish and communicate the rules, procedures and deadlines for making and changing Deemed Investment Elections. Any permitted investment selection made by a Participant shall be given effect at such times as the Company determines from time to time to be administratively practicable.

ARTICLE V

BENEFITS

5.1 (a) Timing of Distribution. The amounts credited to a Participant's Account, to the extent vested, shall be paid (or payment shall commence) within a reasonable time after (i) the Early Benefit Distribution Date, if the Participant has made a valid election for early distribution of Benefits pursuant to Section 5.1(b), (ii) a Termination Event, or (iii) such other date after a Termination Event as the Participant may specify on his or her original Deferred Compensation Agreement; provided, however, that in no event shall any amount due commence to be paid later than the date which is five (5) years after the Participant's Termination Event.

(b) Early Benefit Distribution. A Participant may elect an Early Benefit Distribution Date. Such election shall be made on the Participant's original Deferred Compensation Agreement and shall specify the portion or amount of the Participant's Account to be distributed on such Early Distribution Date; provided that such portion or amount specified shall not exceed the portion or amount credited to the Participant's Account which is vested as of the Early Benefit Distribution Date. Any election of an Early Benefit Distribution Date shall be irrevocable, both as to the date of

distribution and as to the amount of the distribution.

- (i) No election of an Early Benefit Distribution Date shall be given effect unless such election specifies an Early Benefit Distribution Date which is at least twenty-four (24) full calendar months from the date such election is received by the Company.
- (ii) In the event a Participant elects an Early Benefit Distribution Date for less than 100% of his or her Account (determined as of the Early Benefit Distribution Date), the balance of the Participant's Account remaining after the Early Benefit Distribution Date (adjusted as provided in Article IV) shall be distributed to the extent vested, in accordance with Section 5.1(a) without regard to Section 5.1(a) (i).
- (iii) In the event a Participant has a Termination Event prior to his or her Early Benefit Distribution Date, his or her election of an Early Benefit Distribution Date shall not be given effect and distribution of the Participant's Accounts, to the extent vested, shall be made in accordance with Section 5.1(a) without regard to Section 5.1(a) (i).

5.2 (a) Method of Distribution. A Participant's Account shall be paid in one of the following methods specified in his or her most recent valid Distribution Election filed with the Company in accordance with this Section 5.2: (i) a

single lump sum payment; or (ii) substantially equal annual installments over either a five year or a ten year period. Accounts, adjusted for applicable investment gains and losses, shall be divided by the number of years remaining under the election to determine the amount of such annual installment.

- (b) Distribution Election. The Participant shall designate the method of distribution on the Deferred Compensation Agreement filed pursuant to the Plan and may amend any such designation by filing such amendment in such form and manner as the Company may prescribe. However, no amendment which is filed within six (6) full calendar months preceding the Participant's Termination Event (other than death or Total Disability) or other Distribution Date, if applicable (whichever event or date gives rise to a payment of Benefits to the Participant), or that has the effect of accelerating payments, shall be given effect with respect to Benefits that become payable as of such Termination Event or other elected Distribution Date.
- (c) Death Benefits. In the event the Participant dies before his or her Benefits have been fully distributed, the Participant's Benefits shall be paid to his or her Beneficiary in accordance with the Participant's most recent valid Distribution Election.
- (d) Non-Election. If no Distribution Election has been properly made prior to the Distribution Date, the Participant's Benefits will be distributed in a single lump sum. In the event that a Participant files an amended Distribution Election as to the form of distribution but such amendment cannot be given effect by reason of the provisions of Section 5.2(b), distribution shall be made in accordance with the Participant's Compensation Deferral Agreement, any valid amendment thereto, or otherwise in accordance with this Section 5.2(d).
- (e) Valuation of Accounts. Participants Accounts shall be valued as of the valuation date immediately preceding the Distribution Date.

5.3 Financial Hardship. Notwithstanding the foregoing, with the consent of the Company, a Participant may withdraw up to one hundred percent (100%) of the vested amount credited to his or her Account as may be required to meet an unforeseeable emergency of the Participant constituting a Financial Hardship, provided that the entire amount requested by the

Participant is not reasonably available from other resources of the Participant, and provided further that:

- (a) The withdrawal must be necessary to satisfy the unforeseeable emergency and no more may be withdrawn from the Participant's Account than is required to relieve the financial need after taking into account other resources that are reasonably available to the Participant for this purpose.
- (b) The Participant must certify such matters as the Company reasonably may require, including that the financial need cannot be relieved: (i) through reimbursement or compensation by insurance or otherwise; (ii) by reasonable liquidation of the Participant's assets, to the extent such liquidation would not itself cause an immediate and heavy financial need; (iii) by discontinuing the Participant's salary deferrals, if any; or (iv) by borrowing from commercial sources on reasonable commercial terms. Notwithstanding the preceding provisions of this Section 5.3, the Company shall be entitled to impose such further restrictions on a withdrawal for Financial Hardship as it deems necessary to avoid adverse tax consequences to any Participant.

- 5.4 Limitation on Distributions to Covered Employees. Notwithstanding any other provision of this Article V, in the event that the Participant is a "covered employee" as defined in Section 162(m)(3) of the Code, or would be a covered employee if the Benefits were distributed in accordance with his or her Distribution Election or withdrawal request, the maximum amount which may be distributed from the Participant's Account, in any Plan Year, shall not exceed one million dollars (\$1,000,000) less the amount of compensation paid to the Participant in such Plan Year which is not "performance-based" (as defined in Code Section 162(m)(4)(C)), which amount shall be reasonably determined by the Company at the time of the proposed distribution. Any amount which is not distributed to the Participant in a Plan Year as a result of the limitation set forth in this Section 5.4 shall be distributed to the Participant in the next Plan Year, subject to compliance with the foregoing limitation set forth in this Section 5.4.
- 5.5 Tax Withholding. All payments under this Article V shall be subject to all applicable withholding for state and federal income tax and to any other federal, state or local tax which may be applicable thereto. In the event any taxes become due prior to payment, including but not limited to, taxes under Section 3121(v) of the Code, such taxes shall be the sole responsibility of the Participant.

ARTICLE VI

BENEFICIARIES

- 6.1 Designation of Beneficiary. The Participant shall have the right to designate, on such form as may be prescribed by the Company, a Beneficiary to receive any Benefits due under Article V which may remain unpaid at the Participant's death and shall have the right at any time to revoke such designation and to substitute another such Beneficiary.
- 6.2 No Designated Beneficiary. If, upon the death of the Participant, there is no valid designation of a Beneficiary, the Beneficiary shall be the Participant's estate.

ARTICLE VII

ADMINISTRATION OF THE PLAN

- 7.1 Administration by the Company. The Company shall be responsible for the general operation and administration of this Plan and for carrying out the provisions thereof.
- 7.2 General Powers of Administration. All provisions set forth in the Qualified Plan with respect to the administrative powers and duties of the Company, expenses of administration and procedures for filing claims shall also be applicable with respect to this Plan. The Company shall be entitled to rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by any actuary, accountant,

controller, counsel or other person employed or engaged by the Company with respect to this Plan. Neither any Participant nor any Beneficiary shall have any legal or equitable interest in such assets or policies, or any other asset of the Company.

ARTICLE VIII

MISCELLANEOUS

- 8.1 The right of a Participant or his or her designated Beneficiary to receive a distribution hereunder shall be an unsecured claim against the general assets of the Company, and neither the Participant nor a designated Beneficiary shall have any rights in or against any specific assets of the Company. Notwithstanding the previous sentence, the Company reserves the right to establish a grantor trust, the assets of which shall remain subject to claims of creditors of the Company, to which Company assets may be invested to fund some or all of the liabilities represented by this Plan. This Plan shall not be construed to require the Company to fund, prior to payment, any of the Benefits payable under this Plan.
- 8.2 In determining investment yields by reference to Deemed Investment Elections, Intel does not endorse any of the investment funds and does not guarantee that Participants will receive a positive return on the investment of Accounts by measuring performance in such manner.
- 8.3 If, in the Company's opinion, a Participant or Beneficiary for any reason is unable to handle properly any property distributable to him or her under the Plan, then the Company may make such arrangements which it determines to be beneficial to such Participant or Beneficiary, to the extent such arrangements have not been made by such Participant or Beneficiary, for the distribution of such property, including (without limitation) the distribution of such property to the guardian, conservator, spouse or dependent(s) of such Participant or Beneficiary.
- 8.4 The right to payment under this Plan may be assigned to an Alternate Payee pursuant to a QDRO. If the right to payment is assigned to an Alternate Payee pursuant to a QDRO, the Alternate Payee generally has the same rights as the Participant under the terms of the Plan, except that an Alternate Payee may not transfer the right to payment.
- 8.5 This paragraph shall apply to any Participant who has been designated as a Section 16 Officer by the Board of Directors of Intel. Notwithstanding any provision to the contrary herein, any election by a Participant to whom this paragraph applies to make a "Discretionary Transaction" (as such term is defined in Rule 16b-3 as promulgated under Section 16 of the Securities Exchange Act of 1934 ("Rule 16b-3")) shall not be valid unless it is made at least six (6) months after the date such Participant elected to make an "opposite way" (as such term is used in Rule 16b-3) Discretionary Transaction under this Plan or under any other employee benefit plan maintained by Intel. Unless earlier revoked by the Participant, any such election shall be deemed to have been made and received by the Plan on the first business day that is six (6) months and one (1) day after the date such Participant elected to make the earlier "opposite way" Discretionary Transaction under this Plan or under any other "tax conditioned plan" maintained by Intel.
- 8.6 Except as provided in Section 8.4, the right of any Participant, any Beneficiary, or any other person to the payment of any Benefits under this Plan shall not be assigned, transferred, pledged or encumbered.
- 8.7 This Plan shall be binding upon and inure to the benefit of the Company, its successors and assigns and the Participant and his or her heirs, executors, administrators and legal representatives.
- 8.8 Nothing contained herein shall be construed as conferring upon any Participant the right to continue in the employ of the Company as an employee.
- 8.9 If the Company, the Participant, any Beneficiary, or a successor in interest to any of the foregoing, brings legal action to enforce any of the provisions of this Plan, the

prevailing party in such legal action shall be reimbursed by the other party for the prevailing party's costs of such legal action including, without limitation, reasonable fees of attorneys, accountants and similar advisors and expert witnesses.

8.10 Any dispute or claim relating to or arising out of this Plan that cannot be resolved pursuant to the internal dispute resolution processes implemented by the Company with respect to the Plan, if any, shall be fully and finally resolved by binding arbitration conducted in the County of Santa Clara, California, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, by a single, neutral arbitrator selected in accordance with such Rules. The discretion of the arbitrator to fashion remedies in any such arbitration

shall be no broader than the legal and equitable remedies available to a court. The judgment upon the award rendered by the arbitration may be entered into any court having jurisdiction thereof

8.11 This Plan shall be construed in accordance with and governed by the laws of the State of California, without reference to the principles of conflicts of law thereof, to the extent such construction is not pre-empted by any applicable federal law.

8.12 This Plan constitutes the entire understanding and agreement with respect to the subject matter contained herein, and there are no agreements, understandings, restrictions, representations or warranties among any Participant and the Company other than those set forth or provided for herein.

8.13 (a) This Plan may be amended by Intel at any time in its sole discretion by resolution of its Board or any committee to which its Board has delegated such authority to amend; provided, however, that no amendment may be made which would alter the irrevocable nature of an election or which would reduce the amount credited to a Participant's Account on the date of such amendment.

(b) Notwithstanding the foregoing paragraph or any other provision in this Plan to the contrary, Intel reserves the right to terminate the Plan in its entirety at any time upon fifteen (15) days notice to the Participant. Any amounts not distributed after payment in full of all Benefits hereunder shall revert to the Company.

ARTICLE IX

EXECUTION

To record the adoption of the Plan to read as set forth herein, the Company has caused its authorized officer to execute the same this _____ day of _____, 1998.

INTEL CORPORATION

By: _____

As its: _____

[LETTERHEAD OF]
GIBSON, DUNN & CRUTCHER LLP
LAWYERS
1050 Connecticut Avenue, NW
WASHINGTON, D.C. 20036-5306
(202) 955-8500
FACSIMILE: (202) 467-0539

January 27, 1998

Intel Corporation
2200 Mission College Boulevard
Santa Clara, California 95052-8119

Re: Registration Statement on Form S-8 with respect to the Intel
Corporation Special Deferred Compensation Plan

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-8 (the "Registration Statement") to be filed by Intel Corporation, a Delaware corporation (the "Company"), with the Securities and Exchange Commission in connection with the registration under the Securities Act of 1933, as amended, of \$10,000,000 of general unsecured obligations (the "Obligations") of the Company to pay deferred compensation in the future in accordance with the Intel Corporation Special Deferred Compensation Plan ("the SDC Plan").

As your counsel, we have examined the Company's Certificate of Incorporation and Bylaws, each as amended to date, and the records of certain corporate proceedings and actions taken and proposed to be taken by the Company in connection with the sale and issuance of the Securities under the SDC Plan.

Based upon the foregoing, and in reliance thereon, we are of the opinion that the Obligations being offered under the SDC Plan, when issued in accordance with the provisions of the SDC Plan, will be valid and binding obligations of the Company, enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws of general applicability relating to or affecting enforcement of creditors' rights or by general principles of equity.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/Gibson, Dunn & Crutcher LLP

GIBSON, DUNN & CRUTCHER LLP

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Intel Corporation Special Deferred Compensation Plan of our reports dated January 13, 1997 and March 26, 1997, with respect to the consolidated financial statements and schedule of Intel Corporation, respectively, included and incorporated by reference in its Annual Report (Form 10-K) for the year ended December 28, 1996, filed with the Securities and Exchange Commission.

/s/Ernst & Young LLP

ERNST & YOUNG LLP

San Jose, California
January 29, 1998