

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 25, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **001-07882**

AMD
ADVANCED MICRO DEVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

94-1692300

(I.R.S. Employer Identification No.)

**2485 Augustine Drive
Santa Clara, California 95054**
(Address of principal executive offices)

(408) 749-4000

Registrant's telephone number, including area code

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, \$0.01 par value

Trading Symbol(s)

AMD

Name of each exchange on which registered

The Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. "

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of the registrant's common stock, \$0.01 par value, as of July 28, 2022: 1,614,320,900

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PART I. FINANCIAL INFORMATION**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

Advanced Micro Devices, Inc. Condensed Consolidated Statements of Operations (Unaudited)						
	Three Months Ended		Six Months Ended			
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021		
(In millions, except per share amounts)						
Net revenue	\$ 6,550	\$ 3,850	\$ 12,437	\$ 7,295		
Cost of sales	3,115	2,020	5,998	3,878		
Amortization of acquisition-related intangibles	407	—	593	—		
Total cost of sales	<u>3,522</u>	<u>2,020</u>	<u>6,591</u>	<u>3,878</u>		
Gross profit	3,028	1,830	5,846	3,417		
Research and development	1,300	659	2,360	1,269		
Marketing, general and administrative	592	341	1,189	660		
Amortization of acquisition-related intangibles	616	—	909	—		
Licensing gain	(6)	(1)	(89)	(5)		
Operating income	<u>526</u>	<u>831</u>	<u>1,477</u>	<u>1,493</u>		
Interest expense	(25)	(10)	(38)	(19)		
Other expense, net	<u>(4)</u>	<u>—</u>	<u>(46)</u>	<u>(11)</u>		
Income before income taxes and equity income	<u>497</u>	<u>821</u>	<u>1,393</u>	<u>1,463</u>		
Income tax provision	54	113	167	202		
Equity income in investee	4	2	7	4		
Net income	<u>\$ 447</u>	<u>\$ 710</u>	<u>\$ 1,233</u>	<u>\$ 1,265</u>		
Earnings per share						
Basic	\$ 0.28	\$ 0.58	\$ 0.82	\$ 1.04		
Diluted	\$ 0.27	\$ 0.58	\$ 0.81	\$ 1.03		
Shares used in per share calculation						
Basic	1,618	1,216	1,506	1,214		
Diluted	1,632	1,232	1,521	1,231		

See accompanying notes.

Advanced Micro Devices, Inc.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
(In millions)				
Net income	\$ 447	\$ 710	\$ 1,233	\$ 1,265
Other comprehensive income (loss), net of tax:				
Net change in unrealized gains (losses) on cash flow hedges	(31)	1	(30)	(10)
Total comprehensive income	\$ 416	\$ 711	\$ 1,203	\$ 1,255

See accompanying notes.

Advanced Micro Devices, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

	June 25, 2022	December 25, 2021
	(In millions, except par value amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,964	\$ 2,535
Short-term investments	1,028	1,073
Accounts receivable, net	4,050	2,706
Inventories	2,648	1,955
Receivables from related parties	3	2
Prepaid expenses and other current assets	769	312
Total current assets	<u>13,462</u>	<u>8,583</u>
Property and equipment, net	1,441	702
Operating lease right-of-use assets	482	367
Goodwill	24,193	289
Acquisition-related intangibles	26,159	—
Investment: equity method	76	69
Deferred tax assets	32	931
Other non-current assets	1,657	1,478
Total assets	<u>\$ 67,502</u>	<u>\$ 12,419</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,518	\$ 1,321
Payables to related parties	361	85
Accrued liabilities	3,074	2,424
Current portion of long-term debt, net	312	312
Other current liabilities	258	98
Total current liabilities	<u>5,523</u>	<u>4,240</u>
Long-term debt, net of current portion	2,465	1
Long-term operating lease liabilities	422	348
Deferred tax liabilities	2,805	12
Other long-term liabilities	1,118	321
Commitments and Contingencies (See Note 13)		
Stockholders' equity:		
Capital stock:		
Common stock, par value \$0.01; shares authorized: 2,250; shares issued: 1,631 and 1,232; shares outstanding: 1,612 and 1,207	16	12
Additional paid-in capital	57,297	11,069
Treasury stock, at cost (shares held: 19 and 25)	(1,893)	(2,130)
Accumulated deficit	(218)	(1,451)
Accumulated other comprehensive loss	(33)	(3)
Total stockholders' equity	<u>55,169</u>	<u>7,497</u>
Total liabilities and stockholders' equity	<u>\$ 67,502</u>	<u>\$ 12,419</u>

See accompanying notes.

Advanced Micro Devices, Inc.
Condensed Consolidated Statements of Cash Flows
(Uaudited)

	Six Months Ended	
	June 25, 2022	June 26, 2021
	(In millions)	
Cash flows from operating activities:		
Net income	\$ 1,233	\$ 1,265
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,789	192
Stock-based compensation	491	168
Amortization of operating lease right-of-use assets	40	25
Amortization of inventory fair value adjustment	185	—
Loss on debt redemption, repurchase and conversion	—	6
Loss on sale or disposal of property and equipment	15	19
Deferred income taxes	(618)	145
Losses on equity investments, net	54	8
Other	(4)	(1)
Changes in operating assets and liabilities		
Accounts receivable, net	(1,016)	46
Inventories	(274)	(366)
Receivables from related parties	(1)	4
Prepaid expenses and other assets	(237)	(55)
Payables to related parties	277	(42)
Accounts payable	28	346
Accrued liabilities and other	71	90
Net cash provided by operating activities	<u>2,033</u>	<u>1,850</u>
Cash flows from investing activities:		
Purchases of property and equipment	(203)	(130)
Purchases of short-term investments	(620)	(1,130)
Proceeds from maturity of short-term investments	2,249	655
Cash received from acquisition of Xilinx	2,366	—
Acquisition of Pensando, net of cash acquired	(1,558)	—
Other	(4)	2
Net cash provided by (used in) investing activities	<u>2,230</u>	<u>(603)</u>
Cash flows from financing activities:		
Proceeds from debt, net of issuance costs	991	—
Proceeds from sales of common stock through employee equity plans	78	51
Repurchases of common stock	(2,835)	(256)
Common stock repurchases for tax withholding on employee equity plans	(66)	(14)
Other	(2)	—
Net cash used in financing activities	<u>(1,834)</u>	<u>(219)</u>
Net increase in cash and cash equivalents	<u>2,429</u>	<u>1,028</u>
Cash and cash equivalents at beginning of period	<u>2,535</u>	<u>1,595</u>
Cash and cash equivalents at end of period	<u>\$ 4,964</u>	<u>\$ 2,623</u>

Advanced Micro Devices, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended	
	June 25, 2022	June 26, 2021
	(In millions)	
Supplemental cash flow information:		
Cash paid for taxes, net of refunds	\$ 544	\$ 10
Non-cash investing and financing activities:		
Purchases of property and equipment, accrued but not paid	\$ 149	\$ 41
Issuance of common stock to settle convertible debt	\$ —	\$ 25
Issuance of common stock and treasury stock for the acquisition of Xilinx	\$ 48,514	\$ —
Fair value of replacement share-based awards related to acquisition of Xilinx	\$ 275	\$ —
Transfer of assets for acquisition of property and equipment	\$ 13	\$ 37
Non-cash activities for leases:		
Operating lease right-of-use assets acquired by assuming related liabilities	\$ 87	\$ 77

See accompanying notes.

Advanced Micro Devices
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
	(In millions)			
Capital stock:				
Common stock, par value				
Balance, beginning of period	\$ 16	\$ 12	\$ 12	\$ 12
Issuance of common stock as consideration for acquisition	—	—	4	—
Balance, end of period	<u>\$ 16</u>	<u>\$ 12</u>	<u>\$ 16</u>	<u>\$ 12</u>
Additional paid-in capital				
Balance, beginning of period	\$ 56,925	\$ 10,658	\$ 11,069	\$ 10,544
Common stock issued under employee equity plans	76	49	78	51
Stock-based compensation	292	83	491	168
Issuance of common stock to settle convertible debt	—	1	—	25
Issuance of common stock as consideration for acquisition	—	—	45,372	—
Fair value of replacement share-based awards related to acquisition	—	—	275	—
Issuance of common stock warrants	4	4	12	7
Balance, end of period	<u>\$ 57,297</u>	<u>\$ 10,795</u>	<u>\$ 57,297</u>	<u>\$ 10,795</u>
Treasury stock				
Balance, beginning of period	\$ (941)	\$ (141)	\$ (2,130)	\$ (131)
Repurchases of common stock	(921)	(256)	(2,835)	(256)
Common stock repurchases for tax withholding on employee equity plans	(31)	(4)	(66)	(14)
Reissuance of treasury stock as consideration for acquisition	—	—	3,138	—
Balance, end of period	<u>\$ (1,893)</u>	<u>\$ (401)</u>	<u>\$ (1,893)</u>	<u>\$ (401)</u>
Accumulated deficit:				
Balance, beginning of period	\$ (665)	\$ (4,058)	\$ (1,451)	\$ (4,605)
Cumulative effect of adoption of accounting standard	—	—	—	(8)
Net income	447	710	1,233	1,265
Balance, end of period	<u>\$ (218)</u>	<u>\$ (3,348)</u>	<u>\$ (218)</u>	<u>\$ (3,348)</u>
Accumulated other comprehensive income (loss):				
Balance, beginning of period	\$ (2)	\$ 6	\$ (3)	\$ 17
Other comprehensive income (loss)	(31)	1	(30)	(10)
Balance, end of period	<u>\$ (33)</u>	<u>\$ 7</u>	<u>\$ (33)</u>	<u>\$ 7</u>
Total stockholders' equity	<u>\$ 55,169</u>	<u>\$ 7,065</u>	<u>\$ 55,169</u>	<u>\$ 7,065</u>

See accompanying notes.

**Notes to Condensed Consolidated Financial Statements
(Unaudited)**

NOTE 1 – The Company

Advanced Micro Devices, Inc. is a global semiconductor company. References herein to AMD or the Company mean Advanced Micro Devices, Inc. and its consolidated subsidiaries. AMD's products include x86 microprocessors (CPUs), as standalone devices or as incorporated into accelerated processing units (APUs), chipsets, discrete graphics processing units (GPUs), data center and professional GPUs, embedded processors, semi-custom System-on-Chip (SoC) products, microprocessor and SoC development services and technology, data center processing units (DPUs), Field Programmable Gate Arrays (FPGAs), adaptive SoC products, and Adaptive Compute Acceleration Platform (ACAP) products. From time to time, the Company may also sell or license portions of its intellectual property (IP) portfolio.

On February 14, 2022 (the Xilinx Acquisition Date), the Company completed the acquisition of Xilinx, Inc. (Xilinx). On May 26, 2022 (the Pensando Acquisition Date), the Company completed the acquisition of Pensando Systems, Inc. (Pensando). See Note 5 - Business Combinations for additional information on these acquisitions.

NOTE 2 – Basis of Presentation and Significant Accounting Policies

Basis of Presentation. The accompanying unaudited condensed consolidated financial statements of AMD have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. The results of operations for the three and six months ended June 25, 2022 shown in this report are not necessarily indicative of results to be expected for the full year ending December 31, 2022 or any other future period. In the opinion of the Company's management, the information contained herein reflects all adjustments necessary for a fair presentation of the Company's results of operations, financial position, cash flows and stockholders' equity. All such adjustments are of a normal, recurring nature. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 25, 2021. Certain prior period amounts have been reclassified to conform to the current period presentation.

The Company uses a 52- or 53-week fiscal year ending on the last Saturday in December. The three and six months ended June 25, 2022 and June 26, 2021 each consisted of 13 and 26 weeks, respectively.

Use of Estimates. The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of commitments and contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results are likely to differ from those estimates, and such differences may be material to the financial statements. Areas where management uses judgment include, but are not limited to, revenue allowances, inventory valuation and related carrying value adjustments, valuation and assessing potential impairment, if any, of goodwill and intangible assets, business combination accounting and deferred income tax assets.

Significant Accounting Policies. Except for the addition of business combination, impairment of long-lived and intangible assets, and Global Intangible Low-Taxed Income (GILTI) accounting policies to the Company's significant accounting policies, there have been no material changes to the Company's significant accounting policies in Note 2 - Summary of Significant Accounting Policies, of the Notes to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 25, 2021.

Business Combinations. The Company is required to use the acquisition method of accounting for business combinations. The acquisition method of accounting requires the Company to allocate the purchase consideration to the assets acquired and liabilities assumed from the acquiree based on their respective fair values as of the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired and liabilities assumed is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing intangible assets include, but are not limited to, expected future cash flows, which includes consideration of future revenue growth and margins, future changes in technology, expected cost and time to develop in-process research and development and discount rates. Fair value estimates are based on the assumptions that management believes a market participant would use in pricing the asset or liability. These

estimates are inherently uncertain and, therefore, actual results may differ from the estimates made. As a result, during the measurement period of up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of the purchase price of an acquisition, whichever comes first, any subsequent adjustments are recorded in the Consolidated Statements of Operations.

Impairment of Long-Lived and Intangible Assets. Long-lived and Intangible assets to be held and used are reviewed for impairment if indicators of potential impairment exist. Impairment indicators are reviewed on a quarterly basis. Assets are grouped and evaluated for impairment at the lowest level of identifiable cash flows.

When indicators of impairment exist and assets are held for use, the Company estimates future undiscounted cash flows attributable to the related assets groups. In the event such cash flows are not expected to be sufficient to recover the recorded value of the assets, the assets are written down to their estimated fair values based on the expected discounted future cash flows attributable to the asset group or based on appraisals. Factors affecting impairment of assets held for use include the ability of the specific assets to generate separately identifiable positive cash flows.

When assets are removed from operations and held for sale, the Company estimates impairment losses as the excess of the carrying value of the assets over their fair value. Market conditions are among the factors affecting impairment of assets held for sale. Changes in any of these factors could necessitate impairment recognition in future periods for assets held for use or assets held for sale.

Long-lived assets such as property and equipment and intangible assets are considered non-financial assets and are measured at fair value when indicators of impairment exist.

Global Intangible Low-Taxed Income (GILTI). In 2022, the Company elected to change its method of accounting for the United States GILTI tax from recording the tax impact in the period it is incurred to recognizing deferred taxes for temporary tax basis differences expected to reverse as GILTI tax in future years. The change is considered preferable based on the Company's facts and circumstances as it provides better and more timely information of expected future income tax liabilities arising from temporary tax differences primarily associated with the Xilinx acquisition. As a result of the acquisition, the Company recorded \$27.3 billion of identified intangible assets (refer to Note 5 - Business Combination), of which \$16.9 billion are related to foreign operations which will be amortized to income from operations over the assets' estimated useful lives, but for which the Company will not receive a tax deduction under GILTI. Recognition of deferred taxes for the future GILTI impact of this amount is considered preferable as it provides better information about potential future tax liabilities of the Company based on current transactions. This accounting policy change resulted in the recording of \$863 million of deferred tax liabilities in connection with the Xilinx acquisition as disclosed in Note 12 - Income Taxes. In addition, for the three and six months ended June 25, 2022, it resulted in a decrease in the income tax provision with a corresponding increase to net income of \$65 million and \$136 million and an increase in basic and diluted earnings per share of \$0.04 and \$0.09 respectively, as compared to the computation under the previous accounting policy. This accounting policy change had no material impact on the Company's historical consolidated financial statements.

NOTE 3 – Supplemental Financial Statement Information

Accounts Receivable, net

As of June 25, 2022 and December 25, 2021, Accounts receivable, net included unbilled accounts receivable of \$868 million and \$329 million, respectively. Unbilled accounts receivable primarily represents work completed on development services and on custom products for which revenue has been recognized but not yet invoiced. All unbilled accounts receivable are expected to be billed and collected within 12 months.

Inventories	June 25, 2022		December 25, 2021	
	(In millions)			
Raw materials	\$	160	\$	82
Work in process		2,171		1,676
Finished goods		317		197
Total inventories	\$	2,648	\$	1,955

Prepaid Expenses and Other Current Assets	June 25, 2022	December 25, 2021
	(In millions)	
Prepaid supply agreements	\$ 400	\$ 74
Other	369	238
Total prepaid expenses and other current assets	\$ 769	\$ 312

Prepaid supply agreements relate to the short-term portion of payments made to vendors to secure long-term supply capacity.

Property and Equipment, net	June 25, 2022	December 25, 2021
	(In millions)	
Land	\$ 120	\$ —
Building and leasehold improvements	581	206
Equipment	1,892	1,534
Construction in progress	159	96
Property and equipment, gross	2,752	1,836
Accumulated depreciation	(1,311)	(1,134)
Total property and equipment, net	\$ 1,441	\$ 702

Other Non-Current Assets	June 25, 2022	December 25, 2021
	(In millions)	
Long-term prepaid supply agreements	\$ 769	\$ 916
Software and technology licenses, net	505	328
Other	383	234
Total other non-current assets	\$ 1,657	\$ 1,478

Accrued Liabilities	June 25, 2022	December 25, 2021
	(In millions)	
Accrued marketing programs	\$ 1,021	\$ 933
Accrued compensation and benefits	741	705
Other accrued and current liabilities	1,312	786
Total accrued liabilities	\$ 3,074	\$ 2,424

Revenue

Revenue allocated to remaining performance obligations that are unsatisfied (or partially unsatisfied) include amounts received from customers and amounts that will be invoiced and recognized as revenue in future periods for development services, IP licensing and product revenue. As of June 25, 2022, the aggregate transaction price allocated to remaining performance obligations under contracts with an original expected duration of more than one year was \$171 million, of which \$125 million is expected to be recognized in the next 12 months. The revenue allocated to remaining performance obligations does not include amounts which have an original expected duration of one year or less.

Revenue recognized over time associated with custom products and development services accounted for approximately 20% and 21% of the Company's revenue for the three and six months ended June 25, 2022, respectively, and 22% for both the three and six months ended June 26, 2021.

NOTE 4 – Segment Reporting

Management, including the Chief Operating Decision Maker (CODM), who is the Company's Chief Executive Officer, reviews and assesses operating performance using segment net revenue and operating income (loss). These performance measures include the allocation of expenses to the reportable segments based on management's judgment. In the second quarter of fiscal year 2022, the Company updated its segment reporting structure to align financial reporting with the manner in which the Company manages its business in strategic end markets. The Company's disclosed measure of segment operating results has been updated consistent with the revised manner in which the Company's CODM assesses the company's financial performance and allocates resources. All prior-period segment data have been retrospectively adjusted.

The Company's four reportable segments are:

- the Data Center segment, which primarily includes server microprocessors, GPUs, data processing units (DPUs), FPGAs and adaptive SoC products for data centers;
- the Client segment, which primarily includes microprocessors, accelerated processing units that integrate microprocessors and graphics, and chipsets for desktop and notebook personal computers;
- the Gaming segment, which primarily includes discrete GPUs, semi-custom SoC products and development services; and
- the Embedded segment, which primarily includes embedded microprocessors, GPUs, FPGAs, adaptive SoC products, and ACAP products.

From time to time, the Company may also sell or license portions of its IP portfolio.

In addition to these reportable segments, the Company has an All Other category, which is not a reportable segment. This category primarily includes certain expenses and credits that are not allocated to any of the reportable segments because the CODM does not consider these expenses and credits in evaluating the performance of the reportable segments. This category primarily includes amortization of acquisition-related intangibles, employee stock-based compensation expense, acquisition-related costs and licensing gain.

The following table provides a summary of net revenue and operating income by segment:

	Three Months Ended		Six Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
	(In millions)			
Net revenue:				
Data Center	\$ 1,486	\$ 813	\$ 2,779	\$ 1,423
Client	2,152	1,728	4,276	3,366
Gaming	1,655	1,255	3,530	2,410
Embedded	1,257	54	1,852	96
Total net revenue	\$ 6,550	\$ 3,850	\$ 12,437	\$ 7,295
Operating income (loss):				
Data Center	\$ 472	\$ 204	\$ 899	\$ 314
Client	676	538	1,368	1,068
Gaming	187	175	545	296
Embedded	641	6	918	3
All Other ⁽¹⁾	(1,450)	(92)	(2,253)	(188)
Total operating income	\$ 526	\$ 831	\$ 1,477	\$ 1,493

(1) For the three and six months ended June 25, 2022, all other operating losses primarily included \$1.0 billion and \$1.5 billion of amortization of acquisition-related intangibles, \$292 million and \$491 million of stock-based compensation expense and \$141 million and \$349 million of acquisition-related costs, respectively.

For the three and six months ended June 26, 2021, all other operating losses primarily included \$83 million and \$168 million of stock-based compensation expense \$10 million and \$25 million of acquisition-related costs, respectively.

NOTE 5 – Business Combinations**Pensando Acquisition**

On May 26, 2022, the Company completed the acquisition of all issued and outstanding shares of Pensando, a leader in next-generation distributed computing, for a transaction valued at approximately \$1.9 billion. The recorded purchase consideration of \$1.7 billion is net of deferred cash compensation requiring future services and other customary closing adjustments. The acquisition of Pensando and its leading distributed services platform expands the Company's ability to offer leadership solutions for cloud, enterprise, and edge customers.

The purchase consideration was preliminarily allocated as follows:

	(In millions)
Cash and cash equivalents	\$ 111
Accounts receivable	31
Inventory	66
Prepaid expenses and other current assets	43
Property and equipment	11
Deferred tax assets	22
Acquisition-related intangibles	349
Total Assets	633
Accounts payable	15
Accrued and other liabilities	59
Total Liabilities	74
Fair value of net assets acquired	559
Goodwill	1,110
Total preliminary purchase consideration	\$ 1,669

The Company allocated the preliminary purchase price to tangible and identified intangible assets acquired and liabilities assumed based on the preliminary estimates of their fair values, which were determined using generally accepted valuation techniques based on estimates and assumptions made by management. The fair values are subject to adjustment for up to one year after the close of the transaction as additional information is obtained. Any adjustments to the preliminary purchase price allocation identified during the measurement period will be recognized in the period in which the adjustments are determined.

Goodwill arising from the Pensando acquisition was assigned to the Company's Data Center segment. Goodwill was primarily attributed to expanded market opportunities expected to be achieved from the integration of Pensando. Goodwill is not expected to be deductible for income tax purposes.

Following are details of the purchase consideration allocated to acquired intangible assets:

	Fair Value (In millions)	Weighted-average estimated useful life (In years)
Developed technology ⁽¹⁾	\$ 60	4 years
Customer relationships ⁽²⁾	34	3 years
Customer backlog ⁽³⁾	16	1 year
Product trademarks ⁽⁴⁾	19	5 years
Identified intangible assets subject to amortization	129	
In-process research and development (IPR&D) not subject to amortization ⁽⁵⁾	220	N/A
Total identified intangible assets acquired	\$ 349	

- 1) The fair value of developed technology was determined using the income approach, specifically the multi-period excess earnings method.
- 2) Customer relationships represent the fair value of existing contractual relationships and customer loyalty determined based on existing relationships using the income approach, specifically the with and without method.
- 3) Customer backlog represents the fair value of non-cancellable customer contract orders using the income approach, specifically the multi-period excess earnings method.
- 4) Product trademarks primarily relate to the Pensando product-related trademarks, and the fair value was determined by applying the income approach, specifically the relief from royalty method.
- 5) The fair value of IPR&D was determined using the income approach, specifically the multi-period excess earnings method.

The fair value of the identified intangible assets subject to amortization will be amortized over the assets' estimated useful lives based on the pattern in which the economic benefits are expected to be received to cost of sales and operating expenses.

IPR&D consists of projects that have not yet reached technological feasibility as of the acquisition date. Accordingly, the Company recorded an indefinite-lived intangible asset of \$220 million for the fair value of these projects, which will initially not be amortized. Instead, these projects will be tested for impairment annually and whenever events or changes in circumstances indicate that these projects may be impaired. Once the project reaches technological feasibility, the Company will begin to amortize the intangible assets over their estimated useful lives.

From the Pensando Acquisition Date to June 25, 2022, the Consolidated Statement of Operations include immaterial revenue and operating results attributable to Pensando, which are reported under the Data Center segment.

During the three months ended June 25, 2022, Pensando acquisition-related costs of \$24 million were recorded under Cost of sales, Research and development, and Marketing, general and administrative expenses on the Company's Condensed Consolidated Statement of Operations. Acquisition-related costs are primarily comprised of direct transaction costs, fair value adjustments for acquired inventory and certain compensation charges. The Company may incur additional acquisition-related costs in the future related to the acquisition.

Xilinx Acquisition

On February 14, 2022, the Company completed the acquisition of all issued and outstanding shares of Xilinx, a leading provider of adaptive computing solutions, for a total purchase consideration of \$48.8 billion (\$46.4 billion, net of cash acquired of \$2.4 billion). The acquisition of Xilinx expands the Company's product portfolio to include adaptable hardware platforms that enable hardware acceleration and rapid innovation across a variety of technologies. With the acquisition of Xilinx, the Company now offers FPGAs, adaptive SoC products, and ACAP products. The purchase consideration consisted of \$48.5 billion of fair value of 429 million shares of the Company's common stock issued to Xilinx stockholders and \$275 million of fair value of replacement equity awards attributable to services rendered pre-combination. As the transaction closed prior to the opening of markets on the Xilinx Acquisition Date, the fair value of the common stock issued to Xilinx stockholders was based on the closing price of the Company's common stock on February 11, 2022 of \$113.18 per share.

The financial results of Xilinx are included in the Company's consolidated financial statements since the Xilinx Acquisition Date to June 25, 2022 and are reported under the Embedded and Data Center segments.

The purchase consideration was preliminarily allocated as follows:

	(In millions)
Cash and cash equivalents	\$ 2,366
Short-term investments	1,582
Accounts receivable	299
Inventories	539
Prepaid expenses and other current assets	61
Property and equipment	692
Operating lease right-of-use assets	61
Acquisition-related intangibles	27,308
Deferred tax assets	11
Other non-current assets	418
Total Assets	33,337
Accounts payable	116
Accrued liabilities	633
Other current liabilities	191
Long-term debt	1,474
Long-term operating lease liabilities	45
Deferred tax liabilities	4,346
Other long-term liabilities	533
Total Liabilities	7,338
Fair value of net assets acquired	25,999
Goodwill	22,794
Total purchase consideration	\$ 48,793

The Company allocated the purchase price to tangible and identified intangible assets acquired and liabilities assumed based on the preliminary estimates of their fair values, which were determined using generally accepted valuation techniques based on estimates and assumptions made by management. The fair values are subject to adjustment for up to one year after the close of the transaction as additional information is obtained. The primary items pending are related to income tax matters. Any adjustments to the preliminary purchase price allocation identified during the measurement period will be recognized in the period in which the adjustments are determined.

Goodwill arising from the acquisition of Xilinx was assigned to the Embedded and Data Center segments. Goodwill was primarily attributed to increased synergies expected to be achieved from the integration of Xilinx. Goodwill is not expected to be deductible for income tax purposes.

Following are details of the purchase consideration allocated to acquired intangible assets:

	Fair Value (In millions)	Weighted-average estimated useful life (In years)
Developed technology ⁽¹⁾	\$ 12,295	16 years
Customer relationships ⁽²⁾	12,290	14 years
Customer backlog ⁽³⁾	793	1 year
Corporate trade name ⁽⁴⁾	65	1 year
Product trademarks ⁽⁴⁾	895	12 years
Identified intangible assets subject to amortization	26,338	
In-process research and development (IPR&D) not subject to amortization ⁽⁵⁾	970	N/A
Total identified intangible assets acquired	\$ 27,308	

- (1) The fair value of developed technology was determined using the income approach, specifically, the multi-period excess earnings method.
- (2) Customer relationships represent the fair value of existing contractual relationships and customer loyalty determined based on existing relationships using the income approach, specifically the with and without method.
- (3) Customer backlog represents the fair value of non-cancellable customer contract orders using the income approach, specifically the multi-period excess earnings method.
- (4) Corporate trade name and product trademarks primarily relate to the Xilinx brand and product-related trademarks, respectively, and the fair values were determined by applying the income approach, specifically the relief from royalty method.
- (5) The fair value of IPR&D was determined using the income approach, specifically the multi-period excess earnings method.

The fair value of the identified intangible assets subject to amortization will be amortized over the assets' estimated useful lives based on the pattern in which the economic benefits are expected to be received to cost of sales and operating expenses.

IPR&D consists of projects that have not yet reached technological feasibility as of the acquisition date. Accordingly, the Company recorded an indefinite-lived intangible asset of \$970 million for the fair value of these projects, which will initially not be amortized. Instead, these projects will be tested for impairment annually and whenever events or changes in circumstances indicate that these projects may be impaired. Once the project reaches technological feasibility, the Company will begin to amortize the intangible assets over their estimated useful life.

The Company also assumed unvested restricted stock units with estimated fair value of \$1.2 billion, of which \$275 million was included as a component of the purchase consideration and \$951 million will be recognized as expense subsequent to the acquisition.

The Consolidated Statement of Operations include the following revenue and operating income attributable to Xilinx for the three and six months ended June 25, 2022:

	Three Months Ended June 25, 2022	Six Months Ended June 25, 2022
	(In millions)	
Net revenue	\$ 1,251	\$ 1,810
Operating income	\$ 600	\$ 826

Operating income attributable to Xilinx recorded under the Embedded and Data Center segments does not include amortization of acquisition-related intangibles, employee stock-based compensation expense and acquisition-related costs, which are recorded under the "All Other" segment.

During the three and six months ended June 25, 2022, Xilinx acquisition-related costs of \$117 million and \$325 million, respectively, were recorded under Cost of sales, Research and development, and Marketing, general and administrative expenses on the Company's Condensed Consolidated Statement of Operations. Acquisition-related costs are primarily comprised of direct transaction costs, fair value adjustments for acquired inventory and certain compensation charges. The Company may incur additional acquisition-related costs in the future related to the Xilinx acquisition.

Supplemental Unaudited Pro Forma Information

Following are the supplemental consolidated financial results of the Company, Xilinx and Pensando on an unaudited pro forma basis, as if the acquisitions had been consummated as of the beginning of the fiscal year 2021 (i.e., December 27, 2020).

	Three Months Ended		Six Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
	(In millions)			
Net revenue	\$ 6,567	\$ 4,734	\$ 12,953	\$ 9,032
Net income (loss)	\$ 808	\$ (80)	\$ 1,527	\$ (605)

The Company's fiscal year ends on the last Saturday in December of each year, Xilinx's fiscal year ends on the Saturday nearest March 31 of each year and Pensando's fiscal year ends on January 31 of each year. The unaudited pro forma information above is presented on the basis of the Company's fiscal year and combines the historical results of the fiscal periods of the Company with the following historical results of Xilinx and Pensando: the three months ended June 25, 2022 includes Xilinx results for the same period and Pensando results for the three-month period beginning April 1, 2022 through June 25, 2022; the three months ended June 26, 2021 includes Xilinx results for the three months ended July 3, 2021 and Pensando results for the three months ended June 30, 2021; the six months ended June 25, 2022 includes Xilinx results for the six-month period beginning January 2, 2022 through June 25, 2022 and Pensando results for the six-month period beginning January 1, 2022 through June 25, 2022; and the six months ended June 26, 2021 includes Xilinx results for the six months ended July 3, 2021 and Pensando results for the six months ended June 30, 2021.

The unaudited pro forma financial information presented is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the Xilinx and Pensando acquisitions were completed at the beginning of fiscal year 2021 and are not indicative of the future operating results of the combined company. The pro forma results include adjustments related to purchase accounting, primarily amortization of acquisition-related intangible assets, fixed asset depreciation expense and expense from assumed stock-based compensation awards. The pro forma results also include amortization expense of acquired Xilinx inventory fair value step-up of \$184 million in the first quarter of fiscal year 2021 and no Xilinx inventory fair value step-up expense in the first two quarters of fiscal year 2022.

NOTE 6 – Acquisition-related Intangible Assets and Goodwill

Acquisition-related Intangible Assets

Acquisition-related intangibles as of June 25, 2022 were as follows:

	Weighted-average Remaining Useful Life (In years)	June 25, 2022		
		Gross Carrying Amount	Accumulated Amortization (In millions)	Net Carrying Amount
Developed technology	15 years	\$ 12,355	\$ (302)	\$ 12,053
Customer relationships	14 years	\$ 12,324	\$ (857)	\$ 11,467
Customer backlog	1 year	\$ 809	\$ (291)	\$ 518
Corporate trade name	1 year	\$ 65	\$ (24)	\$ 41
Product trademarks	11 years	\$ 914	\$ (28)	\$ 886
Identified intangible assets subject to amortization		\$ 26,467	\$ (1,502)	\$ 24,965
IPR&D not subject to amortization	N/A	\$ 1,194	\$ —	\$ 1,194
Total acquisition-related intangible assets		\$ 27,661	\$ (1,502)	\$ 26,159

Acquisition-related intangible asset balance as of June 26, 2021 was not material.

Acquisition-related intangible amortization expense was \$1.0 billion and \$1.5 billion for the three and six months ended June 25, 2022, respectively.

Based on the carrying value of acquisition-related intangibles recorded as of June 25, 2022, and assuming no subsequent impairment of the underlying assets, the estimated annual amortization expense for acquisition-related intangibles is expected to be as follows:

Fiscal Year	(In millions)
Remainder of 2022	\$ 2,011
2023	2,819
2024	2,285
2025	2,060
2026	1,951
2027 and thereafter	13,839
Total	\$ 24,965

Goodwill

In the second quarter of fiscal year 2022, the Company reassigned goodwill balances among the updated reportable segments to reflect changes in its segment reporting structure. The Company performed a goodwill impairment test immediately prior to and after the segment change and determined that no indicators of impairment to goodwill existed.

The carrying amount of goodwill as of June 25, 2022 and December 25, 2021 was \$24.2 billion and \$289 million, respectively, and was assigned to reporting units within the following reportable segments:

	December 26, 2021	Acquisitions	Reassignment due to segment change	June 25, 2022
	(In millions)			
Reportable segments before segment change:				
Enterprise, Embedded and Semi-Custom	\$ 289	\$ —	\$ (289)	\$ —
Xilinx	—	22,794	(22,794)	—
Reportable segments after segment change:				
Data Center	—	1,110	1,782	2,892
Gaming	—	—	238	238
Embedded	—	—	21,063	21,063
Total	\$ 289	\$ 23,904	\$ —	\$ 24,193

NOTE 7 – Related Parties — Equity Joint Ventures

ATMP Joint Ventures

The Company holds a 15% equity interest in two joint ventures (collectively, the ATMP JV) with affiliates of Tongfu Microelectronics Co., Ltd, a Chinese joint stock company. The Company has no obligation to fund the ATMP JV. The Company accounts for its equity interests in the ATMP JV under the equity method of accounting due to its significant influence over the ATMP JV.

The ATMP JV provides assembly, testing, marking and packaging (ATMP) services to the Company. The Company assists the ATMP JV in its management of certain raw material inventory. The purchases from and resales to the ATMP JV of inventory under the Company's inventory management program are reported within purchases and resales with the ATMP JV and do not impact the Company's condensed consolidated statements of operations.

The Company's purchases from the ATMP JV during the three and six months ended June 25, 2022 amounted to \$407 million and \$755 million, respectively. The Company's purchases from the ATMP JV during the three and six months ended June 26, 2021 amounted to \$270 million and \$516 million, respectively. As of June 25, 2022 and December 25, 2021, the amounts payable to the ATMP JV were \$361 million and \$85 million, respectively, and are included in Payables to related parties on the Company's condensed consolidated balance sheets. The Company's resales to the ATMP JV during the three and six months ended June 25, 2022 amounted to \$4 million and \$8 million, respectively. The Company's resales to the ATMP JV during the three and six months ended June 26, 2021 amounted to \$9 million and \$19 million, respectively. As of June 25, 2022 and December 25, 2021, the Company had receivables from the ATMP JV of \$3 million and \$2 million, respectively, included in Receivables from related parties on the Company's condensed consolidated balance sheets.

During the three and six months ended June 25, 2022, the Company recorded a gain of \$4 million and \$7 million, respectively, in Equity income in investee on its condensed consolidated statements of operations. As of June 25, 2022 and December 25, 2021, the carrying value of the Company's investment in the ATMP JV was \$76 million and \$69 million, respectively.

THATIC Joint Ventures

The Company holds equity interests in two joint ventures (collectively, the THATIC JV) with Higon Information Technology Co., Ltd. (THATIC), a third-party Chinese entity. As of both June 25, 2022 and December 25, 2021, the carrying value of the investment was zero.

In February 2016, the Company licensed certain of its intellectual property (Licensed IP) to the THATIC JV, payable over several years upon achievement of certain milestones. The Company also receives a royalty based on the sales of the THATIC JV's products developed on the basis of such Licensed IP. The Company classifies Licensed IP and royalty income associated with the February 2016 agreement as Licensing gain within operating income. During the three and six months ended June 25, 2022, the Company recognized \$6 million of licensing gain from royalty income and \$89 million of licensing gain from a milestone achievement and royalty income, respectively. During the three and six months ended June 26, 2021, the Company recognized \$1 million and \$5 million, respectively, of licensing gain from royalty income, both associated with Licensed IP. As of both June 25, 2022 and December 25, 2021, the Company had no receivables from the THATIC JV.

In June 2019, the Bureau of Industry and Security of the United States Department of Commerce added certain Chinese entities to the Entity List, including THATIC and the THATIC JV. The Company is complying with U.S. law pertaining to the Entity List designation.

NOTE 8 – Debt and Revolving Credit Facility

Debt

The Company's total debt as of June 25, 2022 and December 25, 2021 consisted of the following:

	June 25, 2022	December 25, 2021
	(In millions)	
7.50% Senior Notes Due August 2022 (7.50% Notes)	\$ 312	\$ 312
2.95% Senior Notes Due 2024 (Xilinx 2024 Notes)	750	—
2.125% Convertible Senior Notes Due 2026 (2.125% Notes)	1	1
2.375% Senior Notes Due 2030 (Xilinx 2030 Notes)	750	—
3.924% Senior Notes Due 2032 (3.924% Notes)	500	—
4.393% Senior Notes Due 2052 (4.393% Notes)	500	—
Total debt (principal amount)	2,813	313
Unamortized debt discount and issuance costs	(36)	—
Total debt (net)	2,777	313
Less: current portion of long-term debt	(312)	(312)
Total long-term debt	\$ 2,465	\$ 1

Assumed Xilinx Notes

In connection with the acquisition of Xilinx, the Company assumed \$1.5 billion in aggregate principal of Xilinx's 2.95% Notes and 2.375% Notes (together, the *Assumed Xilinx Notes*) which were recorded at fair value as of the Xilinx Acquisition Date. The difference between the fair value at the Xilinx Acquisition Date and the principal outstanding of the Assumed Xilinx Notes will be amortized through interest expense over the remaining term of the debt. The Assumed Xilinx Notes are general unsecured senior obligations of the Company with semi-annual fixed interest payments due on June 1 and December 1. The indentures governing the Assumed Xilinx Notes contain various covenants which limit the Company's ability to, among other things, create certain liens on principal property or the capital stock of certain subsidiaries, enter into certain sale and leaseback transactions with respect to principal property, and consolidate or merge with, or convey, transfer or lease all or substantially all of the Company's assets to another person.

3.924% Senior Notes Due 2032 and 4.393% Senior Notes Due 2052

On June 9, 2022, the Company issued \$1.0 billion in aggregate principal amount of 3.924% Notes and 4.393% Notes. The 3.924% Notes and 4.393% Notes are general unsecured senior obligations of the Company. The interest is payable semi-annually on June 1 and December 1 of each year, commencing on December 1, 2022. The 3.924% and 4.393% Notes are governed by the terms of an indenture dated June 9, 2022 between the Company and US Bank Trust Company, National Association as trustee. As of June 25, 2022, the outstanding aggregate principal amount of the 3.924% Notes and 4.393% Notes was \$1.0 billion.

The Company may redeem some or all of the 3.924% Notes and 4.393% Notes prior to March 1, 2032 and December 1, 2051, respectively, at a price equal to the greater of the present value of the principal amount and future interest through the maturity of the 3.924% Notes or 4.393% Notes or 100% of the principal amount plus accrued and unpaid interest. Holders have the right to require the Company to repurchase all or a portion of the 3.924% Notes or 4.393% Notes in the event that the Company undergoes a change of control as defined in the indenture, at a repurchase price of 101% of the principal amount plus accrued and unpaid interest. Additionally, an event of default may result in the acceleration of the maturity of the 3.924% Notes and 4.393% Notes.

2.125% Notes

During the six months ended June 25, 2022, the activity on the 2.125% Notes was immaterial.

During the six months ended June 26, 2021, holders of the 2.125% Notes converted \$25 million principal amount of notes in exchange for approximately 3 million shares of the Company's common stock at the conversion price of \$8.00 per share. The Company recorded a loss of \$6 million from these conversions in Other expense, net on its condensed consolidated statements of operations.

Future Debt Payment Obligations

As of June 25, 2022, the Company's future debt payment obligations were as follows:

Fiscal Year	Principal (In millions)
2022	\$ 312
2023	—
2024	750
2025	—
2026	1
2027 and thereafter	1,750
Total	<u>\$ 2,813</u>

Revolving Credit Facility

On April 29, 2022, the Company entered into a Credit Agreement (Revolving Credit Agreement) with Wells Fargo Bank, N.A. as administrative agent and the other banks identified therein as lenders. The Revolving Credit Agreement provides for a five-year revolving credit facility in an aggregate principal amount not to exceed \$3.0 billion (subject to certain terms and conditions). As of June 25, 2022, the Company had no outstanding

borrowings under this revolving credit facility but may borrow in the future and use the proceeds for payment of expenses in connection with working capital and general corporate expenses.

Revolving loans under the Revolving Credit Agreement can be Secure Overnight Financing Rate (SOFR) Loans or Base Rate Loans (each as defined in the Revolving Credit Agreement) at the Company's option. Each SOFR Loan will bear interest at a rate per annum equal to the applicable SOFR Rate plus a margin based on the Company's Debt Ratings (as defined in the Revolving Credit Agreement) from time to time of between 0.625% and 1.250%. Each Base Rate Loan will bear interest at a rate per annum equal to the Base Rate (as defined in the Revolving Credit Agreement) plus a margin based on the Company's Debt Ratings from time to time of between 0.000% and 0.250%. In addition, the Company has agreed to pay a commitment fee based on the Company's Debt Ratings from time to time of between 0.050% and 0.125% (as defined in the Revolving Credit Agreement) in effect. The Revolving Credit Agreement also contains a sustainability-linked pricing component which provides for interest rate and facility fee reductions or increases based on the Company meeting or missing targets related to environmental sustainability, specifically greenhouse gas emissions.

The Revolving Credit Agreement contains customary representations and warranties, and affirmative and negative covenants and events of default applicable to the Company and its subsidiaries. As of June 25, 2022, the Company was in compliance with these covenants.

NOTE 9 – Financial Instruments

Fair Value Measurements

The Company's financial instruments are measured and recorded at fair value on a recurring basis, except for non-marketable equity investments in privately-held companies. These equity investments are generally accounted for under the measurement alternative, defined as cost, less impairments, adjusted for subsequent observable price changes and are periodically assessed for impairment when events or circumstances indicate that a decline in value may have occurred.

Fair Value Hierarchy

The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. The guidance for fair value measurements requires that assets and liabilities carried at fair value be classified and disclosed in one of the following categories:

Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 — Unobservable inputs to the valuation methodology that are supported by little or no market activity and that are significant to the measurement of the fair value of the assets or liabilities. Level 3 assets and liabilities include those whose fair value measurements are determined using pricing models, discounted cash flow methodologies or similar valuation techniques, as well as significant management judgment or estimation.

Financial Instruments Recorded at Fair Value on a Recurring Basis

(In millions)	June 25, 2022			December 25, 2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash equivalents						
Money market funds	\$ 2,321	\$ —	\$ 2,321	\$ 4	\$ —	\$ 4
Commercial paper	—	298	298	—	45	45
Short-term investments						
Commercial paper	—	447	447	—	880	880
Time deposits and certificates of deposits	—	150	150	—	193	193
Asset-backed and mortgage-backed securities	—	44	44	—	—	—
U.S. Treasury and agency securities	387	—	387	—	—	—
Other non-current assets						
Time deposits and certificates of deposits	—	4	4	—	—	—
Equity investments	12	—	12	66	—	66
Deferred compensation plan investments	82	—	82	72	—	72
Total assets measured at fair value	\$ 2,802	\$ 943	\$ 3,745	\$ 142	\$ 1,118	\$ 1,260

During the three and six months ended June 25, 2022, the Company recognized a \$10 million and \$54 million loss, respectively, in Other income (expense) due to a decrease in the fair value of an equity investment.

Deferred compensation plan investments are primarily mutual fund investments held in a Rabbi trust established to maintain the Company's executive deferred compensation plan.

The following is a summary of cash equivalents and short-term investments:

	June 25, 2022			
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
		(in millions)		
Asset-backed and mortgage-backed securities	\$ 46	\$ —	\$ (2)	\$ 44
Commercial paper	746	—	(1)	745
Money market funds	2,321	—	—	2,321
Time deposits and certificates of deposits	150	—	—	150
U.S. Treasury and agency securities	388	—	(1)	387
	<u>\$ 3,651</u>	<u>\$ —</u>	<u>\$ (4)</u>	<u>\$ 3,647</u>

As of June 25, 2022, the Company did not have any available-for-sale debt securities which had been in a continuous unrealized loss position of more than twelve months.

The contractual maturities of investments classified as available-for-sale are as follows:

	June 25, 2022		December 25, 2021	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in millions)		(in millions)	
Due within 1 year	\$ 1,259	\$ 1,258	\$ 1,118	\$ 1,118
Due in 1 year through 5 years	29	29	—	—
Due in 5 years and later	46	43	—	—
	<u>\$ 1,334</u>	<u>\$ 1,330</u>	<u>\$ 1,118</u>	<u>\$ 1,118</u>

Financial Instruments Not Recorded at Fair Value

The Company carries its financial instruments at fair value except for its debt. The carrying amounts and estimated fair values of the Company's debt are as follows:

	June 25, 2022		December 25, 2021	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
(In millions)				
Current portion of long-term debt, net	\$ 312	\$ 315	\$ 312	\$ 326
Long-term debt, net of current portion	\$ 2,465	\$ 2,388	1	\$ 15

The estimated fair value of the Company's long-term debt is based on Level 2 inputs of quoted prices for the Company's debt and comparable instruments in inactive markets.

The fair value of the Company's accounts receivable, accounts payable and other short-term obligations approximate their carrying value based on existing terms.

Financial Instruments Measured at Fair Value on a Non-Recurring Basis

As of June 25, 2022, the Company had non-marketable securities in private companies of \$140 million, which were classified as Level 3 assets. The Company's investments in non-marketable securities of private companies are recorded using a measurement alternative that adjusts the securities to fair value when the Company recognizes an observable price adjustment or an impairment. Such impairment losses or observable price adjustments were not material during the three months ended June 25, 2022. The balance of non-marketable securities in private companies as of December 25, 2021 was not material.

Hedging Transactions and Derivative Financial Instruments

Foreign Currency Forward Contracts Designated as Accounting Hedges

The Company enters into foreign currency forward contracts to hedge its exposure to foreign currency exchange rate risk related to future forecasted transactions denominated in currencies other than the U.S. Dollar. These contracts generally mature within 18 months and are designated as accounting hedges. As of June 25, 2022 and December 25, 2021, the notional value of the Company's outstanding foreign currency forward contracts designated as cash flow hedges was \$1.5 billion and \$894 million, respectively. The fair value of these contracts was not material as of June 25, 2022 and December 25, 2021.

Foreign Currency Forward Contracts Not Designated as Accounting Hedges

The Company also enters into foreign currency forward contracts to reduce the short-term effects of foreign currency fluctuations on certain receivables or payables denominated in currencies other than the U.S. Dollar. These forward contracts generally mature within 3 months and are not designated as accounting hedges. As of June 25, 2022 and December 25, 2021, the notional value of these outstanding contracts was \$263 million and \$291 million, respectively. The fair value of these contracts was not material as of June 25, 2022 and December 25, 2021.

NOTE 10 – Earnings Per Share

The following table sets forth the components of basic and diluted earnings per share:

	Three Months Ended		Six Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
(In millions, except per share amounts)				
Numerator				
Net income for basic earnings per share	\$ 447	\$ 710	\$ 1,233	\$ 1,265
Denominator				
Basic weighted average shares	1,618	1,216	1,506	1,214
Potentially dilutive shares from employee equity plans and warrants	14	16	15	17
Diluted weighted average shares	<u>1,632</u>	<u>1,232</u>	<u>1,521</u>	<u>1,231</u>
Earnings per share:				
Basic	\$ 0.28	\$ 0.58	\$ 0.82	\$ 1.04
Diluted	\$ 0.27	\$ 0.58	\$ 0.81	\$ 1.03

NOTE 11 – Common Stock and Employee Equity Plans

Common Stock

Shares of common stock outstanding were as follows:

	Three Months Ended		Six Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
(In millions)				
Balance, beginning of period	1,620	1,215	1,207	1,211
Common stock issued for the acquisition of Xilinx	—	—	429	—
Common stock issued under employee equity plans	3	1	3	2
Common stock repurchases for tax withholding on equity awards	(1)	—	(1)	—
Issuance of common stock to settle convertible debt	—	—	—	3
Repurchases of common stock	(10)	(3)	(26)	(3)
Balance, end of period	<u>1,612</u>	<u>1,213</u>	<u>1,612</u>	<u>1,213</u>

Stock Repurchase Program

In May 2021, the Company's Board of Directors approved a stock repurchase program of up to \$4 billion of the Company's common stock (Existing Repurchase Program). In February 2022, the Company's Board of Directors approved a new stock repurchase program in addition to the Existing Repurchase Program to purchase up to \$8 billion of outstanding common stock in the open market (collectively referred to as the "Repurchase Program").

During the three and six months ended June 25, 2022, the Company repurchased 10.2 million and 25.9 million shares of its common stock under the Repurchase Program for \$920 million and \$2.8 billion, respectively. As of June 25, 2022, \$7.4 billion remains available for future stock repurchases under the Repurchase Program. The Repurchase Program does not obligate the Company to acquire any common stock, has no termination date and may be suspended or discontinued at any time.

Stock-based Compensation

Stock-based compensation expense was recorded in the Condensed Consolidated Statements of Operations as follows:

	Three Months Ended		Six Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
(In millions)				
Cost of sales	\$ 8	\$ 1	\$ 12	\$ 2
Research and development	180	53	293	108
Marketing, general and administrative	104	29	186	58
Total stock-based compensation expense before income taxes	292	83	491	168
Income tax benefit	(32)	(14)	(75)	(27)
Total stock-based compensation expense after income taxes	\$ 260	\$ 69	\$ 416	\$ 141

During the three and six months ended June 25, 2022, the Company recorded \$33 million and \$57 million, respectively, of acquisition-related stock-based compensation expense under post-acquisition service conditions.

Xilinx Replacement Awards

In connection with the acquisition of Xilinx, the Company issued equity awards as replacement for assumed equity awards to Xilinx employees. The replacement awards include restricted stock units of approximately 12 million shares with a weighted average fair value of \$103.35 per share and have terms that are substantially the same as the assumed Xilinx awards. The fair value of replacement awards related to services rendered up to the Xilinx Acquisition Date was recognized as a component of the total purchase consideration while the remaining fair value of replacement awards attributable to post-combination services will be recognized as stock-based compensation expense over the remaining post-acquisition vesting period.

NOTE 12 – Income Taxes

The Company recorded an income tax provision of \$54 million and \$167 million for the three and six months ended June 25, 2022, representing effective tax rates of 10.8% and 11.9%, respectively. The Company recorded an income tax provision of \$113 million and \$202 million for the three and six months ended June 26, 2021, respectively, representing effective tax rates of 13.7% and 13.8%, respectively.

The difference between the U.S. federal statutory tax rate of 21% and the Company's effective tax rate for the three and six months ended June 25, 2022 was primarily due to U.S. reduced tax on foreign-derived intangible income benefit (FDII) and research credits.

The difference between the U.S. federal statutory tax rate of 21% and the Company's effective tax rate for the three and six months ended June 26, 2021 was primarily due to U.S. reduced tax on FDII and research credits.

As of June 25, 2022, the Company continues to maintain valuation allowances for certain federal, state, and foreign tax attributes. The federal valuation allowance maintained is due to limitations under Internal Revenue Code Section 382 or 383, separate return loss year rules, or dual consolidated loss rules. Certain state and foreign valuation allowances maintained are due to a lack of sufficient sources of taxable income.

As of the six months ended June 25, 2022, the liability for uncertain tax positions increased by \$361 million primarily due to the utilization of certain tax attributes that may be subject to additional limitation.

As a result of the acquisition of Xilinx, the Company recorded \$4.3 billion of net deferred tax liabilities primarily on the excess of book basis over the tax basis of the acquired intangible assets, including \$863 million of GILTI net deferred tax liability. The Company also recorded \$147 million of current tax payable as of the Xilinx Acquisition Date. Additionally, the Company assumed \$204 million of liability for uncertain tax positions and \$321 million of long-term liability for transition-tax, which is payable over the next three years.

NOTE 13 – Commitments and Contingencies

Commitments

The Company's purchase commitments primarily include the Company's obligations to purchase wafers and substrates from third parties and future payments related to certain software, technology and IP licenses. Purchase commitments include obligations made under noncancellable purchase orders and contractual obligations requiring minimum purchases or for which cancellation would lead to significant penalties.

Total future unconditional purchase commitments as of June 25, 2022 were as follows:

Fiscal Year	(In millions)
Remainder of 2022	\$ 6,599
2023	2,184
2024	998
2025	333
2026	179
2027 and thereafter	392
Total unconditional purchase commitments	\$ 10,685

Contingencies

Quarterhill Inc. Litigation

On July 2, 2018, three entities named Aquila Innovations, Inc. (Aquila), Collabo Innovations, Inc. (Collabo), and Polaris Innovations, Ltd. (Polaris), filed separate patent infringement complaints against the Company in the United States District Court for the Western District of Texas. Aquila alleges that the Company infringes two patents (6,239,614 and 6,895,519) relating to power management; Collabo alleges that the Company infringes one patent (7,930,575) related to power management; and Polaris alleges that the Company infringes two patents (6,728,144 and 8,117,526) relating to control or use of dynamic random-access memory, or DRAM. Each of the three complaints seeks unspecified monetary damages, interest, fees, expenses, and costs against the Company; Aquila and Collabo also seek enhanced damages. Aquila, Collabo, and Polaris each appear to be related to a patent assertion entity named Quarterhill Inc. (formerly WiLAN Inc.). On May 14, 2020, at the request of Polaris, the Court dismissed all claims related to one of the two patents in suite in the Polaris case. On June 10, 2020, the Court granted AMD's motions to stay the Polaris and Aquila cases pending the completion of inter partes review (IPR) of each of the patents-in-suit in those cases by the Patent Trial and Appeal Board.

On February 22, 2021, February 26, 2021, and March 10, 2021, the Patent Trial and Appeal Board (PTAB) issued final written decisions in IPR invalidating all asserted claims of the remaining Polaris and Aquila patents. On May 10, 2021, Aquila filed a notice of appeal to the Court of Appeals for the Federal Circuit for the IPR decision regarding U.S. Patent No. 6,895,519. On April 12, 2022, the Federal Circuit affirmed the PTAB's decision. On April 30, 2021, Polaris filed a notice of appeal to the Court of Appeals for the Federal Circuit for the IPR decision regarding U.S. Patent No. 8,117,526. On May 14, 2021, AMD filed a notice of cross-appeal to the Court of Appeals for the Federal Circuit for the IPR decision regarding U.S. Patent No. 8,117,526. On July 18, 2022, the Court of Appeals for the Federal Circuit affirmed the USPTO's decision.

On February 8, 2022, Polaris filed a lawsuit against Xilinx, Inc. alleging infringement of four patents related to memory chips and memory interfaces. On February 22, 2022, the Company was served with the complaint. On April 14, 2022, the Company filed a motion to dismiss the complaint. On April 28, 2022, Polaris filed an amended complaint. On May 12, 2022, the Company filed an answer to the amended complaint.

On June 1, 2022, Polaris filed two lawsuits against the Company and Hewlett-Packard GmbH, HP Deutschland GmbH in the Hamburg and Munich Courts in Germany, alleging infringement of two patents related to memory chips and memory interfaces. On July 15, 2022, Polaris filed a lawsuit against the Company, ASUSTeK Computer Inc., and ASUS Computer GmbH, alleging infringement of a patent related to memory chips and memory interfaces.

Analog Devices Litigation

On December 5, 2019, Analog Devices, Inc. (ADI) filed a lawsuit against Xilinx alleging infringement of eight patents related to switching circuits, comparators, analog to digital converters, signal conditioners, and switched capacitors. On January 21, 2020, Xilinx filed its answer and counterclaims alleging infringement by ADI of eight patents related to digital to analog converters, serializing data paths, transceivers, networks on chip, termination circuits, and data transmitters. On April 3, 2020, Xilinx filed amended counterclaims.

Between July 17 and December 4, 2020, Xilinx filed nine IPR petitions challenging the patentability of seven ADI asserted patents. Between August 31 and September 15, 2020, ADI filed eight IPR petitions challenging eight Xilinx asserted patents. Between January 5 and March 15, 2021, the USPTO entered decisions granting institution of IPR on six ADI asserted patents. On June 10, 2021, the USPTO entered a decision denying institution of IPR on one ADI asserted patent. Between April 8 and May 7, 2021, the USPTO entered decisions granting institution of IPR on all eight Xilinx asserted patents. On May 8, 2020, Xilinx filed a motion to strike ADI's affirmative defense of inequitable conduct, which the Court granted on February 9, 2021. On February 22, 2021, the Court issued an order staying the case until the issuance of the USPTO's Final Written Decision on the last-instituted of the parties' pending IPRs.

Between January 10 and March 11, 2022, the USPTO issued Final Written Decisions (FWDs) finding all challenged claims unpatentable in two ADI patents; finding some challenged claims unpatentable in three ADI patents and finding no challenged claims unpatentable in one ADI patent. Between April 1 and April 5, 2022, the USPTO issued three FWDs finding some challenged claims unpatentable in three Xilinx patents and finding no challenged claims unpatentable in one Xilinx patent. Between March 15, 2022 and April 11, 2022, ADI and the Company filed notices of appeal to the Court of Appeals for the Federal Circuit regarding adverse IPR decisions. On May 11, 2022, the Court continued the stay until July 14, 2022. Subsequently, the Court stayed the case until August 3, 2022.

Other Legal Matters

The Company is a defendant or plaintiff in various actions that arose in the normal course of business. With respect to these matters, based on the management's current knowledge, the Company believes that the amount or range of reasonably possible loss, if any, will not, either individually or in the aggregate, have a material adverse effect on the Company's financial position, results of operations, or cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The statements in this report include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations and beliefs and involve numerous risks and uncertainties that could cause actual results to differ materially from expectations. These forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements and should not be relied upon as predictions of future events, as we cannot assure you that the events or circumstances reflected in these statements will be achieved or will occur. You can identify forward-looking statements by the use of forward-looking terminology including "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "pro forma," "estimates," "anticipates," or the negative of these words and phrases, other variations of these words and phrases or comparable terminology. The forward-looking statements relate to, among other things: possible impact of future accounting rules on AMD's condensed consolidated financial statements; demand for AMD's products; the growth, change and competitive landscape of the markets in which AMD participates; international sales will continue to be a significant portion of total sales in the foreseeable future; that AMD's cash, cash equivalents and short-term investment balances together with the availability under that certain revolving credit facility (the Revolving Credit Agreement) made available to AMD and certain of its subsidiaries under the Revolving Credit Agreement, and our cash flows from operations will be sufficient to fund AMD's operations including capital expenditures and purchase commitments over the next 12 months and beyond; AMD's ability to obtain sufficient external financing on favorable terms, or at all; AMD's expectation that based management's current knowledge, the potential liability related to AMD's current litigation will not have a material adverse effect on its financial position, results of operation or cash flows; anticipated ongoing and increased costs related to enhancing and implementing information security controls; all unbilled accounts receivables are expected to be billed and collected within 12 months; revenue allocated to remaining performance obligations that are unsatisfied which will be recognized in the next 12 months; and a small number of customers will continue to account for a substantial part of AMD's revenue in the future. For a discussion of the factors that could cause actual results to differ materially from the forward-looking statements, see "Part II, Item 1A—Risk Factors" and the "Financial Condition" section set forth in "Part I, Item 2-Management's Discussion and Analysis of Financial Condition and Results of Operations," or MD&A, and such other risks and uncertainties as set forth below in this report or detailed in our other Securities and Exchange Commission (SEC) reports and filings. We assume no obligation to update forward-looking statements.

References in this Quarterly Report on Form 10-Q to "AMD," "we," "us," "management," "our" or the "Company" mean Advanced Micro Devices, Inc. and our consolidated subsidiaries.

AMD, the AMD Arrow logo, AMD Instinct, AMD RDNA, EPYC, Kria, Radeon, Ryzen, Threadripper, Versal, Xilinx and combinations thereof are trademarks of Advanced Micro Devices, Inc. Microsoft and Xbox are trademarks or registered trademarks of Microsoft Corporation in the United States and other jurisdictions. PlayStation is a registered trademark or trademark of Sony Interactive Entertainment, Inc. Other names are for informational purposes only and are used to identify companies and products and may be trademarks of their respective owners. "Zen" is a code name for an AMD architecture and is not a product name.

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in this report and our audited consolidated financial statements and related notes as of December 25, 2021 and December 26, 2020, and for each of the three years for the period ended December 25, 2021 as filed in our Annual Report on Form 10-K for the fiscal year ended December 25, 2021.

Overview and Recent Developments

We are a global semiconductor company primarily offering:

- server microprocessors, graphics processing units (GPUs), data processing units (DPUs), Field Programmable Gate Arrays (FPGAs) and adaptive System-on-Chip (SoC) products for data centers;
- microprocessors, accelerated processing units (APUs) that integrate microprocessors and graphics, and chipsets for desktop and notebook personal computers;
- discrete GPUs, semi-custom SoC products and development services; and
- embedded microprocessors, GPUs, FPGAs, adaptive SoC products, and Adaptive Compute Acceleration Platform (ACAP) products.

From time to time, we may also sell or license portions of our intellectual property (IP) portfolio.

On May 26, 2022, we completed the acquisition of Pensando Systems, Inc. (Pensando) for a transaction valued at approximately \$1.9 billion. The recorded purchase consideration of \$1.7 billion is net of deferred cash compensation requiring future services and other customary closing adjustments. The acquisition of Pensando and its leading distributed services platform expands our ability to offer leadership solutions for cloud, enterprise, and edge customers.

In this section, we will describe the general financial condition and the results of operations of Advanced Micro Devices, Inc. and its wholly-owned subsidiaries (collectively, "us," "our" or "AMD"), including a discussion of our results of operations for the three and six months ended June 25, 2022 compared to the prior year period and an analysis of changes in our financial condition.

Net revenue for the three months ended June 25, 2022 was \$6.6 billion, a 70% increase compared to the prior year period. Net revenue increased across all our segments, led by an 83% increase in Data Center segment revenue primarily due to higher sales of our EPYC™ server processors, a 25% increase in Client segment revenue primarily due to higher sales of our Ryzen™ mobile processors, and a 32% increase in Gaming segment revenue primarily due to higher semi-custom revenue. In addition, our Embedded segment revenue increased significantly driven primarily by the inclusion of Xilinx, Inc. (Xilinx) revenue.

Gross margin for the three months ended June 25, 2022 was 46% compared to gross margin of 48% for the prior year period. The decrease in gross margin was primarily due to the amortization of acquisition-related intangible assets associated with the Xilinx acquisition, partially offset by an increase in margin due to higher Data Center and Embedded segment revenue.

Our operating income for the three months ended June 25, 2022 was \$526 million compared to operating income of \$831 million for the prior year period. The decrease in operating income was primarily driven by the amortization of acquired intangible assets associated with the Xilinx acquisition and higher operating expenses, partially offset by higher revenue.

Our net income for the three months ended June 25, 2022 was \$447 million compared to net income of \$710 million for the prior year period. The decrease in net income was primarily driven by lower operating income.

As of June 25, 2022, our cash, cash equivalents and short-term investments were \$6.0 billion, compared to \$3.6 billion as of December 25, 2021. The increase in cash, cash equivalents and short-term investments was primarily driven by the \$2.4 billion of cash and \$1.6 billion of short-term investments acquired from Xilinx on February 14, 2022. As of June 25, 2022, the principal amount of our outstanding debt obligations was \$2.8 billion, which primarily includes \$1.5 billion of debt assumed from Xilinx and \$1.0 billion of debt issued on June 9, 2022, compared to \$313 million of debt as of December 25, 2021.

On June 9, 2022, we issued \$1.0 billion in aggregate principal amount of senior notes, consisting of \$500 million in aggregate principal amount of 3.924% Senior Notes due 2032 (3.924% Notes) and \$500 million in aggregate principal amount of 4.393% Senior Notes due 2052 (4.393% Notes). The 3.924% Notes will mature on June 1, 2032 and bear interest at a rate of 3.924% per annum, and the 4.393% Notes will mature on June 1, 2052 and bear interest at a rate of 4.393% per annum. The 3.924% Notes and the 4.393% Notes are senior unsecured obligations.

In May 2021, our Board of Directors approved a stock repurchase program of up to \$4 billion of our common stock (Existing Repurchase Program). In February 2022, our Board of Directors approved a new stock repurchase program in addition to our Existing Repurchase Program to purchase up to \$8 billion of our outstanding common stock in the open market (collectively referred to as the "Repurchase Program"). During the three months ended June 25, 2022, we repurchased 10.2 million shares of our common stock for \$0.9 billion under the Repurchase Program. As of June 25, 2022, \$7.4 billion remains available for future stock repurchases under the Repurchase Program. The Repurchase Program does not obligate us to acquire any common stock, has no termination date and may be suspended or discontinued at any time.

During the second quarter of 2022, we expanded our lineup of high-performance AMD Ryzen processors with the introduction of the AMD Ryzen 5000 C-Series processors bringing "Zen 3" architecture to premium Chrome OS devices for work and collaboration. The processors offer up to eight high-performance x86 cores. We announced new graphics cards to the AMD Radeon RX 6000 Series product line: the AMD Radeon RX 6950 XT, the AMD Radeon RX 6750 XT and the AMD Radeon RX 6650 XT. These new graphics cards are built on AMD RDNA 2 gaming architecture and GDDR6 memory at up to 18Gbps. We introduced the AMD Ryzen Embedded R2000 Series, second-generation mid-range system-on-chip processors optimized for a wide range of industrial and robotics systems, machine vision, IoT (Internet of Things) and thin-client equipment. The processors are scalable up to four "Zen+" CPU cores with eight threads, 2MB of L2 cache and 4MB of share L3 cache giving designers flexibility to scale performance and power efficiencies with a single processing platform. We also introduced the Kria™ KR260 Robotics Starter Kit, the latest addition to the Kria portfolio. The kit enables rapid development of hardware-accelerated applications for robotics, machine vision and industrial communication and control.

During the second quarter of 2022, we experienced limited disruptions due to the COVID-19 pandemic. We continue to monitor our operations and public health measures implemented by governmental authorities in response to the pandemic. We are focused on the health and safety of our employees and are taking safety measures to protect our employees who are in the office and support those employees who work remotely.

We intend the discussion of our financial condition and results of operations that follows to provide information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from period to period, the primary factors that resulted in those changes, and how certain accounting principles, policies and estimates affect our financial statements.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP). The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts in our consolidated financial statements. We evaluate our estimates on an on-going basis, including those related to our revenue, inventories, goodwill, intangibles and income taxes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Although actual results have historically been reasonably consistent with management's expectations, the actual results may differ from these estimates or our estimates may be affected by different assumptions or conditions. As a result of our acquisitions, we believe the following critical accounting estimates, in addition to those disclosed as our critical accounting estimates in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our Annual Report on Form 10-K for the fiscal year ended December 25, 2021, are the most significant to the presentation of our financial statements and require the most difficult, subjective and complex judgments.

Except as noted below, management believes there have been no significant changes for the three and six months ended June 25, 2022 to the items that we disclosed as our critical accounting estimates in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our Annual Report on Form 10-K for the fiscal year ended December 25, 2021.

Business Combinations. We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired technology and trade names, based on expected future revenue growth rates and margins, future changes in technology, useful lives, and discount rates.

Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Allocation of purchase consideration to identifiable assets and liabilities affects our amortization expense, as acquired finite-lived intangible assets are amortized over the useful life, whereas any indefinite lived intangible assets, including goodwill, are not amortized. During the measurement period, which is not to exceed one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Impairment of Long-Lived and Intangible Assets. Long-lived and intangible assets to be held and used are reviewed for impairment if indicators of potential impairment exist. Impairment indicators are reviewed on a quarterly basis. Assets are grouped and evaluated for impairment at the lowest level of identifiable cash flows.

When indicators of impairment exist and assets are held for use, we estimate future undiscounted cash flows attributable to the related asset groups. In the event such cash flows are not expected to be sufficient to recover the recorded value of the assets, the assets are written down to their estimated fair values based on the expected discounted future cash flows attributable to the asset group or based on appraisals. Factors affecting impairment of assets held for use include the ability of the specific assets to generate separately identifiable positive cash flows.

When assets are removed from operations and held for sale, we estimate impairment losses as the excess of the carrying value of the assets over their fair value. Market conditions are amongst the factors affecting impairment of assets held for sale. Changes in any of these factors could necessitate impairment recognition in future periods for assets held for use or assets held for sale.

Long-lived assets such as property and equipment and intangible assets are considered non-financial assets and are measured at fair value when indicators of impairment exist.

Global Intangible Low-Taxed Income (GILTI). In 2022, we elected to change our method of accounting for the United States GILTI tax from recording the tax impact in the period it is incurred to recognizing deferred taxes for temporary tax basis differences expected to reverse as GILTI tax in future years. The change is considered preferable based on our facts and circumstances as it provides better and more timely information of expected future income tax liabilities arising from temporary tax differences primarily associated with the Xilinx acquisition. As a result of the acquisition, we recorded \$27.3 billion of identified intangible assets (refer to Note 5 - Business Combination), of which \$16.9 billion are related to foreign operations which will be amortized to income from operations over the assets' estimated useful lives, but for which we will not receive a tax deduction under GILTI. Recognition of deferred taxes for the future GILTI impact of this amount is considered preferable as it provides better information about our potential future tax liabilities based on current transactions. This accounting policy change resulted in the recording of \$863 million of deferred tax liabilities in connection with the Xilinx acquisition as disclosed in Note 12 - Income Taxes. In addition, for the three and six months ended June 25, 2022, it resulted in a decrease in the income tax provision with a corresponding increase to net income of \$65 million and \$136 million, and an increase in basic and diluted earnings per share of \$0.04 and \$0.09 respectively, as compared to the computation under the previous accounting policy. This accounting policy change had no material impact on our historical consolidated financial statements.

Results of Operations

During the second quarter of fiscal year 2022, we changed our reporting segments to align our financial reporting with the manner in which we manage our business in strategic end markets. This is consistent with the revised manner in which our CODM assesses our financial performance and allocates resources. As a result, we report our financial performance based on the following four reportable segments: Data Center, Client, Gaming, and Embedded. Additional information on our reportable segments is contained in Note 4—Segment Reporting of the Notes to Condensed Consolidated Financial Statements (Part I, Financial Information of this Form 10-Q). All prior-period segment data have been retrospectively adjusted.

Our operating results tend to vary seasonally. Historically, our net revenue has been generally higher in the second half of the year than in the first half of the year, although market conditions and product transitions could impact this trend.

The following table provides a summary of net revenue and operating income (loss) by segment:

	Three Months Ended		Six Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
(In millions)				
Net revenue:				
Data Center	\$ 1,486	\$ 813	\$ 2,779	\$ 1,423
Client	2,152	1,728	4,276	3,366
Gaming	1,655	1,255	3,530	2,410
Embedded	1,257	54	1,852	96
Total net revenue	\$ 6,550	\$ 3,850	\$ 12,437	\$ 7,295
Operating income (loss):				
Data Center	\$ 472	\$ 204	\$ 899	\$ 314
Client	676	538	1,368	1,068
Gaming	187	175	545	296
Embedded	641	6	918	3
All Other	(1,450)	(92)	(2,253)	(188)
Total operating income	\$ 526	\$ 831	\$ 1,477	\$ 1,493

Data Center

Data Center net revenue of \$1.5 billion for the three months ended June 25, 2022 increased by 83%, compared to net revenue of \$813 million for the prior year period. Data Center net revenue of \$2.8 billion for the six months ended June 25, 2022 increased by 95%, compared to net revenue of \$1.4 billion for the prior year period. The increase in both periods was driven by higher sales of our EPYC server processors.

Data Center operating income was \$472 million for the three months ended June 25, 2022, compared to operating income of \$204 million for the prior year period. Data Center operating income was \$899 million for the six months ended June 25, 2022, compared to operating income of \$314 million for the prior year period. The increase in operating income for both periods was primarily driven by higher revenue, partially offset by higher operating expenses. Operating expenses increased for the reasons outlined under “Expenses” below.

Client

Client net revenue of \$2.2 billion for the three months ended June 25, 2022 increased by 25%, compared to net revenue of \$1.7 billion for the prior year period, primarily due to higher sales of our Ryzen mobile processors driven by a 35% increase in average selling price, partially offset by an 8% decrease in unit shipments. The increase in average selling price was driven by a richer mix of Ryzen mobile processor sales.

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Client net revenue of \$4.3 billion for the six months ended June 25, 2022 increased by 27%, compared to net revenue of \$3.4 billion for the prior year period, primarily due to higher sales of our Ryzen mobile processors driven by a 37% increase in average selling price, partially offset by a 7% decrease in unit shipments. The increase in average selling price was driven by a richer mix of Ryzen mobile processor sales.

Client operating income was \$676 million for the three months ended June 25, 2022, compared to operating income of \$538 million for the prior year period. Client operating income was \$1.4 billion for the six months ended June 25, 2022, compared to operating income of \$1.1 billion for the prior year period. The increase in operating income for both periods was primarily driven by higher revenue, partially offset by higher operating expenses. Operating expenses increased for the reasons outlined under "Expenses" below.

Gaming

Gaming net revenue of \$1.7 billion for the three months ended June 25, 2022 increased by 32%, compared to net revenue of \$1.3 billion for the prior year period. The increase in net revenue was primarily driven by an increase in semi-custom revenue, partially offset by a decline in gaming graphics revenue. Gaming net revenue of \$3.5 billion for the six months ended June 25, 2022 increased by 46%, compared to net revenue of \$2.4 billion for the prior year period. The increase in net revenue was primarily driven by an increase in semi-custom revenue.

Gaming operating income was \$187 million for the three months ended June 25, 2022, compared to operating income of \$175 million for the prior year period. Gaming operating income was \$545 million for the six months ended June 25, 2022, compared to operating income of \$296 million for the prior year period. The increase in operating income for both periods was primarily driven by higher revenue, partially offset by higher operating expenses. Operating expenses increased for the reasons outlined under "Expenses" below.

Embedded

Embedded net revenue of \$1.3 billion for the three months ended June 25, 2022 increased significantly, compared to net revenue of \$54 million for the prior year period. Embedded net revenue of \$1.9 billion for the six months ended June 25, 2022 increased significantly, compared to net revenue of \$96 million for the prior year period. The significant increase in net revenue for both periods was primarily driven by the inclusion of Xilinx embedded revenue.

Embedded operating income was \$641 million for the three months ended June 25, 2022, compared to operating income of \$6 million for the prior year period. Embedded operating income was \$918 million for the six months ended June 25, 2022, compared to operating income of \$3 million for the prior year period. The significant increase in operating income for both periods was primarily driven by the inclusion of Xilinx revenue.

All Other

All Other operating loss of \$1.5 billion for the three months ended June 25, 2022 primarily consisted of \$1 billion of amortization of acquisition-related intangibles, \$292 million of stock-based compensation expense, and \$141 million of acquisition-related costs, which primarily include transaction costs, amortization of acquired inventory fair value step-up adjustment, depreciation related to the acquired fixed assets fair value step-up adjustment, certain compensation charges related to the acquisitions of Xilinx and Pensando, and a licensing gain. All Other operating loss of \$92 million for the prior year period primarily consisted of \$83 million of stock-based compensation expense and \$10 million of acquisition-related costs.

All Other operating loss of \$2.3 billion for the six months ended June 25, 2022 primarily consisted of \$1.5 billion of amortization of acquisition-related intangibles, \$491 million of stock-based compensation expense, and \$349 million of acquisition-related costs, which primarily include transaction costs, amortization of Xilinx inventory fair value step-up adjustment, depreciation related to the Xilinx fixed assets fair value step-up adjustment, certain compensation charges related to the acquisitions of Xilinx and Pensando, and licensing gain. All Other operating loss of \$188 million for the prior year period primarily consisted of \$168 million of stock-based compensation expense and \$25 million of acquisition-related costs.

International Sales

International sales as a percentage of net revenue were 70% and 74% for the three months ended June 25, 2022 and June 26, 2021, respectively. International sales as a percentage of net revenue were 70% and 75% for the six months ended June 25, 2022 and June 26, 2021, respectively. We expect that international sales will continue to be a significant portion of total sales in the foreseeable future. Substantially all of our sales transactions were denominated in U.S. dollars.

Comparison of Gross Margin, Expenses, Licensing Gain, Interest Expense, Other Expense and Income Taxes

The following is a summary of certain condensed consolidated statement of operations data for the periods indicated:

	Three Months Ended		Six Months Ended	
	June 25, 2022	June 26, 2021	June 25, 2022	June 26, 2021
(In millions except for percentages)				
Net revenue	\$ 6,550	\$ 3,850	\$ 12,437	\$ 7,295
Cost of sales	3,115	2,020	5,998	3,878
Amortization of acquisition-related intangibles	407	—	593	—
Gross profit	3,028	1,830	5,846	3,417
Gross margin	46 %	48 %	47 %	47 %
Research and development	1,300	659	2,360	1,269
Marketing, general and administrative	592	341	1,189	660
Amortization of acquisition-related intangibles	616	—	909	—
Licensing gain	(6)	(1)	(89)	(5)
Interest expense	(25)	(10)	(38)	(19)
Other expense, net	(4)	—	(46)	(11)
Income tax provision	54	113	167	202
Equity income in investee	4	2	7	4

Gross Margin

Gross margin was 46% and 48% for the three months ended June 25, 2022 and June 26, 2021, respectively. The decrease in gross margin was primarily due to the amortization of acquisition-related intangible assets associated with the Xilinx acquisition, partially offset by an increase in margin driven by higher Data Center and Embedded revenue.

Gross margin was 47% for the six months ended June 25, 2022 and June 26, 2021. The consistent gross margin was the result of a decrease in margin due to an increase in the amortization of acquisition-related intangible assets associated with the Xilinx acquisition, offset by an increase in margin driven by higher Data Center and Embedded revenue.

Expenses

Research and Development Expenses

Research and development expenses of \$1.3 billion for the three months ended June 25, 2022 increased by \$641 million, or 97%, compared to \$659 million for the prior year period. The increase was primarily driven by an increase in headcount through acquisitions and organic growth, and an increase in product development costs.

Research and development expenses of \$2.4 billion for the six months ended June 25, 2022 increased by \$1.1 billion, or 86%, compared to \$1.3 billion for the prior year period. The increase was primarily driven by an increase in headcount through acquisitions and organic growth, and an increase in product development costs.

Marketing, General and Administrative Expenses

Marketing, general and administrative expenses of \$592 million for the three months ended June 25, 2022 increased by \$251 million, or 74%, compared to \$341 million for the prior year period. The increase was primarily due to an increase in go-to-market activities, an increase in headcount through acquisitions and organic growth, and higher acquisition-related costs.

Marketing, general and administrative expenses of \$1.2 billion for the six months ended June 25, 2022 increased by \$529 million, or 80%, compared to \$660 million for the prior year period. The increase was due to an increase in go-to-market activities, an increase in headcount through acquisitions and organic growth, and higher acquisition-related costs.

Amortization of Acquisition-Related Intangibles

For the three months ended June 25, 2022, cost of sales and operating expense included \$407 million and \$616 million, respectively, of amortization expense from intangible assets acquired.

For the six months ended June 25, 2022, cost of sales and operating expense included \$593 million and \$909 million, respectively, of amortization expense from intangible assets acquired.

Licensing Gain

During the three and six months ended June 25, 2022, we recognized \$6 million of licensing gain from royalty income and \$89 million of licensing gain from a milestone achievement and royalty income, respectively, both associated with Licensed IP. During the three and six months ended June 26, 2021, we recognized \$1 million and \$5 million, respectively of licensing gain from royalty income, both associated with Licensed IP.

Interest Expense

Interest expense for the three months ended June 25, 2022 was \$25 million compared to \$10 million for the prior year period. Interest expense for the six months ended June 25, 2022 was \$38 million compared to \$19 million for the prior year period. The increase for both periods was primarily due to interest expense from the 2.95% Senior Notes due 2024, the 2.375% Senior Notes due 2030 (together, the Assumed Xilinx Notes), the 3.924% Notes and the 4.393% Notes.

Other Income (Expense), Net

Other expense, net was \$46 million for the six months ended June 25, 2022, compared to \$11 million of Other expense, net for the prior year period. The change was primarily due to a decrease of \$54 million in the fair value of equity investments in the first two quarters of fiscal year 2022, partially offset by lower impairment on investment of \$8 million and losses from the conversion of our convertible debt of \$7 million in the same period of fiscal year 2021.

Income Tax Provision

We recorded an income tax provision of \$54 million and provision of \$167 million for the three and six months ended June 25, 2022, representing effective tax rates of 10.8% and 11.9%, respectively. We recorded an income tax provision of \$113 million and \$202 million for the three and six months ended June 26, 2021, respectively, representing effective tax rates of 13.7% and 13.8%, respectively.

The difference between the U.S. federal statutory tax rate of 21% and our effective tax rate for the three and six months ended June 25, 2022 was primarily due to U.S. reduced tax on foreign-derived intangible income (FDII) and research credits.

The difference between the U.S. federal statutory tax rate of 21% and our effective tax rate for the three and six months ended June 26, 2021 was primarily due to U.S. reduced tax on FDII and research credits.

As of June 25, 2022, we continued to maintain valuation allowances for certain federal, state, and foreign tax attributes. The federal valuation allowance maintained is due to limitations under Internal Revenue Code Section 382 or 383, separate return loss year rules, or dual consolidated loss rules. Certain state and foreign valuation allowances maintained are due to lack of sufficient sources of taxable income.

As of the six months ended June 25, 2022, the liability for uncertain tax positions increased by \$361 million primarily due to the utilization of certain tax attributes that may be subject to additional limitation.

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As a result of the acquisition of Xilinx, we recorded \$4.3 billion of net deferred tax liabilities primarily on the excess of book basis over the tax basis of the acquired intangible assets, including \$863 million of GILTI net deferred tax liability. We also recorded \$147 million of current tax payable as of the date we acquired Xilinx. Additionally, we assumed \$204 million of liability for uncertain tax positions and \$321 million of long-term liability for transition tax, which is payable over the next three years.

FINANCIAL CONDITION

Liquidity and Capital Resources

As of June 25, 2022, our cash, cash equivalents and short-term investments were \$6.0 billion, compared to \$3.6 billion as of December 25, 2021. The increase in cash, cash equivalents and short-term investments was primarily driven by the \$2.4 billion of cash, \$1.6 billion of short-term investments acquired from Xilinx, \$1.0 billion from debt issuance, and cash flows from operations, partially offset by stock repurchases and cash paid for the acquisition of Pensando. The percentage of cash, cash equivalents and short-term investments held domestically as of June 25, 2022 and December 25, 2021 were 81% and 91%, respectively.

Our operating, investing and financing activities for the six months ended June 25, 2022 compared to the prior year period are as described below:

	Six Months Ended	
	June 25, 2022	June 26, 2021
	(In millions)	
Net cash provided by (used in):		
Operating activities	\$ 2,033	\$ 1,850
Investing activities	2,230	(603)
Financing activities	(1,834)	(219)
Net increase in cash and cash equivalents	<u>\$ 2,429</u>	<u>\$ 1,028</u>

As of June 25, 2022, our principal debt obligations were \$2.8 billion, which primarily included \$1.5 billion of the Assumed Xilinx Notes and \$1.0 billion of newly issued 3.924% Notes and 4.393% Notes, compared to \$313 million as of December 25, 2021.

On April 29, 2022, we entered into a revolving credit agreement (Revolving Credit Agreement) with Wells Fargo Bank, N.A. as administrative agent and other banks identified therein as lenders. The Revolving Credit Agreement provides for a five-year unsecured revolving credit facility in the aggregate principal amount of \$3.0 billion.

We believe our cash, cash equivalents, short-term investments and cash flows from operations along with our Revolving Credit Agreement will be sufficient to fund operations, including capital expenditures and purchase commitments, over the next 12 months and beyond. We believe we will be able to access the capital markets should we require additional funds. However, we cannot assure that such funds will be available on favorable terms, or at all.

Operating Activities

Our working capital cash inflows and outflows from operations are primarily cash collections from our customers, payments for inventory purchases and payments for employee-related expenditures.

Net cash provided by operating activities was \$2.0 billion in the six months ended June 25, 2022, primarily due to our net income of \$1.2 billion, adjusted for non-cash and non-operating charges of \$2.0 billion and net cash outflows of \$1.2 billion from changes in our operating assets and liabilities. The primary drivers of the changes in operating assets and liabilities included a \$1.0 billion increase in accounts receivable driven primarily by higher revenue in the first half of 2022, a \$274 million increase in inventory driven by an increase in product build in support of customer demand, partially offset by a \$277 million increase in payables to related parties driven primarily by an increase in purchases and timing of payments.

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Net cash provided by operating activities was \$1.9 billion in the six months ended June 26, 2021, primarily due to our net income of \$1.3 billion, adjusted for non-cash and non-operating charges of \$562 million and net cash inflows of \$23 million from changes in our operating assets and liabilities. The primary drivers of the changes in operating assets and liabilities included a \$346 million increase in accounts payable due to timing of payments to our suppliers, partially offset by a \$46 million decrease in accounts receivable driven primarily by higher revenue in the second quarter of 2021 compared to the first quarter of 2021, and a \$366 million increase in inventories driven by an increase in product build in support of customer demand.

Investing Activities

Net cash provided by investing activities was \$2.2 billion for the six months ended June 25, 2022 which primarily consisted of \$2.4 billion of cash received from Xilinx in the acquisition and \$2.2 billion of proceeds from the maturity of short-term investments, partially offset by cash used in the acquisition of Pensando of \$1.6 billion, purchases of short-term investments of \$620 million and purchases of property and equipment of \$203 million.

Net cash used in investing activities was \$603 million for the six months ended June 26, 2021 which primarily consisted of \$1.1 billion for purchases of short-term investments and \$130 million for purchases of property and equipment, partially offset by \$655 million for maturities of short-term investments.

Financing Activities

Net cash used in financing activities was \$1.8 billion for the six months ended June 25, 2022, which primarily consisted of common stock repurchases of \$2.8 billion and repurchases for tax withholding on employee equity plans of \$66 million, partially offset by proceeds from the issuance of debt of \$991 million and a cash inflow of \$78 million from issuance of common stock under our employee equity plans.

Net cash used in financing activities was \$219 million for the six months ended June 26, 2021, which primarily consisted of common stock repurchases for tax withholding on employee equity plans of \$14 million, partially offset by a cash inflow of \$51 million from exercises of stock options under our employee equity plans.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to "Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk," in our Annual Report on Form 10-K for the fiscal year ended December 25, 2021.

There have not been any material changes in interest rate risk, default risk or foreign exchange risk since December 25, 2021.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports made under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of June 25, 2022, the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

There was no change in our internal controls over financial reporting for the three months ended June 25, 2022 that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting. We are currently in the process of integrating the Xilinx operations, control processes and information systems into our systems and control environment. We believe that we have taken the necessary steps to monitor and maintain appropriate internal controls over financial reporting during this integration.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of our legal proceedings, refer to Note 13—Commitments and Contingencies of the Notes to Condensed Consolidated Financial Statements (Part I, Item 1 of this Form 10-Q).

ITEM 1A. RISK FACTORS

The risks and uncertainties described below are not the only ones we face. If any of the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected. In addition, you should consider the interrelationship and compounding effects of two or more risks occurring simultaneously.

Risk Factors Summary

The following is a summary of the principal risks that could adversely affect our business, operations and financial results.

Economic and Strategic Risks

- Intel Corporation's dominance of the microprocessor market and its aggressive business practices may limit our ability to compete effectively on a level playing field.
- Global economic and market uncertainty may adversely impact our business and operating results.
- The loss of a significant customer may have a material adverse effect on us.
- The ongoing novel coronavirus (COVID-19) pandemic could materially adversely affect our business, financial condition and results of operations.
- The markets in which our products are sold are highly competitive.
- The demand for our products depends in part on the market conditions in the industries into which they are sold. Fluctuations in demand for our products or a market decline in any of these industries could have a material adverse effect on our results of operations.
- The semiconductor industry is highly cyclical and has experienced severe downturns that have materially adversely affected, and may continue to materially adversely affect, our business in the future.
- Our operating results are subject to quarterly and seasonal sales patterns.
- If we cannot adequately protect our technology or other intellectual property in the United States and abroad, through patents, copyrights, trade secrets, trademarks and other measures, we may lose a competitive advantage and incur significant expenses.
- Unfavorable currency exchange rate fluctuations could adversely affect us.

Operational and Technology Risks

- We rely on third parties to manufacture our products, and if they are unable to do so on a timely basis in sufficient quantities and using competitive technologies, our business could be materially adversely affected.
- If essential equipment, materials, substrates or manufacturing processes are not available to manufacture our products, we could be materially adversely affected.
- Failure to achieve expected manufacturing yields for our products could negatively impact our financial results.
- The success of our business is dependent upon our ability to introduce products on a timely basis with features and performance levels that provide value to our customers while supporting and coinciding with significant industry transitions.
- Our revenue from our semi-custom System-on-Chip (SoC) products is dependent upon our semi-custom SoC products being incorporated into customers' products and the success of those products.
- Our products may be subject to security vulnerabilities that could have a material adverse effect on us.
- IT outages, data loss, data breaches and cyber-attacks could compromise our intellectual property or other sensitive information, be costly to remediate or cause significant damage to our business, reputation and operations.
- We may encounter difficulties in upgrading and operating our new enterprise resource planning (ERP) system, which could materially adversely affect us.
- Uncertainties involving the ordering and shipment of our products could materially adversely affect us.

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- Our ability to design and introduce new products in a timely manner is dependent upon third-party intellectual property.
- We depend on third-party companies for the design, manufacture and supply of motherboards, software, memory and other computer platform components to support our business and products.
- If we lose Microsoft Corporation's support for our products or other software vendors do not design and develop software to run on our products, our ability to sell our products could be materially adversely affected.
- Our reliance on third-party distributors and add-in-board (AIB) partners subjects us to certain risks.
- Our business is dependent upon the proper functioning of our internal business processes and information systems and modification or interruption of such systems may disrupt our business, processes and internal controls.
- If our products are not compatible with some or all industry-standard software and hardware, we could be materially adversely affected.
- Costs related to defective products could have a material adverse effect on us.
- If we fail to maintain the efficiency of our supply chain as we respond to changes in customer demand for our products, our business could be materially adversely affected.
- We outsource to third parties certain supply-chain logistics functions, including portions of our product distribution, transportation management and information technology support services.
- Our inability to effectively control the sales of our products on the gray market could have a material adverse effect on us.

Legal and Regulatory Risks

- Government actions and regulations such as export administration regulations, tariffs, and trade protection measures may limit our ability to export our products to certain customers.
- If we cannot realize our deferred tax assets, our results of operations could be adversely affected.
- Our business is subject to potential tax liabilities, including as a result of tax regulation changes.
- We are party to litigation and may become a party to other claims or litigation that could cause us to incur substantial costs or pay substantial damages or prohibit us from selling our products.
- We are subject to environmental laws, conflict minerals-related provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act as well as a variety of other laws or regulations that could result in additional costs and liabilities.

Merger, Acquisition and Integration Risks

- Acquisitions, joint ventures and/or investments, and the failure to integrate acquired businesses, such as Xilinx and Pensando, could disrupt our business and/or dilute or adversely affect the price of our common stock.
- Any impairment of the combined company's tangible, definite-lived intangible or indefinite-lived intangible assets, including goodwill, may adversely impact the combined company's financial position and results of operations.

Liquidity and Capital Resources Risks

- The agreements governing our notes, our guarantees of Xilinx's 2.95% and 2.375% Notes (Assumed Xilinx Notes), and our Revolving Credit Agreement impose restrictions on us that may adversely affect our ability to operate our business.
- Our indebtedness could adversely affect our financial position and prevent us from implementing our strategy or fulfilling our contractual obligations.
- We may not be able to generate sufficient cash to meet our working capital requirements. Also, if we cannot generate sufficient revenue and operating cash flow, we may face a cash shortfall and be unable to make all of our planned investments in research and development or other strategic investments.

General Risks

- Our worldwide operations are subject to political, legal and economic risks and natural disasters, which could have a material adverse effect on us.
- We may incur future impairments of goodwill and technology license purchases.
- Our inability to continue to attract and retain qualified personnel may hinder our business.
- Our stock price is subject to volatility.
- Worldwide political conditions may adversely affect demand for our products.

For a more complete discussion of the material risks facing our business, see below.

Economic and Strategic Risks

Intel Corporation's dominance of the microprocessor market and its aggressive business practices may limit our ability to compete effectively on a level playing field.

Intel Corporation (Intel) has been the market share leader for microprocessors for many years. Intel's market share, margins and significant financial resources enable it to market its products aggressively, to target our customers and our channel partners with special incentives and to influence customers who do business with us. These aggressive activities have in the past resulted in lower unit sales and a lower average selling price for many of our products and adversely affected our margins and profitability.

Intel exerts substantial influence over computer manufacturers and their channels of distribution through various brand and other marketing programs. As a result of Intel's position in the microprocessor market, Intel has been able to control x86 microprocessor and computer system standards and benchmarks and to dictate the type of products the microprocessor market requires of us. Intel also dominates the computer system platform, which includes core logic chipsets, graphics chips, networking devices (wired and wireless), non-volatile storage and other components necessary to assemble a computer system. Additionally, Intel is able to drive de facto standards and specifications for x86 microprocessors that could cause us and other companies to have delayed access to such standards.

As long as Intel remains in this dominant position, we may be materially adversely affected by Intel's business practices, including rebating and allocation strategies and pricing actions, designed to limit our market share and margins; product mix and introduction schedules; product bundling, marketing and merchandising strategies; exclusivity payments to its current and potential customers, retailers and channel partners; de facto control over industry standards, and heavy influence on PC manufacturers and other PC industry participants, including motherboard, memory, chipset and basic input/output system (BIOS) suppliers and software companies as well as the graphics interface for Intel platforms; and marketing and advertising expenditures in support of positioning the Intel brand over the brand of its original equipment manufacturer (OEM) customers and retailers.

Intel has substantially greater financial resources than we do and accordingly spends substantially greater amounts on marketing and research and development than we do. We expect Intel to continue to invest heavily in marketing, research and development, new manufacturing facilities and other technology companies. To the extent Intel manufactures a significantly larger portion of its microprocessor products using more advanced process technologies, or introduces competitive new products into the market before we do, we may be more vulnerable to Intel's aggressive marketing and pricing strategies for microprocessor products.

Intel could also take actions that place our discrete graphics processing units (GPUs) at a competitive disadvantage, including giving one or more of our competitors in the graphics market, such as NVIDIA Corporation, preferential access to its proprietary graphics interface or other useful information or restricting access to external companies. Also, Intel has developed and released their own high-end discrete GPUs, including gaming focused discrete GPUs and announced plans for further releases in 2022. With our acquisition of Xilinx, we now compete with Intel in field programmable gate arrays (FPGAs) and adaptive SoC products. Intel's position in the microprocessor and integrated graphics chipset markets, its introduction of competitive new products, its existing relationships with top-tier OEMs, and its aggressive marketing and pricing strategies could result in lower unit sales and lower average selling prices for our products, which could have a material adverse effect on us.

Global economic and market uncertainty may adversely impact our business and operating results.

Uncertain global economic conditions have in the past and may in the future adversely impact our business, including, without limitation, a slowdown in the Chinese economy, one of the largest global markets for desktop and notebook PCs. Uncertainty in the worldwide economic environment or other unfavorable changes in economic conditions, such as inflation, interest rates or recession, may negatively impact consumer confidence and spending causing our customers to postpone purchases. In addition, during challenging economic times, our current or potential future customers may experience cash flow problems and as a result may modify, delay or cancel plans to purchase our products. Additionally, if our customers are not successful in generating sufficient revenue or are unable to secure financing, they may not be able to pay, or may delay payment of, accounts receivable that they owe us. The risk related to our customers potentially defaulting on or delaying payments to us is increased because we expect that a small number of customers will continue to account for a substantial part of our revenue. Any inability of our current or potential future customers to pay us for our products may adversely affect our earnings.

and cash flow. Moreover, our key suppliers may reduce their output or become insolvent, thereby adversely impacting our ability to manufacture our products. In addition, uncertain economic conditions may make it more difficult for us to raise funds through borrowings or private or public sales of debt or equity securities.

The loss of a significant customer may have a material adverse effect on us.

We depend on a small number of customers for a substantial portion of our business and we expect that a small number of customers will continue to account for a significant part of our revenue in the future. If one of our key customers decides to stop buying our products, or if one of these customers materially reduces its operations or its demand for our products, our business would be materially adversely affected.

The ongoing novel coronavirus (COVID-19) pandemic could materially adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic has caused government authorities to implement numerous public health measures, including at various times vaccination and testing requirements and recordkeeping, quarantines, business closures, travel bans, and restrictions related to social gathering and mobility, to contain the virus. Various state and federal rules are issued and updated on an ongoing basis, at times in conflict and/or with minimal notice. We have experienced and expect to continue to experience disruptions to our business as these changing measures have, and will continue to have, an effect on our business operations and practices.

While our employees gradually return to office, we continue to monitor our operations and public health measures implemented by governmental authorities in response to COVID-19. Although some public health measures have eased, our efforts to reopen our offices safely may not be successful and could expose our employees to health risks. It is uncertain as to when all health measures put in place to attempt to contain the spread of COVID-19 will be lifted. If there are further waves of the virus, health measures may be reimplemented and we may need to further limit operations or modify our business practices in a manner that may impact our business. If our employees are not able to perform their job duties due to self-isolation, quarantine, unavailability of COVID 19 tests, travel restrictions or illness, a reluctance or refusal to vaccinate, or are unable to perform them as efficiently at home for an extended period of time, we may not be able to meet our product schedules, roadmaps and customer commitments and we may experience an overall lower productivity of our workforce. Even when COVID-19 health measures are lifted or modified, our employees' ability or willingness to return to work may delay the return of our full workforce and the resumption of normal business operations.

COVID-19 continues to impact the global supply chain causing disruptions to service providers, logistics and the flow and availability of supplies and products. We have experienced some disruptions to parts of our supply chain as a result of COVID-19 and we adjust our supply chain requirements based on changing customer needs and demands. We have taken efforts to maintain a stable supply of materials to meet our production requirements through long-term purchase commitments and prepayment arrangements with some of our suppliers. If we are unable to procure a stable supply of equipment, materials or substrates at a reasonable cost, it could have a material adverse effect on our business. We may also assess our product schedules and roadmaps to make any adjustments that may be necessary to support remote working requirements and address the geographic and market demand shifts caused by COVID-19. If the supply of our products to customers is delayed, reduced or canceled due to disruptions encountered by our third-party manufacturers, back-end manufacturers, warehouses, partners, suppliers or vendors as a result of facility closures, border and port restrictions or closures, transportation delays, labor shortages or workforce mobility limitations, it could have a material adverse effect on our business.

COVID-19 has in the short-term and may in the long-term adversely impact the global economy, creating uncertainty and potentially leading to an economic downturn. This could negatively impact consumer confidence and spending causing our customers to postpone or cancel purchases, or delay paying or default on payment of outstanding amounts due to us, which may have a material adverse effect on our business. Even in times of robust demand for our products, as we are currently experiencing across our business, the worldwide economic environment remains uncertain due to COVID-19 and such demand may not be sustainable over the longer term.

COVID-19 has also led to a disruption and volatility in the global capital and financial markets. While we believe our cash, cash equivalents and short-term investments along with our Revolving Credit Agreement and cash flows from operations will be sufficient to fund operations, including capital expenditures, and purchase commitments, over the next 12 months and beyond, to the extent we may require additional funding to finance our operations and capital expenditures and such funding may not be available to us as a result of contracting capital and financial markets resulting from COVID-19, it may have an adverse effect on our business.

The extent to which COVID-19 impacts our business and financial results will depend on future developments, which are unpredictable and highly uncertain, including the continued spread, duration and severity of the outbreak, the appearances of new variants of COVID-19, the breadth and duration of business disruptions related to COVID-19, the availability and distribution of effective treatments and vaccines, and public health measures and actions taken throughout the world to contain COVID-19. The prolonged effect of COVID-19 could materially adversely impact our business, financial condition and results of operations.

The markets in which our products are sold are highly competitive.

The markets in which our products are sold are very competitive and delivering the latest and best products to market on a timely basis is critical to achieving revenue growth. We believe that the main factors that determine our product competitiveness are timely product introductions, product quality, product features and capabilities (including enabling state-of-the-art visual and virtual reality experiences), energy efficiency (including power consumption and battery life), reliability, processor clock speed, performance, size (or form factor), selling price, cost, adherence to industry standards (and the creation of open industry standards), level of integration, software and hardware compatibility, ease of use and functionality of software design tools, completeness of applicable software solutions, security and stability, brand recognition and availability.

We expect that competition will continue to be intense due to rapid technological changes, frequent product introductions by our competitors or new competitors of products that may provide better performance/experience or that may include additional features that render our products comparatively less competitive. We may also face aggressive pricing by competitors, especially during challenging economic times. In addition, our competitors have significant marketing and sales resources which could increase the competitive environment in a declining market, leading to lower prices and margins. Some competitors may have greater access or rights to complementary technologies, including interface, processor and memory technical information. For instance, with our APU products and other competing solutions with integrated graphics, we believe that demand for additional discrete graphics chips and cards may decrease in the future due to improvements in the quality and performance of integrated graphics. If competitors introduce competitive new products into the market before us, demand for our products could be adversely impacted and our business could be adversely affected. In addition, Intel is expanding its position in integrated graphics for the PC market with high-end discrete graphics solutions for a broad range of computing segments, which may negatively impact our ability to compete in these computing segments. We also face competition from companies that use competing computing architectures and platforms like the ARM architecture. Increased adoption of ARM-based semiconductor designs could lead to further growth and development of the ARM ecosystem.

In addition, we are entering markets with current and new competitors who may be able to adapt more quickly to customer requirements and emerging technologies. We cannot guarantee that we will be able to compete successfully against current or new competitors who may have stronger positions in these new markets or superior ability to anticipate customer requirements and emerging industry trends. Furthermore, we may face competition from some of our customers who internally develop the same products as us. We may face delays or disruptions in research and development efforts, or we may be required to invest significantly greater resources in research and development than anticipated. Also, the semiconductor industry has seen several mergers and acquisitions over the last number of years. Further consolidation could adversely impact our business due to there being fewer suppliers, customers and partners in the industry.

The demand for our products depends in part on the market conditions in the industries into which they are sold. Fluctuations in demand for our products or a market decline in any of these industries could have a material adverse effect on our results of operations.

Industry-wide fluctuations in the computer marketplace have materially adversely affected us in the past and may materially adversely affect us in the future. A large portion of overall revenues from the Client and Gaming segments is focused on the consumer desktop PC and notebook segments, which have in the past experienced a decline driven by, among other factors, the adoption of smaller and other form factors, increased competition and changes in replacement cycles. The success of our semi-custom SoC products is dependent on securing customers for our semi-custom design pipeline and consumer market conditions, including the success of the Sony PlayStation®5, Microsoft® Xbox™ Series S and Microsoft® Xbox™ Series X game console systems and next generation consoles for Sony and Microsoft, worldwide. In addition, the GPU market has at times seen elevated demand due to the application of GPU products to cryptocurrency mining. For example, our GPU revenue has been affected in part by the volatility of the cryptocurrency mining market. Demand for cryptocurrency has changed and is likely to continue to change quickly. For example, South Korea has instituted restrictions on cryptocurrency trading and the valuations

of the currencies and China has banned such activities, and corresponding interest in mining of such currencies are subject to significant fluctuations. Alternatively, countries have created and may continue to create their own cryptocurrencies or equivalents that could also impact interest in mining. If we are unable to manage the risks related to the volatility of the cryptocurrency mining market, our GPU business could be materially adversely affected.

The semiconductor industry is highly cyclical and has experienced severe downturns that have materially adversely affected, and may continue to materially adversely affect, our business in the future.

The semiconductor industry is highly cyclical and has experienced significant downturns, often in conjunction with constant and rapid technological change, wide fluctuations in supply and demand, continuous new product introductions, price erosion and declines in general economic conditions. We have incurred substantial losses in recent downturns, due to substantial declines in average selling prices; the cyclical nature of supply and demand imbalances in the semiconductor industry; a decline in demand for end-user products (such as PCs) that incorporate our products; and excess inventory levels.

Industry-wide fluctuations in the computer marketplace have materially adversely affected us in the past and may materially adversely affect us in the future. Global economic uncertainty and weakness have in the past impacted the semiconductor market as consumers and businesses have deferred purchases, which negatively impacted demand for our products. Our financial performance has been, and may in the future be, negatively affected by these downturns.

The growth of our business is also dependent on continued demand for our products from high-growth adjacent emerging global markets. Our ability to be successful in such markets depends in part on our ability to establish adequate local infrastructure, as well as our ability to cultivate and maintain local relationships in these markets. If demand from these markets is below our expectations, sales of our products may decrease, which would have a material adverse effect on us.

Our operating results are subject to quarterly and seasonal sales patterns.

The profile of our sales may be weighted differently during the year. A large portion of our quarterly sales have historically been made in the last month of the quarter. This uneven sales pattern makes prediction of revenue for each financial period difficult and increases the risk of unanticipated variations in quarterly results and financial condition. In addition, our operating results tend to vary seasonally with the markets in which our products are sold. For example, historically, our net revenue has been generally higher in the second half of the year than in the first half of the year, although market conditions and product transitions could impact these trends. Many of the factors that create and affect quarterly and seasonal trends are beyond our control.

If we cannot adequately protect our technology or other intellectual property in the United States and abroad, through patents, copyrights, trade secrets, trademarks and other measures, we may lose a competitive advantage and incur significant expenses.

We rely on a combination of protections provided by contracts, including confidentiality and nondisclosure agreements, copyrights, patents, trademarks and common law rights, such as trade secrets, to protect our intellectual property. However, we cannot assure you that we will be able to adequately protect our technology or other intellectual property from third-party infringement or from misappropriation in the United States and abroad. Any patent licensed by us or issued to us could be challenged, invalidated, expire, or circumvented or rights granted thereunder may not provide a competitive advantage to us. Also, due to measures to slow down the spread of COVID-19, various patent offices and courts have been adversely impacted and there is a potential for delay or disruptions that might affect certain of our patent rights.

Furthermore, patent applications that we file may not result in issuance of a patent or, if a patent is issued, the patent may not be issued in a form that is advantageous to us. Despite our efforts to protect our intellectual property rights, others may independently develop similar products, duplicate our products or design around our patents and other rights. In addition, it is difficult to monitor compliance with, and enforce, our intellectual property on a worldwide basis in a cost-effective manner. In jurisdictions where foreign laws provide less intellectual property protection than afforded in the United States and abroad, our technology or other intellectual property may be compromised, and our business would be materially adversely affected.

Unfavorable currency exchange rate fluctuations could adversely affect us.

We have costs, assets and liabilities that are denominated in foreign currencies. As a consequence, movements in exchange rates could cause our foreign currency denominated expenses to increase as a percentage of revenue, affecting our profitability and cash flows. Whenever we believe appropriate, we hedge a portion of our short-term foreign currency exposure to protect against fluctuations in currency exchange rates. We determine our total foreign currency exposure using projections of long-term expenditures for items such as payroll. We cannot assure you that these activities will be effective in reducing foreign exchange rate exposure. Failure to do so could have an adverse effect on our business, financial condition, results of operations and cash flow. In addition, the majority of our product sales are denominated in U.S. dollars. Fluctuations in the exchange rate between the U.S. dollar and the local currency can cause increases or decreases in the cost of our products in the local currency of such customers. An appreciation of the U.S. dollar relative to the local currency could reduce sales of our products.

Operational and Technology Risks

We rely on third parties to manufacture our products, and if they are unable to do so on a timely basis in sufficient quantities and using competitive technologies, our business could be materially adversely affected.

We utilize third-party wafer foundries to fabricate the silicon wafers for all of our products. We rely on Taiwan Semiconductor Manufacturing Company Limited (TSMC) for the production of all wafers for microprocessor and GPU products at 7 nanometer (nm) or smaller nodes, and we rely primarily on GLOBALFOUNDRIES Inc. (GF) for wafers for microprocessor and GPU products manufactured at process nodes larger than 7 nm. We also utilize TSMC, United Microelectronics Corporation (UMC) and Samsung Electronics Co., Ltd. for our integrated circuits (IC) in the form of programmable logic devices. We also rely on third-party manufacturers to assemble, test, mark and pack (ATMP) our products. Our third-party package assembly partners are responsible for packaging technology used to fabricate our products. It is important to have reliable relationships with all of these third-party manufacturing suppliers to ensure adequate product supply to respond to customer demand.

We cannot guarantee that these manufacturers or our other third-party manufacturing suppliers will be able to meet our near-term or long-term manufacturing requirements. If we experience supply constraints from our third-party manufacturing suppliers, we may be required to allocate the reduced quantities of affected products amongst our customers, which could have a material adverse effect on our relationships with these customers and on our financial condition. In addition, if we are unable to meet customer demand due to fluctuating or late supply from our manufacturing suppliers, it could result in lost sales and have a material adverse effect on our business. For example, if TSMC is not able to manufacture wafers for our microprocessor and GPU products at 7 nm or smaller nodes and our newest IC products in sufficient quantities to meet customer demand, it could have a material adverse effect on our business.

We do not have long-term commitment contracts with some of our third-party manufacturing suppliers. We obtain some of these manufacturing services on a purchase order basis and these manufacturers are not required to provide us with any specified minimum quantity of product beyond the quantities in an existing purchase order. Accordingly, we depend on these suppliers to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable manufacturing yields and to deliver those products to us on a timely basis and at acceptable prices. The manufacturers we use also fabricate wafers and ATMP products for other companies, including certain of our competitors. They could choose to prioritize capacity for other customers, increase the prices that they charge us on short notice, require onerous prepayments, or reduce or eliminate deliveries to us, which could have a material adverse effect on our business.

Other risks associated with our dependence on third-party manufacturers include limited control over delivery schedules, yield, cycle times, quality assurance, price increases, lack of capacity in periods of excess demand, misappropriation of our intellectual property, dependence on several subcontractors, and limited ability to manage inventory and parts. Moreover, if any of our third-party manufacturers (or their subcontractors) suffer any damage to facilities, lose benefits under material agreements, experience power outages, lack sufficient capacity to manufacture our products, encounter financial difficulties, are unable to secure necessary raw materials from their suppliers, suffer any other disruption or reduction in efficiency, or experience uncertain social economic or political circumstances or conditions, we may encounter supply delays or disruptions. If we are unable to secure sufficient or reliable supplies of products, our ability to meet customer demand may be adversely affected and this could materially affect our business.

If we transition the production of some of our products to new manufacturers, we may experience delayed product introductions, lower yields or poorer performance of our products. If we experience problems with product quality or are unable to secure sufficient capacity from a particular third-party manufacturer, or if we for other reasons cease utilizing one of those manufacturers, we may be unable to timely secure an alternative supply for any specific product. We could experience significant delays in the shipment of our products if we are required to find alternative third-party manufacturers, which could have a material adverse effect on our business.

We are a party to a wafer supply agreement (WSA) with GF that governs the terms by which we purchase products manufactured by GF and this agreement is in place through 2025. In May 2021, we entered into an amendment to the WSA, and in December 2021, we further amended these terms (the Amendment). Under the Amendment, GF will provide a minimum annual capacity allocation to us for years 2022 through 2025 and AMD has corresponding annual wafer purchase targets. If we do not meet the annual wafer purchase target for any of these years, we will be required to pay to GF a portion of the difference between the actual wafer purchases and the wafer purchase target for that year. AMD and GF also have agreed to wafer pricing through 2025, and AMD is obligated to pre-pay GF certain amounts for those wafers in 2022 and 2023. The Amendment no longer includes any exclusivity commitments and provides us with full flexibility to contract with any wafer foundry with respect to all products manufactured at any technology node. If our actual wafer requirements are less than the number of wafers required to meet the applicable annual wafer purchase target, we could have excess inventory or higher inventory unit costs, both of which may adversely impact our gross margin and our results of operations. If GF fails to meet its minimum annual capacity allocation obligations, we could experience significant delays in the shipment of our products, which could have a material adverse effect on our business.

We are party to two ATMP joint ventures (collectively, the ATMP JVs) with affiliates of Tongfu Microelectronics Co., Ltd. The majority of our ATMP services are provided by the ATMP JVs and there is no guarantee that the ATMP JVs will be able to fulfill our long-term ATMP requirements. If we are unable to meet customer demand due to fluctuating or late supply from the ATMP JVs, it could result in lost sales and have a material adverse effect on our business.

If essential equipment, materials, substrates or manufacturing processes are not available to manufacture our products, we could be materially adversely affected.

We may purchase equipment, materials and substrates for use by our back-end manufacturing service providers from a number of suppliers and our operations depend upon obtaining deliveries of adequate supplies of equipment and materials on a timely basis. Our third-party suppliers also depend on the same timely delivery of adequate quantities of equipment and materials in the manufacture of our products. In addition, as many of our products increase in technical complexity, we rely on our third-party suppliers to update their processes in order to continue meeting our back-end manufacturing needs. Certain equipment and materials that are used in the manufacture of our products are available only from a limited number of suppliers, or in some cases, a sole supplier. We also depend on a limited number of suppliers to provide the majority of certain types of integrated circuit packages for our microprocessors, including our APU products. Similarly, certain non-proprietary materials or components such as memory, printed circuit boards (PCBs), interposers, substrates and capacitors used in the manufacture of our products are currently available from only a limited number of suppliers. If we are unable to procure a stable supply of equipment, materials or substrates on an ongoing basis and at reasonable costs to meet our production requirements, we could experience a shortage in equipment, materials or substrate supply or an increase in production costs, which could have a material adverse effect on our business. We have long-term purchase commitments and prepayment arrangements with some of our suppliers. If the delivery of such supply is delayed or does not occur for any reason, it could materially impact our ability to procure and process the required volume of supply to meet customer demand. Conversely, a decrease in customer demand could result in excess inventory and an increase in our production costs, particularly since we have prepayment arrangements with certain suppliers. Because some of the equipment and materials that we and our third-party manufacturers purchase are complex, it is sometimes difficult to substitute one equipment or materials supplier for another. From time to time, suppliers may extend lead times, limit supply or increase prices due to capacity constraints or other factors. Also, some of these materials and components may be subject to rapid changes in price and availability. Interruption of supply or increased demand in the industry could cause shortages and price increases in various essential materials. Dependence on a sole supplier or a limited number of suppliers exacerbates these risks. If we are unable to procure certain of these materials for our back-end manufacturing operations, or our third-party manufacturers are unable to procure materials for manufacturing our products, our business would be materially adversely affected.

Failure to achieve expected manufacturing yields for our products could negatively impact our financial results.

Semiconductor manufacturing yields are a result of product design, process technology and packaging technology, which is typically proprietary to the manufacturer, and low yields can result from design failures, packaging technology failures, process technology failures or a combination of some or all of these. Our third-party manufacturers are responsible for the process technologies used to fabricate silicon wafers. If our third-party manufacturers experience manufacturing inefficiencies or encounter disruptions, errors or difficulties during production, we may fail to achieve acceptable yields or we may experience product delivery delays. We cannot be certain that our third-party manufacturers will be able to develop, obtain or successfully implement leading-edge process or packaging technologies needed to manufacture future generations of our products profitably or on a timely basis or that our competitors will not develop new technologies, products or processes earlier. Moreover, during periods when our third-party manufacturers are implementing new process or packaging technologies, their manufacturing facilities may not be fully productive. A substantial delay in the technology transitions to smaller process technologies could have a material adverse effect on us, particularly if our competitors transition to more cost effective technologies before us. For example, we are presently focusing our 7 nm and lower product microprocessor and GPU portfolio on TSMC's processes. If TSMC is not able to manufacture wafers for our products at 7 nm or smaller nodes in sufficient quantities to meet customer demand, it could have a material adverse effect on our business. Moreover, we rely on TSMC, UMC and our other foundries to produce wafers with competitive performance attributes for our IC products. Therefore, the foundries, particularly TSMC which manufactures our newest IC products, must be able to transition to advanced manufacturing process technologies and increased wafer sizes, produce wafers at acceptable yields and deliver them in a timely manner.

Any decrease in manufacturing yields could result in an increase in per unit costs, which would adversely impact our gross margin and/or force us to allocate our reduced product supply amongst our customers, which could harm our relationships and reputation with our customers and materially adversely affect our business.

The success of our business is dependent upon our ability to introduce products on a timely basis with features and performance levels that provide value to our customers while supporting and coinciding with significant industry transitions.

Our success depends to a significant extent on the development, qualification, implementation and acceptance of new product designs and improvements that provide value to our customers. Our ability to develop, qualify and distribute, and have manufactured, new products and related technologies to meet evolving industry requirements, at prices acceptable to our customers and on a timely basis, are significant factors in determining our competitiveness in our target markets. As consumers have new product feature preferences or have different requirements than those consumers in the PC market, PC sales could be negatively impacted, which could adversely impact our business. Our product roadmap includes our next-generation AMD Ryzen™, AMD Radeon™, and AMD EPYC™ processors and FPGAs. We cannot assure you that our efforts to execute our product roadmap will result in innovative products and technologies that provide value to our customers. If we fail to or are delayed in developing, qualifying or shipping new products or technologies that provide value to our customers and address these new trends or if we fail to predict which new form factors consumers will adopt and adjust our business accordingly, we may lose competitive positioning, which could cause us to lose market share and require us to discount the selling prices of our products. Although we make substantial investments in research and development, we cannot be certain that we will be able to develop, obtain or successfully implement new products and technologies on a timely basis or that they will be well-received by our customers. Moreover, our investments in new products and technologies involve certain risks and uncertainties and could disrupt our ongoing business. New investments may not generate sufficient revenue, may incur unanticipated liabilities and may divert our limited resources and distract management from our current operations. We cannot be certain that our ongoing investments in new products and technologies will be successful, will meet our expectations and will not adversely affect our reputation, financial condition and operating results.

Delays in developing, qualifying or shipping new products can also cause us to miss our customers' product design windows or, in some cases, breach contractual obligations or cause us to pay penalties. If our customers do not include our products in the initial design of their computer systems or products, they will typically not use our products in their systems or products until at least the next design configuration. The process of being qualified for inclusion in a customer's system or product can be lengthy and could cause us to further miss a cycle in the demand of end-users, which also could result in a loss of market share and harm our business. We also depend on the success and timing of our customers' platform launches. If our customers delay their product launches or if our customers do not effectively market their platforms with our products, it could result in a delay in bringing our

products to market and cause us to miss a cycle in the demand of end-users, which could materially adversely affect our business. In addition, market demand requires that products incorporate new features and performance standards on an industry-wide basis. Over the life of a specific product, the sale price is typically reduced over time. The introduction of new products and enhancements to existing products is necessary to maintain the overall corporate average selling price. If we are unable to introduce new products with sufficiently high sale prices or to increase unit sales volumes capable of offsetting the reductions in the sale prices of existing products over time, our business could be materially adversely affected.

Our revenue from our semi-custom SoC products is dependent upon our semi-custom SoC products being incorporated into customers' products and the success of those products.

The revenue that we receive from our semi-custom SoC products is in the form of non-recurring engineering fees charged to third parties for design and development services and revenue received in connection with sales of our semi-custom SoC products to these third parties. As a result, our ability to generate revenue from our semi-custom products depends on our ability to secure customers for our semi-custom design pipeline, our customers' desire to pursue the project and our semi-custom SoC products being incorporated into those customers' products. Any revenue from sales of our semi-custom SoC products is directly related to sales of the third-party's products and reflective of their success in the market. Moreover, we have no control over the marketing efforts of these third parties, and we cannot make any assurances that sales of their products will be successful in current or future years. Consequently, the semi-custom SoC product revenue expected by us may not be fully realized and our operating results may be adversely affected.

Our products may be subject to security vulnerabilities that could have a material adverse effect on us.

The products that we sell are complex and have been and may in the future be subject to security vulnerabilities that could result in, among other things, the loss, corruption, theft or misuse of confidential data or system performance issues. Our efforts to prevent and address security vulnerabilities may decrease performance, be only partially effective or not successful at all. We may depend on vendors to create mitigations to their technology that we incorporate into our products and they may delay or decline to make such mitigations. We may also depend on third parties, such as customers and end users, to deploy our mitigations alone or as part of their own mitigations, and they may delay, decline or modify the implementation of such mitigations. Our relationships with our customers could be adversely affected as some of our customers may stop purchasing our products, reduce or delay future purchases of our products, or use competing products. Any of these actions by our customers could adversely affect our revenue. We have and may in the future be subject to claims and litigation related to security vulnerabilities. Actual or perceived security vulnerabilities of our products may subject us to adverse publicity, damage to our brand and reputation, and could materially harm our business or financial results.

IT outages, data loss, data breaches and cyber-attacks could compromise our intellectual property or other sensitive information, be costly to remediate or cause significant damage to our business, reputation and operations.

In the ordinary course of our business, we maintain sensitive data on our information technology (IT) assets, and also may maintain sensitive information on our business partners' and third-party providers' IT assets, including our intellectual property and proprietary or confidential business information relating to our business and that of our customers and business partners. The White House, SEC and other regulators have also increased their focus on companies' cybersecurity vulnerabilities and risks. Maintaining the security of this information is important to our business and reputation. AMD and companies like AMD and our vendors and customers have been increasingly subject to cybersecurity attempts that can result in a wide variety of security incidents, cyber-attacks, hacking and phishing attacks, business and system disruption attacks, and other attempts to gain unauthorized access. The increased prevalence of work-from-home arrangements at AMD and our providers has presented additional operational risks and cybersecurity attack vectors to our IT systems. These threats can come from a variety of sources, all ranging in sophistication from an individual hacker or insider threat to a state-sponsored attack. Cyber threats may be generic, or they may be custom-crafted against our information systems. Cyber threats may come into our network through malicious code that is added to widely available open-source software or security vulnerabilities that are being used by attackers prior to mitigations being put in place, such as zero day attacks. Cyber-attacks have become increasingly more prevalent and much harder to detect, defend against or prevent. Our network and storage applications, as well as those of our customers, business partners, and third-party providers, may be subject to unauthorized access by hackers or breached due to operator error, malfeasance or other system disruptions.

It is often difficult to anticipate or immediately detect such incidents and the damage caused by such incidents. It also may not be possible to determine the root cause of such incidents or mitigate quickly enough to stop an attack.

These data breaches and any unauthorized access, misuse or disclosure of our information or intellectual property could compromise our intellectual property and expose sensitive business information or personally identifiable information. Cyber-attacks on us or our customers, business partners or third-party providers could also cause us to incur significant remediation costs, result in product development delays, disrupt key business operations and divert attention of management and key information technology resources. These incidents could also subject us to liability, expose us to significant expense and cause significant harm to our reputation and business.

We also maintain confidential and personally identifiable information about our workers and consumers. The confidentiality and integrity of our worker and consumer data is important to our business and our workers and consumers have a high expectation that we adequately protect their personal information. In addition, many governments have enacted laws around personally identifiable information, such as the European Union's General Data Protection Regulation and the California Consumer Privacy Act, and failure to comply or a breach of personally identifiable information could result in sanctions or other actions by the governments or litigation by other entities.

We anticipate ongoing and increasing costs related to enhancing and implementing information security controls, including costs related to upgrading application, computer, and network security components; training workers to maintain and monitor our security controls; investigating, responding to and remediating any data security breach, and addressing any related litigation; mitigating reputational harm; and complying with external regulations.

We often partner with third-party providers for certain worker services and we may provide certain limited worker information to such third parties based on the scope of the services provided to us. We also provide sensitive information to vendors, customers and contractors. If these third parties fail to adopt or adhere to adequate data security practices, or in the event of a breach of their networks, our workers' data and sensitive information may be improperly accessed, used or disclosed.

A breach of data privacy may cause significant disruption of our business operations. Failure to adequately maintain and update our security systems could materially adversely affect our operations and our ability to maintain worker confidence. Failure to prevent unauthorized access to electronic and other confidential information, IT outages, data loss and data breaches could materially adversely affect our financial condition, our competitive position and operating results.

We may encounter difficulties in upgrading and operating our new enterprise resource planning system, which could materially adversely affect us.

We are currently upgrading to our enterprise resource planning (ERP) system to help us manage our operations and financial reporting. The adoption of a new ERP system is a major undertaking and poses several challenges, both financially and from a management and personnel perspective. Costs and risks inherent in the conversion to our upgraded and new system may include disruption business continuity, maintaining effective internal controls, administrative and technical problems, interruptions or delays in sales processes, expenditure overruns, and data migration issues. If we do not properly address or mitigate these issues it could result in increased costs and the diversion of management's attention and resources, negatively impacting our operating results and ability to effectively manage our business. Moreover, once our ERP system is upgraded, it may not operate as we expect it to and cause disruption to our operations. There are no assurances that our new ERP system will be successfully implemented and the failure to do so could have a material adverse effect on our business.

Uncertainties involving the ordering and shipment of our products could materially adversely affect us.

We typically sell our products pursuant to individual purchase orders. We generally do not have long-term supply arrangements with our customers or minimum purchase requirements except that orders generally must be for standard pack quantities. Generally, our customers may cancel orders for standard products more than 30 days prior to shipment without incurring significant fees. We base our inventory levels in part on customers' estimates of demand for their products, which may not accurately predict the quantity or type of our products that our customers will want in the future or ultimately end up purchasing. Our ability to forecast demand is even further complicated when our products are sold indirectly through downstream channel distributors and customers, as our forecasts for demand are then based on estimates provided by multiple parties throughout the downstream channel. For instance, we have experienced and continue to experience increased demand for our products. To the extent we fail to forecast demand and product mix accurately or are unable to increase production or secure sufficient capacity and there is a mismatch between supply and demand for our products, it could limit our ability to meet customer demand and have a material adverse effect on our business. Many of our markets are characterized by short product lifecycles, which can lead to rapid obsolescence and price erosion. In addition, our customers may change

their inventory practices on short notice for any reason. We may build inventories during periods of anticipated growth, and the cancellation or deferral of product orders or overproduction due to failure of anticipated orders to materialize could result in excess or obsolete inventory, which could result in write-downs of inventory and an adverse effect on gross margins. Our customers may also experience a shortage of, or delay in receiving certain components to build their products, which in turn may affect the demand for or the timing of our products. For instance, OEMs have and continue to experience industry-wide challenges securing matched component sets to build their products.

Factors that may result in excess or obsolete inventory, which could result in write-downs of the value of our inventory, a reduction in the average selling price or a reduction in our gross margin include: a sudden or significant decrease in demand for our products; a production or design defect in our products; a higher incidence of inventory obsolescence because of rapidly changing technology and customer requirements; a failure to accurately estimate customer demand for our products, including for our older products as our new products are introduced; or our competitors introducing new products or taking aggressive pricing actions.

Our ability to design and introduce new products in a timely manner is dependent upon third-party intellectual property.

In the design and development of new and enhanced products, we rely on third-party intellectual property such as development and testing tools for software and hardware. Furthermore, certain product features may rely on intellectual property acquired from third parties. The design requirements necessary to meet customer demand for more features and greater functionality from semiconductor products may exceed the capabilities of the third-party intellectual property or development or testing tools available to us. If the third-party intellectual property that we use becomes unavailable, is not available with required functionality or performance in the time frame, manufacturing technology, or price point needed for our new products or fails to produce designs that meet customer demands, our business could be materially adversely affected.

We depend on third-party companies for the design, manufacture and supply of motherboards, software, memory and other computer platform components to support our business and products.

We depend on third-party companies for the design, manufacture and supply of motherboards, graphics cards, software (e.g., BIOS, operating systems, drivers), memory and other components that we use to design, support and sell, and our customers utilize to support and/or use our product offerings. We also rely on our AIB partners to support our products. In addition, our microprocessors are not designed to function with motherboards and chipsets designed to work with Intel microprocessors. If the designers, manufacturers, AIBs and suppliers of motherboards, graphics cards, software, memory and other components cease or reduce their design, manufacture or production of current or future products that are based on, utilized in, or support our products, our business could be materially adversely affected.

If we lose Microsoft Corporation's support for our products or other software vendors do not design and develop software to run on our products, our ability to sell our products could be materially adversely affected.

Our ability to innovate beyond the x86 instruction set controlled by Intel depends partially on Microsoft designing and developing its operating systems to run on or support our x86-based microprocessor products. With respect to our graphics products, we depend in part on Microsoft to design and develop its operating system to run on or support our graphics products. Similarly, the success of our products in the market, such as our APU products, is dependent on independent software providers designing and developing software to run on our products. If Microsoft does not continue to design and develop its operating systems so that they work with our x86 instruction sets or does not continue to develop and maintain their operating systems to support our graphics products, independent software providers may forego designing their software applications to take advantage of our innovations and customers may not purchase PCs with our products. In addition, some software drivers licensed for use with our products are certified by Microsoft. If Microsoft did not certify a driver, or if we otherwise fail to retain the support of Microsoft or other software vendors, our ability to market our products would be materially adversely affected.

Our reliance on third-party distributors and AIB partners subjects us to certain risks.

We market and sell our products directly and through third-party distributors and AIB partners pursuant to agreements that can generally be terminated for convenience by either party upon prior notice to the other party. These agreements are non-exclusive and permit both our distributors and AIB partners to offer our competitors'

products. We are dependent on our distributors and AIB partners to supplement our direct marketing and sales efforts. If any significant distributor or AIB partner or a substantial number of our distributors or AIB partners terminated their relationship with us, decided to market our competitors' products over our products or decided not to market our products at all, our ability to bring our products to market would be impacted and we would be materially adversely affected. In addition, if we are unable to collect accounts receivable from our significant distributors and/or AIB partners, it could have a material adverse effect on our business. If we are unable to manage the risks related to the use of our third-party distributors and AIB partners or offer appropriate incentives to focus them on the sale of our products, our business could be materially adversely affected.

Additionally, distributors and AIB partners typically maintain an inventory of our products. In most instances, our agreements with distributors protect their inventory of our products against price reductions, as well as provide return rights for any product that we have removed from our price book that is less than 12 months older than the manufacturing date. Some agreements with our distributors also contain standard stock rotation provisions permitting limited levels of product returns. Our agreements with AIB partners protect their inventory of our products against price reductions. In the event of a significant decline in the price of our products, the price protection rights we offer would materially adversely affect us because our revenue and corresponding gross margin would decline.

Our business is dependent upon the proper functioning of our internal business processes and information systems and modification or interruption of such systems may disrupt our business, processes and internal controls.

We rely upon a number of internal business processes and information systems to support key business functions, and the efficient operation of these processes and systems is critical to our business. Our business processes and information systems need to be sufficiently scalable to support the growth of our business and may require modifications or upgrades that expose us to a number of operational risks. As such, our information systems will continually evolve and adapt in order to meet our business needs. These changes may be costly and disruptive to our operations and could impose substantial demands on management time.

These changes may also require changes in our information systems, modification of internal control procedures and significant training of employees and third-party resources. We continuously work on simplifying our information systems and applications through consolidation and standardization efforts. There can be no assurance that our business and operations will not experience any disruption in connection with this transition. Our information technology systems, and those of third-party information technology providers or business partners, may also be vulnerable to damage or disruption caused by circumstances beyond our control including catastrophic events, power anomalies or outages, natural disasters, viruses or malware, cyber-attacks, data breaches and computer system or network failures, exposing us to significant cost, reputational harm and disruption or damage to our business.

In addition, as our IT environment continues to evolve, we are embracing new ways of communicating and sharing data internally and externally with customers and partners using methods such as mobility and the cloud that can promote business efficiency. However, these practices can also result in a more distributed IT environment, making it more difficult for us to maintain visibility and control over internal and external users, and meet scalability and administrative requirements. If our security controls cannot keep pace with the speed of these changes, or if we are not able to meet regulatory and compliance requirements, our business would be materially adversely affected.

If our products are not compatible with some or all industry-standard software and hardware, we could be materially adversely affected.

Our products may not be fully compatible with some or all industry-standard software and hardware. Further, we may be unsuccessful in correcting any such compatibility problems in a timely manner. If our customers are unable to achieve compatibility with software or hardware, we could be materially adversely affected. In addition, the mere announcement of an incompatibility problem relating to our products could have a material adverse effect on our business.

Costs related to defective products could have a material adverse effect on us.

Products as complex as those we offer may contain defects or failures when first introduced or when new versions or enhancements to existing products are released. We cannot assure you that, despite our testing procedures, errors will not be found in new products or releases after commencement of commercial shipments in the future, which could result in loss of or delay in market acceptance of our products, material recall and replacement costs, loss of revenue, writing down the inventory of defective products, the diversion of the attention of our engineering personnel from product development efforts, defending against litigation related to defective products or related liabilities, including property damage, personal injury, damage to our reputation in the industry and loss of data or intangible property, and could adversely affect our relationships with our customers. In addition, we may have difficulty identifying the end customers of the defective products in the field. As a result, we could incur substantial costs to implement modifications to correct defects. Any of these problems could materially adversely affect our business.

We could be subject to potential product liability claims if one of our products causes, or merely appears to have caused, an injury, whether tangible or intangible. Claims may be made by consumers or others selling our products, and we may be subject to claims against us even if an alleged injury is due to the actions of others. A product liability claim, recall or other claim with respect to uninsured liabilities or for amounts in excess of insured liabilities could have a material adverse effect on our business.

If we fail to maintain the efficiency of our supply chain as we respond to changes in customer demand for our products, our business could be materially adversely affected.

Our ability to meet customer demand for our products depends, in part, on our ability to deliver the products our customers want on a timely basis. Accordingly, we rely on our supply chain for the manufacturing, distribution and fulfillment of our products. As we continue to grow our business, expand to high-growth adjacent markets, acquire new customers and strengthen relationships with existing customers, the efficiency of our supply chain will become increasingly important because many of our customers tend to have specific requirements for particular products, and specific time-frames in which they require delivery of these products. If we are unable to consistently deliver the right products to our customers on a timely basis in the right locations, our customers may reduce the quantities they order from us, which could have a material adverse effect on our business.

We outsource to third parties certain supply-chain logistics functions, including portions of our product distribution, transportation management and information technology support services.

We rely on third-party providers to operate our regional product distribution centers and to manage the transportation of our work-in-process and finished products among our facilities, to our third-party manufacturers and to our customers. In addition, we rely on third parties to provide certain information technology services to us, including help desk support, desktop application services, business and software support applications, server and storage administration, data center operations, database administration and voice, video and remote access. We cannot guarantee that these providers will fulfill their respective responsibilities in a timely manner in accordance with the contract terms, in which case our internal operations and the distribution of our products to our customers could be materially adversely affected. Also, we cannot guarantee that our contracts with these third-party providers will be renewed, in which case we would have to transition these functions in-house or secure new providers, which could have a material adverse effect on our business if the transition is not executed appropriately.

Our inability to effectively control the sales of our products on the gray market could have a material adverse effect on us.

We market and sell our products directly to OEMs and through authorized third-party distributors. From time to time, our products are diverted from our authorized distribution channels and are sold on the "gray market." Gray market products result in shadow inventory that is not visible to us, thus making it difficult to forecast demand accurately. Also, when gray market products enter the market, we and our distribution channels compete with these heavily discounted gray market products, which adversely affects demand for our products and negatively impacts our margins. In addition, our inability to control gray market activities could result in customer satisfaction issues because any time products are purchased outside our authorized distribution channels there is a risk that our customers are buying counterfeit or substandard products, including products that may have been altered, mishandled or damaged, or are used products represented as new.

Legal and Regulatory Risks

Government actions and regulations such as export administration regulations, tariffs, and trade protection measures may limit our ability to export our products to certain customers.

We have equity interests in two joint ventures (collectively, the THATIC JV) with Higon Information Technology Co., Ltd. (THATIC), a third-party Chinese entity. In June 2019, the Bureau of Industry and Security (BIS) of the United States Department of Commerce added certain Chinese entities to the Entity List, including THATIC and the THATIC JV. In October 2019, the BIS added additional Chinese entities to the Entity List. Also, the United States administration has called for changes to domestic and foreign policy. Specifically, United States-China trade relations remain uncertain. The United States administration has announced tariffs on certain products imported into the United States with China as the country of origin, and China has imposed tariffs in response to the actions of the United States. We are taking steps to mitigate the impact of these tariffs on our business and AMD processor-based products. There is also a possibility of future tariffs, trade protection measures, import or export regulations or other restrictions imposed on our products or on our customers by the United States, China or other countries that could have a material adverse effect on our business. Recently, the United States and other countries and coalitions have issued sanctions and revisions to export control and other regulations against Russia, Belarus or the DNR or LNR regions of Ukraine, due to the conflict in the Ukraine. A significant trade disruption or the establishment or increase of any tariffs, trade protection measures or restrictions could result in lost sales adversely impacting our reputation and business.

Our FPGAs and related technologies are subject to Export Administration Regulations (EAR), which are administered by the U.S. Department of Commerce. In addition, we may, from time to time, receive technical data from third parties that is subject to the International Traffic and Arms Regulations (ITAR), which are administered by the U.S. Department of State. EAR and ITAR govern the export and re-export of these FPGAs, the transfer of related technologies, whether in the U.S. or abroad, and the provision of services. We are required to maintain an internal compliance program and security infrastructure to meet EAR and ITAR requirements. An inability to obtain the required export licenses, or to predict when they will be granted, increases the difficulties of forecasting shipments. In addition, security or compliance program failures that could result in penalties or a loss of export privileges, as well as stringent licensing restrictions that may make our products less attractive to overseas customers, could have a material adverse effect on our business, financial condition and/or operating results.

If we cannot realize our deferred tax assets, our results of operations could be adversely affected.

Our deferred tax assets include net operating losses and tax credit carryforwards that can be used to offset taxable income and reduce income taxes payable in future periods. Each quarter, we consider both positive and negative evidence to determine whether all or a portion of the deferred tax assets are more likely than not to be realized. If we determine that some or all of our deferred tax assets are not realizable, it could result in a material expense in the period in which this determination is made which may have a material adverse effect on our financial condition and results of operations.

In addition, a significant amount of our deferred tax assets related to net operating losses or tax credits which remain under a valuation allowance could be subject to limitations under Internal Revenue Code Section 382 or 383, separate return loss year rules, or dual consolidated loss rules. The limitations could reduce our ability to utilize the net operating losses or tax credits before the expiration of the tax attributes.

Our business is subject to potential tax liabilities, and exposure to greater-than-anticipated income tax liabilities as a result of changes in tax rules and regulations, changes in interpretation of tax rules and regulations, or unfavorable assessments from tax audits, any of which could affect our effective tax rates, financial condition, and results of operations

We are a U.S.-based multinational company subject to income tax, indirect tax or other tax claims in multiple U.S. and foreign tax jurisdictions in which we conduct business. Significant judgment is required in determining our worldwide provision for income taxes. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Any changes to tax laws could have a material adverse effect on our tax obligations and effective tax rate. Our income tax obligations could be affected by many factors, including, but not limited to, changes to our corporate operating structure, intercompany arrangements, and tax planning strategies.

Our income tax expense is computed based on tax rates at the time of the respective financial period. Our future effective tax rates, financial condition and results from operations could be unfavorably affected by changes in the

tax rates in jurisdictions where our income is earned, by changes in the tax rules and regulations or the interpretation of tax rules and regulations in the jurisdictions in which we do business or by changes in the valuation of our deferred tax assets.

In addition, we are subject to examinations of our income tax returns by domestic and foreign tax authorities. We regularly assess the likelihood of outcomes resulting from these examinations to determine the adequacy of our provision for income taxes and have reserved for potential adjustments that may result from the current examinations. There can be no assurance that the final determination of any of these examinations will not have an adverse effect on our effective tax rates, financial condition, and results of operations.

In the ordinary course of our business, there are many transactions and calculations where the ultimate income tax, indirect tax, or other tax determination is uncertain. Although we believe our tax estimates are reasonable, we cannot assure that the final determination of any tax audits or litigation will not be materially different from that which is reflected in historical tax provisions and accruals. Should additional taxes be assessed as a result of an audit, assessment or litigation, there could be a material adverse effect on our cash, tax provisions and net income in the period or periods for which that determination is made.

We are party to litigation and may become a party to other claims or litigation that could cause us to incur substantial costs or pay substantial damages or prohibit us from selling our products.

From time to time, we are a defendant or plaintiff in various legal actions, as described in Note 13 - Commitments and Contingencies of the Notes to our Condensed Consolidated Financial Statements. For example, we have been subject to certain claims concerning federal securities laws and corporate governance. Our products are purchased by and/or used by consumers, which could increase our exposure to consumer actions such as product liability claims and consumer class action claims. On occasion, we receive claims that individuals were allegedly exposed to substances used in our former semiconductor wafer manufacturing facilities and that this alleged exposure caused harm. Litigation can involve complex factual and legal questions, and its outcome is uncertain. It is possible that if a claim is successfully asserted against us, it could result in the payment of damages that could be material to our business.

With respect to intellectual property litigation, from time to time, we have been notified of, or third parties may bring or have brought, actions against us and/or against our customers based on allegations that we are infringing the intellectual property rights of others, contributing to or inducing the infringement of the intellectual property rights of others, improperly claiming ownership of intellectual property or otherwise improperly using the intellectual property of others. If any such claims are asserted, we may seek to obtain a license under the third parties' intellectual property rights. We cannot assure you that we will be able to obtain all of the necessary licenses on satisfactory terms, if at all. These parties may file lawsuits against us or our customers seeking damages (potentially up to and including treble damages) or an injunction against the sale of products that incorporate allegedly infringed intellectual property or against the operation of our business as presently conducted, which could result in our having to stop the sale of some of our products or to increase the costs of selling some of our products or which could damage our reputation. The award of damages, including material royalty payments, or other types of damages, or the entry of an injunction against the manufacture and sale of some or all of our products could have a material adverse effect on us. We could decide, in the alternative, to redesign our products or to resort to litigation to challenge such claims. Such challenges could be extremely expensive and time-consuming regardless of their merit, could cause delays in product release or shipment and/or could have a material adverse effect on us. We cannot assure you that litigation related to our intellectual property rights or the intellectual property rights of others can always be avoided or successfully concluded.

Even if we were to prevail, any litigation could be costly and time-consuming and would divert the attention of our management and key personnel from our business operations, which could have a material adverse effect on us.

We are subject to environmental laws, conflict minerals-related provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act as well as a variety of other laws or regulations that could result in additional costs and liabilities.

Our operations and properties have in the past been and continue to be subject to various United States and foreign laws and regulations, including those relating to materials used in our products and manufacturing processes, discharge of pollutants into the environment, the treatment, transport, storage and disposal of solid and hazardous wastes and remediation of contamination. These laws and regulations require our suppliers to obtain permits for operations making our products, including the discharge of air pollutants and wastewater. Although our management systems are designed to oversee our suppliers' compliance, we cannot assure you that our suppliers

have been or will be at all times in complete compliance with such laws, regulations and permits. If our suppliers violate or fail to comply with any of them, a range of consequences could result, including fines, suspension of production, alteration of manufacturing processes, import/export restrictions, sales limitations, criminal and civil liabilities or other sanctions. Such non-compliance from our manufacturing suppliers could result in disruptions in supply, higher sourcing costs, and/or reputational damage for us. We could also be held liable for any and all consequences arising out of exposure to hazardous materials used, stored, released, disposed of by us or located at, under or emanating from our former facilities or other environmental or natural resource damage. While we have budgeted for foreseeable associated expenditures, we cannot assure you that future environmental legal requirements will not become more stringent or costly in the future. Therefore, we cannot assure you that our costs of complying with current and future environmental and health and safety laws, and our liabilities arising from past and future releases of, or exposure to, hazardous substances will not have a material adverse effect on us.

Environmental laws are complex, change frequently and have tended to become more stringent over time. For example, the European Union (EU) and China are two among a growing number of jurisdictions that have enacted restrictions on the use of lead and other materials in electronic products. These regulations affect semiconductor devices and packaging. As regulations restricting materials in electronic products continue to increase around the world, there is a risk that the cost, quality and manufacturing yields of products that are subject to these restrictions may be less favorable compared to products that are not subject to such restrictions, or that the transition to compliant products may not meet customer roadmaps, or produce sudden changes in demand, which may result in excess inventory. A number of jurisdictions including the EU, Australia, California and China are developing or have finalized market entry or public procurement regulations for computers and servers based on ENERGY STAR specifications as well as additional energy consumption limits. There is the potential for certain of our products being excluded from some of these markets which could materially adversely affect us.

Certain environmental laws, including the United States Comprehensive, Environmental Response, Compensation and Liability Act of 1980, or the Superfund Act, impose strict or, under certain circumstances, joint and several liability on current and previous owners or operators of real property for the cost of removal or remediation of hazardous substances and impose liability for damages to natural resources. These laws often impose liability even if the owner or operator did not know of, or was not responsible for, the release of such hazardous substances. These environmental laws also assess liability on persons who arrange for hazardous substances to be sent to disposal or treatment facilities when such facilities are found to be contaminated. Such persons can be responsible for cleanup costs even if they never owned or operated the contaminated facility. We have been named as a responsible party at three Superfund sites in Sunnyvale, California. Although we have not yet been, we could be named a potentially responsible party at other Superfund or contaminated sites in the future. In addition, contamination that has not yet been identified could exist at our other facilities.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC adopted disclosure and reporting requirements for companies that use "conflict" minerals originating from the Democratic Republic of Congo or adjoining countries. We continue to incur additional costs associated with complying with these requirements, such as costs related to developing internal controls for the due diligence process, determining the source of any conflict minerals used in our products, auditing the process and reporting to our customers and the SEC. In addition to the SEC regulation, the European Union, China and other jurisdictions are developing new policies focused on conflict minerals that may impact and increase the cost of our compliance program. Customers are increasingly seeking information about the source of minerals used in our supply chain beyond those addressed in laws and regulations. Given the complexity of mineral supply chains, we may face reputational challenges if we are unable to sufficiently verify the origins of the subject minerals. Moreover, we are likely to encounter challenges to satisfy those customers who require that all of the components of our products be certified as "conflict free." If we cannot satisfy these customers, they may choose a competitor's products.

Customers, governments and authorities are increasingly focused on the risk of forced labor in supply chains that may increase the cost of our compliance program. Germany's federal procurement office, in collaboration with the Bitkom trade association, issued new supply chain labor requirements. In addition, the United Kingdom, Australia and the State of California have previously issued laws that require us to disclose our policy and practices for identifying and eliminating forced labor and human trafficking in our supply chain. Several customers have also issued expectations to eliminate these practices that may impact us. While we have a Human Rights Policy and management systems to identify and avoid these practices in our supply chain, we cannot guarantee that our suppliers will always be in conformance to these laws and expectations. We may face enforcement liability and reputational challenges if we are unable to sufficiently meet these expectations. Moreover, we are likely to encounter challenges with customers if we cannot satisfy their forced and trafficked labor policies and they may choose a competitor's product.

Merger, Acquisition and Integration Risks

Acquisitions, joint ventures and/or investments, including our acquisitions of Xilinx and Pensando, and the failure to integrate acquired businesses, could disrupt our business and/or dilute or adversely affect the price of our common stock.

Our success will depend, in part, on our ability to expand our product offerings and grow our business in response to changing technologies, customer demands and competitive pressures. In some circumstances, we may pursue growth through the acquisition of complementary businesses, solutions or technologies or through joint ventures or investments rather than through internal development. The identification of suitable acquisition or joint venture candidates can be difficult, time-consuming and costly, and we may not be able to successfully complete identified acquisitions or joint ventures.

For example, on February 14, 2022, we completed our acquisition of Xilinx and on May 26, 2022, we completed our acquisition of Pensando. While we believe these acquisitions will result in certain benefits, including certain operational synergies and cost efficiencies, and drive product innovations, achieving these anticipated benefits will depend on successfully combining our and the acquired companies' businesses together. It is not certain that the acquired companies can be successfully integrated with our business in a timely manner or at all, or that any of the anticipated benefits will be realized for a variety of reasons, including, but not limited to: our inability to integrate or benefit from acquired technologies or services in a profitable manner; diversion of capital and other resources, including management's attention from our existing business; unanticipated costs or liabilities associated with the integration; failure to leverage the increased scale of the combined businesses quickly and effectively; coordinating and integrating in countries in which we have not previously operated; the potential impact of the acquisitions on our relationships with employees, vendors, suppliers and customers; the impairment of relationships with, or the loss of, the acquired companies' employees, vendors, suppliers and customers; adverse changes in general economic conditions in regions in which we and the acquired companies operate; potential litigation associated with the acquisitions; difficulties in the assimilation of employees and culture; difficulties in managing the expanded operations of a larger and more complex company; challenges in attracting and retaining key personnel; and difficulties with integrating and upgrading our and the acquired companies' financial reporting systems. Many of these factors will be outside of our control and any one of them could result in increased costs, decreases in expected revenues and diversion of management's time and attention, which could materially impact the combined company. In addition, even if the operations of the businesses are integrated successfully, the full benefits of the acquisitions may not be realized within the anticipated time frame or at all. All of these factors could decrease or delay the expected accretive effect of the acquisitions and negatively impact the combined company. If we cannot successfully integrate our and the acquired companies' businesses and operations, or if there are delays in combining the businesses, it could negatively impact our ability to develop or sell new products and impair our ability to grow our business, which in turn could adversely affect our financial condition and operating results.

Acquisitions and joint ventures may also involve the entry into geographic or business markets in which we have little or no prior experience. Consequently, we may not achieve anticipated benefits of acquisitions or joint ventures, which could harm our operating results. In addition, to complete an acquisition, we may issue equity securities, which would dilute our stockholders' ownership and could adversely affect the price of our common stock, and/or incur debt, assume contingent liabilities or have amortization expenses and write-downs of acquired assets, which could adversely affect our results of operations. Moreover, if such acquisitions or joint ventures require us to seek additional debt or equity financing, we may not be able to obtain such financing on terms favorable to us or at all. Even if we successfully complete an acquisition or joint venture, we may not be able to assimilate and integrate effectively or efficiently the acquired business, technologies, solutions, assets, personnel or operations, particularly if key personnel of the acquired company decide not to work for us.

Acquisitions and joint ventures may also reduce our cash available for operations and other uses, which could harm our business. Also, any failure on our part to effectively evaluate and execute new business initiatives could adversely affect our business. We may not adequately assess the risks of new business initiatives and subsequent events may arise that alter the risks that were initially considered. Furthermore, we may not achieve the objectives and expectations with respect to future operations, products and services. The majority of our ATMP services are provided by the ATMP JVs, and there is no guarantee that the JVs will be able to fulfill our long-term ATMP requirements. If we are unable to meet customer demand due to fluctuating or late supply from the ATMP JVs, it could result in lost sales and have a material adverse effect on our business.

In addition, we may not realize the anticipated benefits from our business initiatives. For example, we may not realize the expected benefits from the THATIC JV's expected future performance, including the receipt of any future

milestone payments and any royalties from certain licensed intellectual property. In June 2019, the BIS added certain Chinese entities to the Entity List, including THATIC and the THATIC JV. We are complying with U.S. law pertaining to the Entity List designation.

Any impairment of our tangible, definite-lived intangible or indefinite-lived intangible assets, including goodwill, may adversely impact our financial position and results of operations.

We account for certain acquisitions, including the Xilinx acquisition, using the acquisition method of accounting under the provisions of ASC 805, Business Combinations, with AMD representing the accounting acquirer under this guidance. We record assets acquired, including identifiable intangible assets, and liabilities assumed, including those from Xilinx and Pensando at their respective fair values at the acquisition date. Any excess of the purchase price over the net fair value of such assets and liabilities will be recorded as goodwill. In connection with the Xilinx and Pensando acquisitions, we recorded significant goodwill and other intangible assets on our consolidated balance sheet.

Indefinite-lived intangible assets, including goodwill, are tested for impairment at least annually, and all tangible and intangible assets including goodwill will be tested for impairment when certain indicators are present. If, in the future, we determine that tangible or intangible assets, including goodwill, are impaired, we would record an impairment charge at that time. Impairment testing of goodwill and intangible assets requires significant use of judgment and assumptions, particularly as it relates to the determination of fair value. A decrease in the long-term economic outlook and future cash flows of our business could significantly impact asset values and potentially result in the impairment of intangible assets, including goodwill, which may have a material adverse impact on our financial position and results of operations.

Liquidity and Capital Resources Risks

The agreements governing our notes, our guarantees of the Assumed Xilinx Notes, and our Revolving Credit Agreement impose restrictions on us that may adversely affect our ability to operate our business.

The indenture governing our 7.50% Senior Notes due 2022 (7.50% Notes) contains various covenants which limit our ability to, among other things: make certain investments, including investments in our unrestricted subsidiaries; and consolidate or merge or sell our assets as an entirety or substantially as an entirety.

The indenture governing our 3.924% Senior Notes due 2032 and 4.393% Senior Notes due 2052 contains various covenants that limit our ability to, among other things: create liens on certain assets to secure debt, enter into certain sale and leaseback transactions; and consolidate with, merge into or sell, convey or lease all or substantially all of our assets to any other person.

Additionally, in connection with the acquisition of Xilinx, we entered into supplemental indentures for the Assumed Xilinx Notes pursuant to which all obligations of Xilinx under the Assumed Xilinx Notes are unconditionally guaranteed on a senior unsecured basis by us. The indentures governing the Assumed Xilinx Notes also contain various covenants which limit our ability to, among other things create certain liens on principal property or the capital stock of certain subsidiaries, enter into certain sale and leaseback transactions with respect to principal property, and consolidate or merge with, or convey, transfer or lease all or substantially all our assets, taken as a whole, to another person.

On April 29, 2022, we entered into a revolving credit agreement (Revolving Credit Agreement) with Wells Fargo Bank, N.A. as administrative agent and other banks identified therein as lenders. The Revolving Credit Agreement provides for a five-year unsecured revolving credit facility in the aggregate principal amount of \$3.0 billion. Also, on April 29, 2022 and in connection with the entry into the Revolving Credit Agreement, we terminated our \$500 million revolving credit agreement dated as of June 7, 2019.

Our Revolving Credit Agreement also contains various covenants which limit our ability to, among other things, incur liens; and consolidate or merge or sell our assets as an entirety or substantially as an entirety (in each case, except for certain customary exceptions). In addition, our Revolving Credit Agreement requires us to maintain a minimum consolidated interest coverage ratio at the end of each fiscal quarter. The agreements governing our notes and our Revolving Credit Agreement contain cross-default provisions whereby a default under certain agreements with respect to other indebtedness would result in cross defaults under the indentures or the Revolving Credit Agreement. For example, the occurrence of a default with respect to any indebtedness or any failure to repay indebtedness when due in an amount in excess of (i) \$50 million would cause a cross default under the indentures (to the extent such default would result in the acceleration of such indebtedness) governing our 7.50% Notes and

2.125% Convertible Senior Notes due 2026 (2.125% Notes), and (ii) \$500 million would cause a cross default under the Revolving Credit Agreement (to the extent such default (other than the failure to repay indebtedness) would result in the acceleration of such indebtedness). The occurrence of a default under any of these borrowing arrangements would permit the applicable note holders or the lenders under our Revolving Credit Agreement to declare all amounts outstanding under the indentures or the Revolving Credit Agreement to be immediately due and payable. If the note holders or the trustee under the indentures governing our 7.50% Notes or 2.125% Notes or the lenders under our Revolving Credit Agreement accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay those borrowings.

Our indebtedness could adversely affect our financial position and prevent us from implementing our strategy or fulfilling our contractual obligations.

Our total debt principal amount outstanding as of June 25, 2022 was \$2.8 billion. Our indebtedness may make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments; limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions and general corporate and other purposes; limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general corporate purposes; require us to use a substantial portion of our cash flow from operations to make debt service payments; place us at a competitive disadvantage compared to our competitors with relatively less debt; and increase our vulnerability to the impact of adverse economic and industry conditions.

We may not be able to generate sufficient cash to meet our working capital requirements. Also, if we cannot generate sufficient revenue and operating cash flow, we may face a cash shortfall and be unable to make all of our planned investments in research and development or other strategic investments.

Our ability to generate sufficient cash to meet our working capital requirements will depend on our financial and operating performance, which may fluctuate significantly from quarter to quarter, and is subject to prevailing economic, financial and business conditions along with other factors, many of which are beyond our control. We cannot assure you that we will be able to generate cash flow in amounts sufficient to enable us to meet our working capital requirements. If we are not able to generate sufficient cash flow from operations, we may be required to sell assets or equity, reduce expenditures, refinance all or a portion of our existing debt or obtain additional financing.

In addition, our ability to fund research and development expenditures depends on generating sufficient revenue and cash flow from operations and the availability of external financing, if necessary. Our research and development expenditures, together with ongoing operating expenses, will be a substantial drain on our cash flow and may decrease our cash balances. If new competitors, technological advances by existing competitors, or other competitive factors require us to invest significantly greater resources than anticipated in our research and development efforts, our operating expenses would increase. If we are required to invest significantly greater resources than anticipated in research and development efforts without an increase in revenue, our operating results could decline.

Our inability to generate sufficient cash from operations may require us to abandon projects or curtail planned investments in research and development or other strategic initiatives. If we curtail planned investments in research and development or abandon projects, our products may fail to remain competitive and our business would be materially adversely affected.

General Risks

Our worldwide operations are subject to political, legal and economic risks and natural disasters, which could have a material adverse effect on us.

We maintain operations around the world, including in the United States, Canada, Europe, Australia, Latin America and Asia. We rely on third-party wafer foundries in the United States, Europe and Asia. Nearly all product assembly and final testing of our products is performed at manufacturing facilities, operated by third-party manufacturing facilities, in China, Malaysia and Taiwan. We also depend on third-party subcontractors to provide shipment services. We also have international sales operations. International sales, as a percent of net revenue, were 70% for the three months ended June 25 2022. We expect that international sales will continue to be a significant portion of total sales in the foreseeable future.

The political, legal and economic risks associated with our operations in foreign countries include, without limitation: expropriation; changes in a specific country's or region's political or economic conditions; changes in tax laws, trade

protection measures and import or export licensing requirements and restrictions; difficulties in protecting our intellectual property; difficulties in managing staffing and exposure to different employment practices and labor laws; changes in foreign currency exchange rates; restrictions on transfers of funds and other assets of our subsidiaries between jurisdictions; changes in freight and interest rates; inflation; disruption in air transportation between the United States and our overseas facilities; loss or modification of exemptions for taxes and tariffs; and compliance with United States laws and regulations related to international operations, including export control and economic sanctions laws and regulations and the Foreign Corrupt Practices Act. Recently, the United States and other countries and coalitions have issued sanctions and revisions to export control and other regulations against Russia, Belarus or the DNR or LNR regions of Ukraine, due to the conflict in the Ukraine.

In addition, our worldwide operations (or those of our business partners) could be subject to natural disasters and climate change such as earthquakes, tsunamis, flooding, typhoons, droughts, fires, extreme heat and volcanic eruptions that disrupt our operations, or those of our manufacturers, vendors or customers. For example, our Santa Clara and San Jose operations are located near major earthquake fault lines in California. Also, we have operations and employees in regions that have experienced extreme weather such as prolonged heat waves, wildfires and freezing. Extreme weather events can also disrupt the ability of our suppliers to deliver expected manufacturing parts and/or services for periods of time. There may be conflict or uncertainty in the countries in which we operate, including public health issues (for example, an outbreak of a contagious disease such as COVID-19, avian influenza, measles or Ebola), safety issues, natural disasters, fire, disruptions of service from utilities, nuclear power plant accidents or general economic or political factors. For example, governments worldwide have implemented, and continue to implement, measures to slow down the outbreak of COVID-19. We have experienced, and will continue to experience, disruptions to our business as these measures have, and will continue to have, an effect on our business operations and practices.

In addition, many governments have enacted laws around personally identifiable information, such as the European Union's general Data Protection Regulation and the California Consumer Privacy Act, and the failure to comply could result in sanctions or other actions by the governments. The European Union's General Data Protection Regulation imposes significant requirements on how we collect, process and transfer personal data, as well as significant fines for non-compliance.

Any of the above risks, should they occur, could result in an increase in the cost of components, production and shipment delays, general business interruptions, the inability to obtain, or delays from difficulties in obtaining export licenses for certain technology, penalties or a loss of export privileges, as well as stringent licensing restrictions that may make our products less attractive to international customers, tariffs and other barriers and restrictions, longer payment cycles, increased taxes, restrictions on the repatriation of funds and the burdens of complying with a variety of foreign laws, any of which could ultimately have a material adverse effect on our business.

We may incur future impairments of goodwill and technology license purchases.

We perform our annual goodwill impairment analysis as of the first day of the fourth quarter of each year. Subsequent to our annual goodwill impairment analysis, we monitor for any events or changes in circumstances, such as significant adverse changes in business climate or operating results, changes in management's business strategy, an inability to successfully introduce new products in the marketplace, an inability to successfully achieve internal forecasts or significant declines in our stock price, which may represent an indicator of impairment. The occurrence of any of these events may require us to record future goodwill impairment charges.

We license certain third-party technologies and tools for the design and production of our products. We report the value of those licenses as other non-current assets on the balance sheet and we periodically evaluate the carrying value of those licenses based on their future economic benefit to us. Factors such as the life of the assets, changes in competing technologies, and changes to the business strategy may represent an indicator of impairment. The occurrence of any of these events may require us to record future technology license impairment charges.

Our inability to continue to attract and retain qualified personnel may hinder our business.

Much of our future success depends upon the continued service of numerous qualified engineering, marketing, sales and executive employees. Competition for highly skilled executives and employees in the technology industry is intense and our competitors have targeted individuals in our organization that have desired skills and experience. If we are not able to continue to attract, train and retain our leadership team and our qualified employees necessary for our business, the progress of our product development programs could be hindered, and we could be materially adversely affected. To help attract, retain and motivate our executives and qualified employees, we use share-based incentive awards such as employee stock options and non-vested share units (restricted stock units). If the value of

such stock awards does not appreciate as measured by the performance of the price of our common stock, or if our share-based compensation otherwise ceases to be viewed as a valuable benefit, our ability to attract, retain and motivate our executives and employees could be weakened, which could harm our results of operations. Also, if the value of our stock awards increases substantially, this could potentially create great personal wealth for our executives and employees and affect our ability to retain our personnel. In addition, any future restructuring plans may adversely impact our ability to attract and retain key employees.

Our stock price is subject to volatility.

Our stock price has experienced price and volume fluctuations and could be subject to wide fluctuations in the future. The trading price of our stock may fluctuate widely due to various factors including actual or anticipated fluctuations in our financial conditions and operating results, changes in financial estimates by us or financial estimates and ratings by securities analysts, changes in our capital structure, including issuance of additional debt or equity to the public, interest rate changes, inflation, news regarding our products or products of our competitors, and broad market and industry fluctuations. Stock price fluctuations could impact the value of our equity compensation, which could affect our ability to recruit and retain employees. In addition, volatility in our stock price could adversely affect our business and financing opportunities.

In May 2021, our Board of Directors approved a stock repurchase program of up to \$4 billion of our common stock (Existing Repurchase Program). In February 2022, our Board of Directors approved a new stock repurchase program in addition to our Existing Repurchase Program to purchase up to \$8 billion of our outstanding common stock in the open market (collectively referred to as the Repurchase Program). The Repurchase Program does not obligate us to acquire any common stock, has no termination date and may be suspended or discontinued at any time. Our stock repurchases could affect the trading price of our stock, the volatility of our stock price, reduce our cash reserves, and may be suspended or discontinued at any time, which may result in a decrease in our stock price.

Worldwide political conditions may adversely affect demand for our products.

Worldwide political conditions may create uncertainties that could adversely affect our business. The United States has been and may continue to be involved in armed conflicts that could have a further impact on our sales and our supply chain. The consequences of armed conflict, political instability or civil or military unrest are unpredictable, and we may not be able to foresee events that could have a material adverse effect on us. Terrorist attacks or other hostile acts may negatively affect our operations, or adversely affect demand for our products, and such attacks or related armed conflicts may impact our physical facilities or those of our suppliers or customers. Furthermore, these attacks or hostile acts may make travel and the transportation of our products more difficult and more expensive, which could materially adversely affect us. Any of these events could cause consumer spending to decrease or result in increased volatility in the United States economy and worldwide financial markets.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

We issued warrants dated June 27, 2022 to purchase 133,894 shares of our common stock to a commercial partner pursuant to a strategic arrangement with such partner. The warrants have an exercise price of \$25.50 per share and expire on June 27, 2025.

The warrants were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

In May 2021, our Board of Directors approved a stock repurchase program of up to \$4 billion of our common stock (Existing Repurchase Program). In February 2022, our Board of Directors approved a new stock repurchase program in addition to our Existing Repurchase Program to purchase up additional \$8 billion of our outstanding common stock in the open market (collectively referred to as the Repurchase Program). We expect to fund repurchases through cash generated from operations, which have been strengthened by our strong operational results. Our Repurchase Program does not obligate us to acquire any common stock, has no termination date and may be suspended or discontinued at any time.

The following table provides information relating to our repurchase of common stock for the three months ended June 25, 2022:

	Total Number of Shares Repurchased	Average Price Paid per Share	Total Number of Shares Repurchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares That May Yet be Purchased Under the Program
(In millions, except shares and per share data)				
March 27, 2022 - April 23, 2022	—	\$ —	—	\$ 8,327
April 24, 2022 - May 21, 2022	5,241,763	\$ 91.47	5,241,763	\$ 7,848
May 22, 2022 - June 25, 2022	4,918,137	\$ 89.64	4,918,137	\$ 7,407
Total	10,159,900			

Equity Award Share Withholding

During the three months ended June 25, 2022, we paid \$31 million in employee withholding taxes due upon the vesting of net settled equity awards. We withheld approximately 1 million shares of common stock from employees in connection with such net share settlement at an average price of \$84.55 per share. These shares may be deemed to be "issuer purchases" of shares.

ITEM 6. EXHIBITS

- 4.1 [Description of Advanced Micro Devices, Inc. Common Stock](#)
- 4.2 [Indenture, dated as of June 9, 2022, by and between the Company and U.S. Bank Trust Company, National Association, as trustee, filed as exhibit 4.1 to AMD's Current Report on Form 8-K dated June 9, 2022, is hereby incorporated by reference](#)
- 4.3 [First Supplemental Indenture, dated as of June 9, 2022, by and between the Company and U.S. Bank Trust Company, National Association, as trustee, filed as exhibit 4.2 to AMD's Current Report on Form 8-K dated June 9, 2022, is hereby incorporated by reference](#)
- 4.4 [Form of 2032 Note \(included in Exhibit 4.3 above\), is hereby incorporated by reference](#)
- 4.5 [Form of 2052 Note \(included in Exhibit 4.3 above\), is hereby incorporated by reference](#)
- 10.1 [Credit Agreement dated as of April 29, 2022 by and among Advanced Micro Devices, Inc. as borrower, the lenders referred to therein, as lenders, and Wells Fargo Bank, National Association, as administrative agent, swingline lender and an issuing lender, filed as exhibit 10.1 to AMD's Current Report on Form 8-K dated April 29, 2022, is hereby incorporated by reference.](#)
- *10.2 [Form of Performance-based Restricted Stock Unit Agreement for Senior Vice Presidents and Above under the Xilinx, Inc. 2007 Equity Incentive Plan.](#)
- *10.3 [Form of Restricted Stock Unit Agreement for Senior Vice Presidents and Above under the Xilinx, Inc. 2007 Equity Incentive Plan](#)
- 31.1 [Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2 [Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS XBRL Instance Document.
- 101.SCH XBRL Taxonomy Extension Schema Document.
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document.
- 104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

* Management contracts and compensatory plans or arrangements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ADVANCED MICRO DEVICES, INC.

August 3, 2022

By: */s/ Devinder Kumar*

Name: Devinder Kumar

Title: Executive Vice President, Chief Financial Officer and Treasurer
Signing on behalf of the Registrant as the Principal Financial Officer

DESCRIPTION OF ADVANCED MICRO DEVICES, INC. COMMON STOCK

The following description of AMD's common stock is a summary. This summary is subject to the General Corporation Law of the State of Delaware (the "DGCL") and the complete text of AMD's amended and restated certificate of incorporation (the "certificate of incorporation") and amended and restated bylaws (the "bylaws"), filed as Exhibits 3.1 and 3.2, respectively, to our Annual Report on Form 10-K. We encourage you to read that law and those documents carefully.

Common Stock

General

The certificate of incorporation authorizes 2,250,000,000 shares of common stock, \$0.01 par value per share.

Voting Rights

Each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Common stockholders do not have cumulative voting rights in the election of directors. Accordingly, in an uncontested election, holders of a majority of the voting shares are able to elect all of the directors.

Dividends

Subject to preferences that may be applicable to any then outstanding serial preferred stock, holders of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. However, the terms of our borrowing arrangements restrict our ability to declare or pay dividends on our common stock in certain circumstances. Dividends may be paid in cash, in property or in shares of common stock. Declaration and payment of any dividend are subject to the discretion of the board of directors. Before payment of any dividend, the board of directors may set aside out of any funds of AMD available for dividends such amount thought proper to meet contingencies, equalize dividends, repair or maintain any property of AMD, or for such other purpose as the board of directors determines to be conducive to the interest of AMD. The board of directors may modify or abolish any such reserve in the manner in which it was created.

Liquidation

In the event of AMD's liquidation, dissolution or winding up, holders of common stock are entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of serial preferred stock.

Rights and Preferences

Holders of common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of serial preferred stock that we may designate in the future.

Fully Paid and Nonassessable

All outstanding shares of common stock are fully paid and non-assessable.

Annual Stockholder Meetings

The certificate of incorporation and bylaws provide that annual stockholder meetings will be held at a date, place (if any) and time, as exclusively selected by the board of directors. To the extent permitted under applicable law, we may but are not obligated to conduct meetings by remote communications, including by webcast.

Anti-Takeover Effects of Provisions

Some provisions of Delaware law and the certificate of incorporation and bylaws could make the following transactions difficult: acquisition by means of a tender offer; acquisition by means of a proxy contest or otherwise; or removal of incumbent officers and directors. It is possible that these provisions could make it more difficult to

accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in the best interests of AMD, including transactions that might result in a premium over the market price for shares of common stock.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control to first negotiate with AMD's board of directors. We believe that the benefits of protection to AMD's potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure AMD outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute

Section 203 of the DGCL prohibits persons deemed "interested stockholders" from engaging in a "business combination" with a publicly-held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock and a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, such as discouraging takeover attempts that might result in a premium over the market price of our common stock.

Undesignated Serial Preferred Stock

Under our amended and restated certificate of incorporation, our board of directors has the authority, without action by our stockholders, to designate and issue up to 1,000,000 shares of serial preferred stock, par value \$0.10 per share, in one or more series and to designate the rights, preferences and privileges of each series, any or all of which may be greater than the rights of our common stock. It is not possible to state the actual effect of the issuance of any shares of serial preferred stock upon the rights of holders of our common stock until our board of directors determines the specific rights of the holders of serial preferred stock. However, the effects might include, among other things, restricting dividends on the common stock, diluting the voting power of the common stock, impairing the liquidation rights of the common stock and delaying or preventing a change in control of our common stock without further action by our stockholders and may adversely affect the market price of our common stock. As of May 31, 2022, no shares of our serial preferred stock were outstanding.

Special Stockholder Meetings

The bylaws provide that a special meeting of stockholders may be called only by the chairman of the board of directors or secretary of AMD at the request in writing of a majority of the board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

The bylaws sets forth advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Proxy Access

Our bylaws permit a stockholder, or a group of up to 20 stockholders, owning at least three percent of our outstanding stock continuously for at least three years, to nominate and include in our proxy materials for an annual meeting of stockholders, director candidates constituting up to twenty percent of our board of directors elected by holders of our common stock, provided that the stockholder (or group) and each nominee satisfy the requirements as set forth in the bylaws.

Composition of the Board of Directors; Election and Removal of Directors; Filling Vacancies

The board of directors may consist of not fewer than three nor more than 12 directors. In any uncontested elections of directors, a director nominee for the board of directors will be elected by the affirmative vote of a majority of the votes cast with respect to such director by the shares represented and entitled to vote at a meeting of the stockholders for the election of directors at which a quorum is present, voting together as a single class. An incumbent director

who is nominated for an uncontested election and fails to receive a majority of the votes present and voting for such director's reelection would be required to tender his or her resignation to the board of directors.

The Nominating and Corporate Governance Committee of the board of directors (or any future committee the equivalent thereof) will make a recommendation to the board of directors on whether to accept or reject the resignation, or whether other action should be taken. The board of directors will act on the recommendation of such committee and will publicly disclose its decision within 90 days from the date of the certification of the election results. In a contested election, a plurality voting standard will apply to director elections. The directors are elected until the expiration of the term for which they are elected and until their respective successors are duly elected and qualified.

The directors may be removed only by the affirmative vote of at least a majority of the holders of our then-outstanding common stock. Furthermore, any vacancy on the board of directors, however occurring, including a vacancy resulting from an increase in the size of the board, may be filled only by a majority vote of the board of directors then in office, even if less than a quorum, or by the sole remaining director. This system of electing and removing directors and filling vacancies may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of AMD, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Choice of Forum

Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, other employees or stockholders to us or our stockholders, (iii) any action arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine. Subject to the foregoing, the bylaws further provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Amendment of the Certificate of Incorporation and Bylaws

The amendment of any of the provisions in the certificate of incorporation requires approval by a stockholder vote by the holders of at least a majority of the voting power of the then outstanding voting stock. The bylaws may be amended by the board of directors or by the holders of at least a majority of the voting power of the then outstanding voting stock.

The provisions of the DGCL, the certificate of incorporation and bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the management of AMD. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Limitations of Liability and Indemnification Matters

The certificate of incorporation contains provisions that limit the liability of the directors and officers for monetary damages to the fullest extent permitted by Delaware law. Consequently, directors and officers are not personally liable to AMD or its stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's or officer's duty of loyalty to AMD or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or

- any transaction from which the director or officer derived an improper personal benefit.

Each of the certificate of incorporation and bylaws provides that we are required to indemnify the directors and officers, in each case to the fullest extent permitted by Delaware law. The bylaws also obligate us to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under Delaware law. We have entered into agreements to indemnify the directors, executive officers and other employees as determined by the board of directors. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding to the fullest extent permitted by applicable law. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. AMD also maintains directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in the certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against the directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against the directors and officers, even though an action, if successful, might benefit AMD and its stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage.

Stock Exchange Listing

Shares of common stock are listed on NASDAQ under the symbol "AMD."

No Sinking Fund

The shares of common stock have no sinking fund provisions.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. The transfer agent and registrar's address is 250 Royall Street, Canton, Massachusetts 02021.

ADVANCED MICRO DEVICES, INC.
PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE
XILINX, INC. 2007 EQUITY INCENTIVE PLAN

Advanced Micro Devices, Inc., a Delaware corporation (the “*Company*”), pursuant to its Xilinx, Inc. 2007 Equity Incentive Plan (as amended from time to time, the “*Plan*”), hereby grants to the holder listed below (“*Participant*”) this award (“*Award*”) of performance-based restricted stock units set forth below (the “*PRSUs*”). This Award is subject to all of the terms and conditions set forth herein and in the Terms and Conditions to the PRSUs (the “*Terms and Conditions*”), including any applicable country-specific terms and conditions for Participant’s country set forth in the appendix thereto (the “*Appendix*”) and in the Plan, each of which is incorporated herein by reference. Unless otherwise defined, the terms defined in the Plan shall have the same defined meanings in this Restricted Stock Unit Grant Notice (the “*Grant Notice*”) and the Terms and Conditions.

Participant:	_____
Employee ID:	_____
Grant Date:	_____
Target Number of PRSUs:	_____
Performance Period:	_____
Intended Award Value:	\$ _____
EPS Performance Period:	_____
Vesting Date:	_____
Settlement Date:	_____
Performance Vesting Conditions:	[To be specified in individual agreements].

By his or her signature below or by electronic acceptance or authentication in a form authorized by the Company, Participant hereby: (a) agrees to be bound by the terms and conditions of the Plan, the Terms and Conditions, the Appendix and this Grant Notice; (b) acknowledges and agrees that Participant has reviewed the Plan, the Terms and Conditions, the Appendix and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice, and fully understands all provisions of the Plan, the Terms and Conditions, the Appendix and this Grant Notice; (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the Terms and Conditions, the Appendix or this Grant Notice (including any exhibit attached hereto); and (d) acknowledges and agrees that if he or she fails to timely activate a brokerage account with the Company’s designated brokerage firm (currently E*Trade) on or before the last business day preceding the first vesting date of the PRSUs, then this Award will be immediately cancelled and forfeited and he or she will not receive any other benefits or compensation as replacement for this Award.

ADVANCED MICRO DEVICES, INC.

PARTICIPANT

By:
Print Name:
Title: _____

By:
Print Name:

**TERMS AND CONDITIONS
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD
XILINX, INC. 2007 EQUITY INCENTIVE PLAN**

These Terms and Conditions, collectively with the accompanying Performance-Based Restricted Stock Unit Grant Notice (the “**Grant Notice**”) and any country-specific terms and conditions for your country contained in the Appendix hereto (as applicable, the “**Appendix**”), comprise your agreement (the “**Agreement**”) with the Company, regarding the performance-based restricted stock units (the “**PRSUs**”) awarded under the Xilinx, Inc. 2007 Equity Incentive Plan (as amended from time to time, the “**Plan**”). Capitalized terms not specifically defined herein have the same meanings assigned to them in the Plan.

1. Vesting of Performance-Based Restricted Stock Units.

(a) **General.** The PRSUs will vest on the vesting date(s) shown or referred to on the Grant Notice, provided that (i) the performance condition(s) for the vesting of such PRSUs have been met, specifically including any required certifications of such performance condition(s), and (ii) you continue to be an active Employee, Consultant or Director (a “**Service Provider**”) through each applicable vesting date. Without limiting the foregoing, the vesting of any PRSUs is conditioned on your performing the duties assigned to you by the Company’s management or Board, as applicable, in a manner and with results satisfactory to the Company’s management or Board, as applicable. By accepting this Award, you acknowledge and agree that (a) this Award shall not be subject to any special or accelerated vesting under the terms of any agreement between you and Xilinx, Inc., including, without limitation, any change of control agreement between you and Xilinx, Inc. (as applicable, a “**Legacy Xilinx Agreement**”), and (b) this Section 1 shall supersede any conflicting provisions contained in any Legacy Xilinx Agreement.

(b) **Termination Due to Death.** Notwithstanding anything in Section 1(a) to the contrary, if your status as Service Provider terminates due to your death then your PRSUs will remain outstanding and, at the end of the performance period, will be deemed earned and vested based on the actual performance results for the performance period; provided, however, that if a Change of Control (as defined in Section 29) occurs before the end of the performance period you will instead immediately vest in the number of CoC PRSUs (as defined in Section 6(e)) that you would have been deemed to have earned had you continued as a Service Provider from the date of your death through the date of the Change of Control.

2. Settlement of Vested PRSUs; Issuance of Shares. Subject to Sections 4 and 10 of these Terms and Conditions, and further subject to any applicable country-specific terms and conditions set forth in the Appendix, the shares (“**Shares**”) of Company common stock issuable to you in settlement of your vested PRSUs will be issued in your name on the settlement date(s) shown or referred to in the Grant Notice, or if no settlement date is set forth in the Grant Notice, as soon as reasonably practicable after the underlying PRSUs vest (but not later than March 15 following the calendar year in which the underlying PRSUs vest). Until the Shares are actually issued to you in settlement of your vested PRSUs, the PRSUs represent an unfunded, unsecured obligation of the Company.

3. Nontransferability of PRSUs. Unless determined otherwise by the Committee, the PRSUs may not be pledged, assigned, sold or otherwise transferred.

4. Forfeiture of PRSUs. Except as otherwise provided in Section 1(b) or 6(e) of these Terms and Conditions, if your status as a Service Provider terminates for any reason before the vesting date(s) shown on the Grant Notice, your unvested PRSUs will be cancelled and forfeited without consideration. You will cease to be an Employee for purposes of this Agreement if you transition to a role in which you are no longer classified by the Company or an Affiliate as an Employee, even if the U.S. Internal Revenue Service or a court of competent jurisdiction later determines that you continued in such role as a common law employee of the Company or an Affiliate. In case of any dispute as to whether your status as an Employee has terminated, the Committee will have sole discretion to determine whether such termination has occurred and the effective date of such termination.

For purposes of this Award, your status as a Service Provider will be considered terminated (regardless of the reason for termination and whether or not the termination is in breach of applicable laws) effective as of the date you are no longer actively employed by or providing services to the Company or an Affiliate, and will not be extended by any notice period mandated under applicable laws (e.g., active employment would not include a period of “garden leave” or similar period pursuant to Applicable Law). The Committee will have the exclusive discretion to determine when your status as a Service Provider terminates for purposes of this Award (including whether you may still be considered to be employed by or providing services to the Company or an Affiliate while on a leave of absence).

5. Responsibility for Taxes. Regardless of any action the Company or, if different, your employer (the “**Employer**”) takes with respect to any or all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“**Tax-Related Items**”), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer: (a) make no

representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PRSUs, including, but not limited to, the grant, vesting or settlement of the PRSUs, the issuance of Shares upon settlement of the PRSUs, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the PRSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to tax in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items (including hypothetical withholding tax amounts if you are covered under a Company tax equalization policy). In this regard, you authorize the Company, the Employer, and their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from your wages or other cash compensation payable to you by the Company and/or the Employer;
- (b) withholding from proceeds of the sale of Shares issuable or issued to you upon vesting and/or settlement of the PRSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without your further consent or authorization);
- (c) withholding in Shares to be issued upon vesting and/or settlement of the PRSUs; or
- (d) requiring you to make a payment in cash by certified check or wire transfer.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering statutory withholding rates or other withholding rates, including maximum rates applicable in your jurisdiction(s), in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, you are deemed for tax purposes to have been issued the full number of Shares subject to the vested PRSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

If you are covered by a Company or Employer tax equalization policy, you agree to pay to the Company or Employer any additional hypothetical tax obligation calculated and paid under the terms of such tax equalization policy. Finally, you must pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

6. Other Terms and Conditions.

- (a) The Plan. The Agreement is further subject to the terms and provisions of the Plan. Only certain provisions of the Plan are described in the Agreement. As a condition to your receipt of the PRSUs and any Shares issuable in settlement of vested PRSUs, you acknowledge and agree to the terms and conditions of the Agreement and the terms and provisions of the Plan.
- (b) Activation of Brokerage Account. This Award of PRSUs is subject to and conditioned on your activation of a brokerage account with the Company's designated brokerage firm on or before the last business day immediately preceding the first vesting date of the PRSUs. If you fail to timely activate a brokerage account with the Company's designated brokerage firm, then this Award and all of the PRSUs covered by this Award will be immediately cancelled and forfeited and you will not receive any other benefits or compensation as replacement for the PRSUs.
- (c) Stockholder Rights. Until the Shares are issued, you have no right to vote or receive dividends or any other rights as a stockholder with respect to the PRSUs.
- (d) Employment Relationship. Nothing in the Agreement will confer on you any right to continue in the employ of the Company or the Employer or interfere with or restrict rights of the Company or the Employer, which are hereby expressly reserved, to discharge you at any time.
- (e) Change of Control. Notwithstanding anything in this Agreement to the contrary, in the event that the Company experiences a Change of Control (as defined in Section 28), then the Compensation and Leadership Resource Committee (the "CLRC") shall determine and approve the Company's performance with respect to the applicable

performance vesting conditions based on the Company's performance as of the effective date of the Change of Control (assuming for this purpose that the Performance Period (as defined in the Grant Notice) ended on the date immediately preceding the date of the Change of Control). You will be deemed to have earned the number of PRSUs (the "***CoC PRSUs***") based on the Company's performance (as approved by the CLRC) and subject to any limitations set forth in the Grant Notice. All remaining unearned PRSUs will be automatically forfeited without consideration. At the time of such Change of Control, the CoC PRSUs (if any) will convert automatically into an equal number of time-based restricted stock units ("***CoC RSUs***") that will vest as on the first to occur of (x) the one-year anniversary of the Change of Control and (y) the last day of the originally scheduled Performance Period; *provided*, in each case, that you remain a Service Provider through such date. Notwithstanding the immediately preceding sentence, if you die or your employment is terminated by the Company for any reason other than for Misconduct (as defined in Section 28) or, if applicable, terminated by you as a Constructive Termination (as defined in Section 28), then the CoC RSUs will become fully vested upon the date of such termination of employment. Solely for purposes of this Section 7(e) the "Company" includes any successor to the Company due to a Change of Control and any employer that is an Affiliate of such successor.

(f) **Declination of PRSUs.** If you wish to decline your PRSUs, you must complete and file the Declination of Grant form with Corporate Compensation and Benefits no later than one calendar month prior to the first vesting date of the PRSUs. Your declination is non-revocable, and you will not receive a grant of stock options or any other compensation as replacement for the declined PRSUs. Your decision to not timely file the Declination of Grant form will constitute your acceptance of the Award on the terms on which it is offered, as set forth in this Agreement and the Plan.

(g) **Recovery in the Event of a Financial Restatement; Claw-Back Policy.** In the event the Company is required to prepare an accounting restatement due to material noncompliance of the Company with any financial reporting requirement under applicable securities laws, the Committee will review all equity-based compensation (including the RSUs) awarded to employees at the Senior Vice President level and above. If the Committee (in its sole discretion) determines that you were directly involved with fraud, misconduct or gross negligence that contributed to or resulted in such accounting restatement, the Committee may, to the extent permitted by applicable laws, recover for the benefit of the Company all or a portion of the equity-based compensation awarded to you, including (without limitation) by cancellation, forfeiture, repayment and disgorgement of profits realized from the sale of securities of the Company; provided, however, the Committee will not have the authority to recover any equity-based compensation awarded more than 18 months prior to the date of the first public issuance or filing with the U.S. Securities and Exchange Commission (the "***SEC***") (whichever first occurs) of the financial document embodying such financial reporting requirement. In determining whether to seek recovery, the Committee may take into account any considerations it deems appropriate, including applicable laws and whether the assertion of a recovery claim may prejudice the interests of the Company in any related proceeding or investigation. Further, and notwithstanding the foregoing, the RSUs (including any proceeds, gains or other economic benefit actually or constructively received by you upon any receipt of the RSUs or upon the receipt or resale of any Shares underlying the RSUs) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable laws, including without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy.

7. **Nature of Grant.** In accepting this Award, you acknowledge, understand and agree that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) the grant of the PRSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PRSUs, or benefits in lieu of PRSUs, even if PRSUs have been granted in the past;
- (c) all decisions with respect to future PRSU grants, if any, will be at the sole discretion of the Company;
- (d) you are voluntarily participating in the Plan;
- (e) the PRSUs and the Shares subject to the PRSUs, and the value of and income from such PRSUs and Shares, are not intended to replace any pension rights, retirement benefits or other compensation;
- (f) the PRSUs and the Shares subject to the PRSUs, and the value of and income from such PRSUs and Shares, are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (g) the PRSU grant and your participation in the Plan will not be interpreted to form an employment contract or other service relationship with the Company, the Employer or any Affiliate;

(h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages will arise from forfeiture of the PRSUs resulting from termination of your status as a Service Provider (for any reason whatsoever and whether or not in breach of applicable laws), and in consideration of the grant of the PRSUs to which you are otherwise not entitled, you irrevocably agree to (i) never institute any such claim against the Company, the Employer, or any of their respective Affiliates, (ii) waive your ability, if any, to bring any such claim against the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates, (iii) forever release the Company, the Employer or any of their respective Affiliates from any such claim, and (iv) execute any and all documents necessary, or reasonably requested by the Company, to request dismissal or withdrawal of any such claim that is allowed by a court of competent jurisdiction, in each case to the maximum extent permitted by applicable laws;

(j) the PRSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger of the Company with or into another company or the sale of substantially all of the assets of the Company; and

(k) if you are providing services outside the United States:

(i) the PRSUs and the Shares subject to the PRSUs, and the value of and income from such PRSUs, are not part of normal or expected compensation or salary for any purpose, including, without limitation, for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension benefits, retirement benefits, welfare benefits or similar mandatory payments; and

(ii) none of the Company, the Employer, or any of their respective Affiliates will be liable for any foreign exchange rate fluctuation between any local currency and the U.S. Dollar that may affect the value of the PRSUs, any amounts due to you pursuant to the settlement of the PRSUs or the subsequent sale of any Shares acquired upon settlement.

8. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

9. **Data Privacy.** You understand that the Company and the Employer hold certain personal information about you, including, but not limited to, your name, home address, email address, and telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all PRSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (your "Data"), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that it will be necessary for your Data to be collected, used and transferred, in electronic or other form, as described in the Agreement and any other Award Documentation by and among, as applicable, the Employer, the Company and any Affiliate. Such processing will be for the exclusive purpose of implementing, administering and managing your participation in the Plan, and therefore for the performance of the Agreement. The provision of your Data is a contractual requirement. Without the provision of your Data, it will not be possible for the Company and/or the Employer to perform their obligations under the Agreement.

You understand that, in performing the Agreement, it will be necessary for:

your Data to be transferred to a Company-designated Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan;

the Company, its Plan broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan, to receive, possess, use, retain and transfer your Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan; and

your Data to be held only as long as is necessary to implement, administer and manage your participation in the Plan.

If you are located in the European Union ("EU"), European Economic Area ("EEA") or the United Kingdom ("UK"), you understand that the recipients of your Data may be located in countries outside of the EU/EEA/UK, including the United States, and that the recipients' country may not have privacy laws and protections that are equivalent

to those of the EU/EEA/UK member state in which you are based. You understand that if you reside in the EU/EEA/UK, you can request a list with the names and addresses of any recipients of your Data by contacting your local human resources representative.

You understand that if you reside in the EU/EEA/UK, you may, at any time and free of charge, request access to your Data, object to the processing of your Data, request to have access to it restricted, request additional information about the storage and processing of your Data, require any necessary amendments to your Data or ask for it to be erased by contacting your local human resources representative in writing. You may also have the right to receive a copy of your Data in a machine-readable format, and the right to not to be subject to any decision that significantly affects you being taken solely by automated processing, including profiling. We will process any request in line with applicable laws and our policies and procedures. You also have the right to lodge a complaint with a local supervisory authority.

10. Compliance with Laws and Regulations. The issuance and transfer of the Shares will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Shares may be listed or quoted at the time of such issuance or transfer; and, you understand that the Company shall not be required to issue or deliver any Shares prior to fulfillment of all of the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which the Company's common stock is then listed; (b) the completion of any registration or other qualification of such Shares under any state or federal law or under rulings or regulations of the SEC or of any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; (c) the obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and (d) the lapse of such reasonable period of time following the vesting or settlement as the Committee may from time to time establish for reasons of administrative convenience. The Shares shall be fully paid and nonassessable. You understand that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, you agree that the Company has unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary or advisable to comply with securities or other laws applicable to issuance of Shares.

11. Successors and Assigns. The Company may assign any of its rights under the Agreement. The Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer contained herein, the Agreement will be binding upon you and your heirs, executors, Committees, legal representatives, successors and assigns.

12. Governing Law; Jurisdiction; Severability. The Agreement is to be governed by and construed in accordance with the internal laws of the State of Delaware, U.S.A., as such laws are applied to agreements between Delaware residents entered into and to be performed entirely within Delaware, excluding that body of laws pertaining to conflict of laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the Company and you evidenced by this grant or the Agreement, the Company and you hereby submit to and consent to the exclusive jurisdiction of the State of Delaware and agree that such litigation will be conducted only in the courts of New Castle County, Delaware, or the federal courts for the United States for the District of Delaware, and no other courts, where this grant is made and/or to be performed. If any provision of the Agreement is determined by a court of law to be illegal or unenforceable, in whole or in part, that provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

13. Further Instruments. You agree to execute further instruments and to take further actions as may be reasonably necessary to carry out the purposes and intent of the Agreement.

14. Committee Authority. The Committee has the power to interpret the Plan and the Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any PRSUs have vested). All actions taken and all interpretations and determinations made by the Committee will be final and binding upon you, the Company and all other interested persons. The Committee will not be personally liable for any action, determination or interpretation made with respect to the Plan or the Agreement.

15. Language. You acknowledge that you are sufficiently proficient in English, or have consulted with an advisor who is sufficiently proficient in English, to understand the terms and conditions of the Agreement. Furthermore, if you have received the Agreement or any other Award Documentation translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

16. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by

electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on your participation in the Plan, on the PRSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with applicable laws or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. **Headings.** The captions and headings of the Agreement are included for ease of reference only and will be disregarded in interpreting or construing the Agreement. All references herein to Sections will refer to Sections of these Terms and Conditions, unless otherwise noted.

19. **Appendix.** Notwithstanding any provisions in the Award Documentation, the PRSU grant will be subject to any additional terms and conditions for your country set forth in an Appendix to these Terms and Conditions. Moreover, if you relocate to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Company reserves the right to require you to sign any additional agreements that may be necessary to accomplish the foregoing. The Appendix constitutes part of the Agreement.

20. **Waiver.** You acknowledge that a waiver by the Company of breach of any provision of the Agreement will not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by you or any other Participant.

21. **Entire Agreement.** The Plan, these Terms and Conditions, the Appendix and the Grant Notice (including any exhibit thereto) constitute the entire agreement and understanding of the parties with respect to the subject matter of the Agreement, and supersede all prior understandings and agreements, whether oral or written, between the parties with respect to the specific subject matter hereof, including, without limitation, your Legacy Xilinx Agreement(s) (if any).

22. **Insider Trading Restrictions/Market Abuse Laws.** You acknowledge that, depending on your or your broker's country or the country in which the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to accept, acquire, sell or otherwise dispose of Shares or rights to Shares (or rights linked to Shares) under the Plan (e.g., PRSUs) during such times as you are considered to have "inside information" regarding the Company (as defined by the laws or regulations in your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed insider information. Furthermore, you could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties (including employees and other service providers) or causing them otherwise to buy or sell Company securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

23. **Notices.** Any notice to be given under the terms of the Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to you shall be addressed to you at your last residential or email address reflected on the Company's records. By a notice given pursuant to this Section 23, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to you shall, if you are then deceased, be given to your legal representative. Any notice shall be deemed duly given to you (or, if applicable, your legal representative), (a) if it is delivered by email, upon confirmation of receipt (with an automatic "read receipt" constituting acknowledgment of receipt for purposes of this Section 23(a)); and (b) if sent by certified mail (return receipt requested), on the second business day following deposit (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or similar local service in jurisdictions outside of the United States.

24. **Limitations Applicable to Section 16 Persons.** Notwithstanding any other provision of the Plan or the Agreement, if you are subject to Section 16 of the Exchange Act, the Plan, the PRSUs and the Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable laws, the Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

25. **Section 409A.** The PRSUs are not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan or the Agreement, if at any time the Committee determines that the PRSUs (or any portion thereof) may be subject to Section 409A, the Committee shall have the

right in its sole discretion (without any obligation to do so or to indemnify you or any other person for failure to do so) to adopt such amendments to the Plan or the Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate either for the PRSUs to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

26. **Limitation on Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. The Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. You shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the PRSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to PRSUs, as and when vested or settled pursuant to the terms hereof.

27. **Foreign Asset/Account Reporting; Exchange Control Requirements.** Certain applicable foreign asset and/or foreign account reporting requirements and exchange controls may affect your ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including any dividends paid on Shares acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You may also be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. You acknowledge that you are responsible for complying with any applicable regulations, and that you should speak to your personal legal advisor for any details.

28. **Termination, Rescission and Recapture.** The PRSUs are intended to align your long-term interests with the long-term interests of the Company. If you engage in certain activities discussed below, either during employment with the Company or after such employment terminates for any reason, the Company may terminate any outstanding, unexpired or unpaid PRSUs ("Termination"), rescind any payment or delivery of Shares pursuant to the PRSUs ("Rescission") or recapture any Shares or any proceeds from your sale of Shares acquired pursuant to the PRSUs ("Recapture"), as more fully described below and to the extent permitted by applicable laws. For purposes of this Section 28, "Competitive Organization or Business" is defined as those corporations, institutions, individuals, or other entities identified by the Company as competitive or working to become competitive in the Company's most recently filed annual report on Form 10-K.

(a) You are acting contrary to the long-term interests of the Company if you at any time fail to comply with any agreement or undertaking regarding inventions, intellectual property rights, and/or proprietary or confidential information or material that you signed or otherwise agreed to in favor of the Company.

(b) You are acting contrary to the long-term interests of the Company if you, while employed by the Company: (i) materially breach any Company (or Affiliate) policy applicable to you, or any written agreement between you and the Company (or Affiliate); (ii) violate the Company's Worldwide Standards of Business Conduct or commit any other act of misconduct, or violate state or federal law relating to the workplace (including laws related to sexual harassment or age, sex or other prohibited discrimination); (iii) commit any act or omission resulting in your being charged with a criminal offense involving moral turpitude, dishonesty, or breach of trust; or (iv) engage in conduct that constitutes a felony, or enter a plea of guilty or nolo contendere with respect to a felony under applicable law. Whether you are acting contrary to the long-term interests of the Company for any of the reasons set forth in clauses (i) through (iv) above shall be determined by the Committee in its sole discretion.

(c) You are acting contrary to the long-term interests of the Company if, during the restricted period set forth below, you engage in any of following activities in, or directed into, any State, possession or territory of the United States of America or any country in which the Company operates, sells products or does business:

(i) while employed by the Company, you render services to or otherwise directly or indirectly engage in or assist, any Competitive Organization or Business;

(ii) while employed by the Company or at any time thereafter, without the prior written consent of the Compensation and Leadership Resources Committee of the Board ("CLRC"), you (A) use any confidential information or trade secrets of the Company to render services to or otherwise engage in or assist any Competitive Organization or Business or (B) solicit away or attempt to solicit away any customer or supplier of the Company if in doing so, you use or disclose any of the Company's confidential information or trade secrets;

(iii) while employed by the Company or during a period of twelve (12) months thereafter, without the prior written consent of the Board, you carry on any business or activity (whether directly or indirectly, as a partner, shareholder, principal, agent, director, affiliate, employee or consultant) that is a direct material Competitive Organization or Business (as conducted now or during the term of this Agreement);

(iv) while employed by the Company or during the period of twelve (12) months thereafter, without the prior written consent of the Board, you solicit away or influence or attempt to influence or solicit away any client, customer or other person either directly or indirectly to direct his/her or its purchase of the Company's products and/or services to any Competitive Organization or Business; or

(v) while employed by the Company or during a period of twelve (12) months thereafter, without the prior written consent of the Board, you solicit or influence or attempt to influence or solicit any person employed by the Company or any consultant then retained by the Company to terminate or otherwise cease his/her employment or consulting relationship with the Company or become an employee of or perform services for any outside organization or business that is or is working to become competitive with the Company.

The activities described in this Section 28(c) are collectively referred to as "***Activities Against the Company's Interest.***"

(d) If the Company determines, in its sole and absolute discretion, that: (i) you have violated any of the requirements set forth in Section 28(a) or (b) above or (ii) you have engaged in any Activities Against the Company's Interest (the date on which such violation or activity first occurred being referred to as the "***Trigger Date***"), then the Company will, in its sole and absolute discretion, impose a Termination, Rescission and/or Recapture of any or all of the PRSUs, Shares issued or issuable pursuant to the PRSUs, or the proceeds you received therefrom, provided, that such Termination, Rescission and/or Recapture shall not apply to the PRSUs to the extent that such RSUs vested earlier than one year prior to the Trigger Date. Within ten days after receiving notice from the Company that Rescission or Recapture is being imposed on any PRSU, you shall deliver to the Company the Shares acquired pursuant to the RSUs, or, if you have sold such Shares, the gain realized, or payment received as a result of the rescinded payment or delivery. Any payment by you to the Company pursuant to this Section 28(d) shall be made either in cash or by returning to the Company the number of Shares that you received in connection with the rescinded payment or delivery. It shall not be a basis for Termination, Rescission or Recapture if after your termination of employment, you purchase, as an investment or otherwise, stock or other securities of a Competitive Organization or Business, so long as (x) such stock or other securities are listed upon a recognized securities exchange or traded over-the-counter, and (y) such investment does not represent more than a one percent equity interest in the organization or business.

(e) Upon payment or delivery of Shares pursuant to the PRSUs, you shall, if requested by the Company, certify on a form acceptable to the Company that you are in compliance with the terms and conditions of this Agreement and, if your termination of employment has occurred, shall state the name and address of your then-current employer or any entity for which you perform business services and your title, and shall identify any organization or business in which you own a greater-than-one-percent equity interest.

(f) Notwithstanding the foregoing provisions of this Section 28, in exceptional cases, the Company has sole and absolute discretion not to require Termination, Rescission and/or Recapture, and its determination not to require Termination, Rescission and/or Recapture with respect to any particular act by you or the PRSUs shall not in any way reduce or eliminate the Company's authority to require Termination, Rescission and/or Recapture with respect to any other act by you or other equity awards.

(g) Nothing in this Section 28 shall be construed to impose obligations on you to refrain from engaging in lawful competition with the Company after the termination of employment. For the avoidance of doubt, you acknowledge that this Section 28(f) shall not limit or supersede any other agreement between you and the Company concerning restrictive covenants.

(h) All administrative and discretionary authority given to the Company under this Section 28 shall be exercised by the CLRC, or an executive officer of the Company as the CLRC may designate from time to time.

(i) Notwithstanding any provision of this Section 28, if any provision of this Section 28 is determined to be unenforceable or invalid under any applicable laws, such provision will be applied to the maximum extent permitted by applicable laws, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable laws. Furthermore, if any provision of this Section 28 is illegal under any applicable laws, such provision shall be null and void to the extent necessary to comply with applicable laws.

Notwithstanding the foregoing, this Section 28 shall not be applicable to you from and after your termination of employment if such termination of employment occurs after a Change of Control.

29. Certain Defined Terms. As used herein, the following definitions shall apply:

(a) "**Affiliate**" means any corporation, partnership, joint venture or other entity in which the Company holds an equity, profit or voting interest of more than fifty percent (50%).

(b) "**Change of Control**" shall mean the first occurrence after the Grant Date of any of the following events:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including the securities beneficially owned by such person any securities acquired directly from the Company or any of its Affiliates) representing more than 20% of either the then outstanding shares of the Common Stock of the Company or the combined voting power of the Company's then outstanding voting securities;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director designated by a person who has entered into an agreement or arrangement with the Company to effect a transaction described in clause (i) or (ii) of this sentence whose appointment, election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board;

(iii) there is consummated a merger or consolidation of the Company or subsidiary thereof with or into any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding securities which represent immediately after such merger or consolidation more than 50% of the combined voting power of the voting securities of either the Company or the other entity which survives such merger or consolidation or the parent of the entity which survives such merger or consolidation; o

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company and such plan of complete liquidation of the Company is consummated or there is consummated the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 80% of the combined voting power of the voting securities of which are owned by persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing: (x) no "Change of Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately prior to such transaction or series of transactions and (z) "Change of Control" shall exclude the acquisition of securities representing more than 20% of either the then outstanding shares of the Common Stock of the Company or the combined voting power of the Company's then outstanding voting securities by the Company or any of its wholly owned subsidiaries, or any trustee or other fiduciary holding securities of the Company under an employee benefit plan now or hereafter established by the Company.

Further, if necessary to avoid the imposition of tax under Section 409A of the Code, a "Change of Control" will not be deemed to have occurred for purposes of this Award if such transaction does not also constitute a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulations Section 1.409A-3(i)(5).

(c) "**Constructive Termination**" means, if you have been selected by the Board as a corporate officer of the Company, your resignation due to a material diminution or material adverse change in the circumstances of your service as such a corporate officer, as determined by you in good faith; including, without limitation, reporting relationships, job description, duties, responsibilities, compensation, perquisites, office or location of employment. Constructive Termination shall be communicated by you by written notice to the Company (or successor to the Company), and such termination shall be deemed to occur on the date such notice is so delivered.

(d) "**Misconduct**" means you are determined by the Committee in its sole discretion to have: (i) violated your obligations to the Company (or Affiliate) regarding confidentiality, or the protection of sensitive, confidential, or proprietary information and trade secrets; (ii) committed any act or omission resulting in your being charged with a criminal offense involving moral turpitude, dishonesty, or breach of trust; (iii) engaged in conduct that constitutes a felony, or entered a plea of guilty (or state law equivalent) or nolo contendere with respect to a felony (or state law equivalent) under applicable law; (iv) engaged in conduct that constitutes gross neglect; (v) acted insubordinately or refused to implement the lawful directives of your manager; (vi) been chronically absent other than pursuant to an approved leave of absence per the Company's (or Affiliate's) policies; (vii) failed to cooperate with any internal investigation of the Company (or Affiliate); (viii) violated the

Company's Worldwide Standards of Business Conduct or committed other acts of misconduct, or violated any state or federal law relating to the workplace (including laws related to sexual harassment or age, sex or other prohibited discrimination); (ix) materially breached any Company (or Affiliate) policy applicable to you, or any written agreement between you and Company (or Affiliate); or (x) failed to substantially and satisfactorily perform your job duties with the Company (or Affiliate).

By signing the Grant Notice or otherwise accepting the PRSU grant and the Shares issued upon vesting of the PRSUs, you agree to be bound by terms of the Agreement and the Plan.

Xilinx, Inc. 2007 Equity Incentive Plan
PRSU Agreement (SVP and Above) 11
Approved November 2021 – Terms and Conditions

APPENDIX

Terms and Conditions Performance-Based Restricted Stock Unit Award Xilinx, Inc. 2007 Equity Incentive Plan

Capitalized terms not specifically defined in this Appendix (this “*Appendix*”) have the same meaning assigned to them in the Xilinx, Inc. 2007 Equity Incentive Plan (as amended from time to time, the “*Plan*”) and/or the Terms and Conditions to which this Appendix is attached (the “*Terms and Conditions*”).

Terms and Conditions

This Appendix includes additional terms and conditions that govern the grant of PRSUs in your country. If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the grant of the PRSUs or are considered a resident of another country for local law purposes, the Company may, in its discretion, determine to what extent the additional terms and conditions contained herein will be applicable to you.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2020. Such laws are often complex and change frequently. As a result, you should not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at vesting of the PRSUs, the receipt of any dividends or dividend equivalents or the subsequent sale of the Shares.

In addition, the information is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the PRSUs are granted to you or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you in the same manner.

ARGENTINA

Notifications

Securities Law Information. Neither the PRSUs nor the Shares subject to the PRSUs are publicly offered or listed on any stock exchange in Argentina. The offer is private and not made to the public.

Exchange Control Information. Certain restrictions and requirements may apply if and when you transfer proceeds from the sale of Shares or any cash dividends paid with respect to such Shares into Argentina.

Exchange control regulations in Argentina are subject to frequent change. Prior to vesting in the PRSUs or remitting funds into Argentina, you should consult with your personal legal advisor regarding any exchange control obligations you may have in connection with your participation in the Plan.

AUSTRALIA

Terms and Conditions

Data Privacy. The following provisions supplement Section 9 of the Terms and Conditions:

The Company can be contacted at 2485 Augustine Drive, Santa Clara, CA, 95054, U.S.A. The Australian Employer can be contacted at Part Level 8, 15 Talavera Road, North Ryde, NSW 2113, Sydney, Australia.

Data will be held in accordance with the Company's Worldwide Standards of Business Conduct, a copy of which can be obtained on the Company's website or by contacting the Company or the Australian Employer at the address listed above.

You understand and agree that Data may be transferred to recipients of Data located outside of Australia, including the United States and any other country where the Company has operations.

Australia Offer Document. The offer of PRSUs is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order CO 14/1000. Additional details are set forth in the Offer Document for the offer of the PRSUs to Australian resident Participants, which is being provided to you with the Agreement. Participation in the Plan is subject to the terms and conditions set forth in the Australian Offer Document and other Award Documentation provided to you.

Notifications

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in the Act).

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A\$10,000 and international fund transfers. The Australian bank assisting with the transaction will file the report. If there is no Australian bank involved in the transfer, you will be required to file the report.

BELGIUM

Notifications

Exchange Control Information. You are required to provide the National Bank of Belgium with account details of any foreign securities or bank accounts (including the account number, bank name and country in which any such account was opened). This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the *Kredietcentrales / Centrales des crédits* caption.

BRAZIL

Terms and Conditions

Nature of Grant. The following provisions supplement Section 7 of the Agreement:

By accepting the PRSUs, you acknowledge, understand and agree that (i) you are making an investment decision, and (ii) the value of the underlying Shares is not fixed and may increase or decrease without compensation to you.

Compliance with Laws. By accepting the PRSUs, you agree that you will comply with Brazilian law when you vest in your PRSUs and sell Shares. You also agree to report and pay applicable Tax-Related Items associated with the vesting and settlement of the PRSUs, the receipt of any dividends and the subsequent sale of the Shares acquired at settlement.

Notifications

Exchange Control Information. If you are a resident or domiciled in Brazil, you will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Quarterly reporting is required if such amount exceeds US\$100,000,000. Assets and rights that must be reported include any Shares acquired under the Plan and may include PRSUs granted under the Plan. Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

CANADA

Terms and Conditions

Settlement of Performance-Based Restricted Stock Units. The following provision supplements Section 2 of the Terms and Conditions:

Notwithstanding any discretion contained in the Plan, PRSUs will be settled in Shares only, not cash.

Forfeiture of Performance-Based Restricted Stock Units. The following provisions replace the second paragraph of Section 4 of the Terms and Conditions (but are not intended to derogate from Section 12 ("Governing Law; Jurisdiction; Severability")):

For purposes of this Award, your status as an Employee will be considered terminated (regardless of the reason for termination and whether or not later found to be invalid or unlawful for any reason, including for breaching either applicable laws or your employment agreement, if any) effective as of the date that is the earliest of:

- (1) the date your status as an Employee is terminated,
- (2) the date that you receive notice of termination from the Employer, or
- (3) the date you are no longer actively employed by the Company or any Affiliate,

regardless of any notice period or period of pay in lieu of such notice or related payments or damages provided or required under applicable laws (including, but not limited to statutory law, regulatory law and/or common law).

You will not be entitled to any pro-rata vesting for that portion of time before the date on which your right to vest terminates, nor will you be entitled to any compensation for lost vesting. The Committee will have the exclusive discretion to determine when you are no longer actively employed for purposes of your PRSU grant (including whether you may still be considered to be actively employed while on a leave of absence). Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, your right to vest in the PRSUs under the Plan, if any, will terminate effective as of the last day of your minimum statutory notice period, but you will not earn or be entitled to pro-rata vestings if the vesting date falls after the end of your statutory notice period, nor will you be entitled to any compensation for lost vesting.

The following provisions will apply if you are a resident of Quebec:

French Language Provision. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la Convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. The following provisions supplement Section 9 of the Terms and Conditions:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel involved in the administration and operation of the Plan. You further authorize the Company, the Employer and any other Affiliate and the Committee of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company, the Employer and any other Affiliate to record such information and to keep such information in your employee file.

Notifications

Securities Law Information. You will not be permitted to sell or otherwise dispose of the Shares acquired upon vesting of the PRSUs within Canada. You will only be permitted to sell or dispose of any Shares if such sale or disposal takes place outside of Canada on the facilities on which such Shares are traded.

CHINA

Terms and Conditions

The following terms and conditions will apply if you are subject to exchange control restrictions and regulations in China, including the requirements imposed by the State Administration of Foreign Exchange (“SAFE”), as determined by the Company in its sole discretion.

Settlement of Performance-Based Restricted Stock Units and Sale of Shares. The following provisions supplement Section 2 of the Terms and Conditions:

You agree to maintain any Shares you obtain upon vesting in an account with the designated broker prior to sale. Further, you agree to sell all Shares issued upon vesting of the PRSUs either immediately after vesting or, if no immediate sale is required, promptly upon notice of termination of your status as an Employee. You agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on your behalf pursuant to this authorization) and you expressly authorize the Company's designated broker to complete the sale of such Shares. You agree to sign any forms and/or consents required by the Company's designated broker to effectuate the sale of Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Furthermore, you acknowledge that the sale of Shares upon termination of your status as an Employee will be made as soon as administratively possible after the Company's stock plan administration is aware of your termination, but the Company is not committed to sell the Shares at any particular time after termination of your status as an Employee. However, you are always free to sell the Shares yourself at any time prior to the date the Company arranges for the sale of the Shares. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale of the Shares, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

Exchange Control Requirements. You understand and agree that, pursuant to local exchange control requirements, you will be required to repatriate the cash proceeds from the sale of the Shares issued upon the vesting of the PRSUs as well as any cash dividends paid on such Shares to China. You further understand that, under applicable laws, such repatriation of your cash proceeds will need to be effectuated through a special exchange control account established by the Company, the Employer or any other Affiliate, and you hereby consent and agree that any proceeds from the sale of any Shares you acquire or from cash dividends paid on such Shares will be transferred to such special account prior to being delivered to you. You also understand that the Company will deliver the proceeds to you as soon as possible, but there may be delays in distributing the funds to you due to exchange control requirements in China. Proceeds may be paid to you in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid to you in U.S. dollars, you may be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid to you in local currency, the Company is under no obligation to secure any particular exchange conversion rate and the Company may face delays in converting the proceeds to local currency due to exchange control restrictions. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Notifications

Exchange Control Information. Chinese residents may be required to report to exchange control regulators all details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with individuals who are not Chinese residents.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to the PRSUs and the opening and maintenance of a foreign account.

Because exchange control regulations change frequently and without notice, you should consult your personal legal advisor prior to the vesting of the PRSUs and the sale of Shares to ensure compliance with current regulations. It is your responsibility to comply with Czech exchange control laws.

FRANCE

Terms and Conditions

French Language Provision. By accepting the PRSU grant and the Shares issued at vesting, you confirm having read and understood the documents relating to the Plan which were provided to you in the English language and you accept the terms of those documents.

En acceptant l'attribution des PRSU et les actions émises durant l'acquisition, vous confirmez ainsi avoir lu et compris les documents relatifs au Plan qui vous ont été communiqués en langue anglaise et vous en acceptez les termes en connaissance de cause.

Notifications

Tax Information. The PRSUs are not intended to be French tax-qualified Awards.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). If you receive a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan or the receipt of dividends paid on such Shares, the report must be made electronically by the fifth day of the month following the month in which the payment was received. The form of report can be accessed via the German Federal Bank's website at www.bundesbank.de and is available in both German and English.

HONG KONG

Terms and Conditions

Settlement of Performance-Based Restricted Stock Units and Sale of Shares. The following provisions supplement Section 2 of the Terms and Conditions:

Notwithstanding any discretion contained in the Plan, PRSUs will be settled in Shares only, not cash. This provision is without prejudice to the application of Section 5 of the Terms and Conditions.

In the event the PRSUs vest and Shares are issued to you within six months of the Grant Date, you agree that you will not dispose of any Shares acquired prior to the six-month anniversary of the Grant Date.

Notifications

Securities Law Warning: *The PRSUs and Shares issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to Employees of the Company, the Employer or other Affiliates. The Agreement, the Plan and other Award Documentation have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor has the Agreement, the Plan or the other Award Documentation been reviewed by any regulatory authority in Hong Kong. The PRSUs are intended only for the personal use of each eligible Employee and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement, the Plan or the other Award Documentation, you should obtain independent professional advice.*

INDIA

Notifications

Exchange Control Information. You understand that you must repatriate to India any proceeds from the sale of Shares acquired under the Plan and any cash dividends paid on such Shares within such period of time as may be required under applicable regulations. You must obtain a foreign inward remittance certificate ("FIRC") from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India, the Company or the Employer requests proof of repatriation. It is your responsibility to comply with applicable exchange control laws in India.

INDONESIA

Terms and Conditions

Language Consent and Notification. A translation of the documents relating to this grant into Bahasa Indonesia can be provided to you upon request at <http://AskHR> on AMD Central. By accepting the PRSUs, you (i) confirm having read and understood the documents relating to this grant (*i.e.*, the Plan and the Agreement) which were provided in the English language, (ii) accept the terms of those documents accordingly, and (iii) agree not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Terjemahan dari dokumen-dokumen terkait dengan pemberian ini ke Bahasa Indonesia dapat disediakan untuk anda berdasarkan permintaan kepada <http://AskHR> on AMD Central. Dengan menekan tombol "Saya menerima" atau dengan menandatangani dan mengembalikan dokumen ini yang memuat syarat dan ketentuan pemberian anda, (i) anda

mengkonfirmasi bahwa anda telah membaca dan mengerti isi dokumen yang terkait dengan pemberian ini yang disediakan untuk anda dalam bahasa Inggris, (ii) Anda menerima syarat dari dokumen-dokumen tersebut, dan (iii) anda setuju bahwa anda tidak akan mengajukan keberatan atas keberlakuan dokumen ini berdasarkan Undang-Undang No. 24 tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan atau Peraturan Presiden pelaksana (ketika diterbitkan).

Notifications

Exchange Control Information. Indonesian residents must provide the Indonesian central bank, Bank of Indonesia, with information on foreign exchange activities on an online monthly report no later than the fifteenth day of the following month. Such report can be submitted through the Bank of Indonesia's website.

In addition, if you remit proceeds from the sale of Shares or the receipt of dividends paid on such Shares into Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, you must complete a Transfer Report Form. The Transfer Report Form will be provided to you by the bank through which the transaction is made.

IRELAND

Notifications

Director Notification Requirement. If you are a director, shadow director or secretary of an Irish Affiliate, you must notify the Irish Affiliate in writing if (i) you receive or dispose of an interest exceeding 1% of the Company (e.g., PRSUs, Shares, etc.), (ii) you become aware of an event giving rise to a notification requirement, or (iii) you become a director or secretary if such an interest exists at that time. This notification requirement also applies with respect to the interests of a spouse or children under the age of 18 (whose interests will be attributed to the director, shadow director or secretary).

ISRAEL

Terms and Conditions

The following terms and conditions apply to you only if you are an Israeli tax resident at the time of grant of the PRSUs, which were made under the capital gains trustee track of Section 102 of the Israeli Income Tax Ordinance.

Israeli Subplan. By accepting the PRSUs, you understand and agree that the PRSUs are offered subject to and in accordance with the Advanced Micro Devices, Inc. 2004 Equity Incentive Plan Israeli Subplan (the “*Israeli Subplan*”) and the PRSUs are intended to qualify as a 102 Capital Gains Track Grant (as defined in the Israeli Subplan). Notwithstanding the foregoing, the Company does not undertake to maintain the qualified status of the PRSUs, and you acknowledge that you will not be entitled to damages of any nature whatsoever if the PRSUs become disqualified and no longer qualify as a 102 Capital Gains Track Grant. In the event of any inconsistencies between the Israeli Subplan, the Agreement and/or the Plan, the terms of the Israeli Subplan will govern.

Further, to the extent requested by the Company or the Employer, you agree to execute any letter or other agreement in connection with the grant of the PRSUs or any future awards granted under the Israeli Subplan. If you fail to comply with such request, the PRSUs may not qualify as a 102 Capital Gains Track Grant.

Trust Arrangement. You acknowledge and agree that any Shares issued upon vesting of the PRSUs will be subject to a supervisory trust arrangement with the Company’s designated trustee in Israel, ESOP Management and Trust Company Ltd. (the “*Trustee*”) in accordance with the terms of the trust agreement between the Company and the Trustee. You further agree that such Shares will be subject to the Required Holding Period (as defined in the Israeli Subplan), which shall be 24 months from the Grant Date. The Company may, in its sole discretion, replace the Trustee from time to time and instruct the transfer of all awards and Shares held and/or administered by such Trustee at such time to its successor. The provisions of the Agreement, including this Appendix, shall apply to the new Trustee *mutatis mutandis*.

Restriction on Sale. You acknowledge that any Shares underlying the PRSUs may not be disposed of prior to the expiration of the Required Holding Period in order to qualify for tax treatment under the 102 Capital Gains Track. Accordingly, you shall not dispose of (or request the Trustee to dispose of) any such Shares prior to the expiration of the Required Holding Period, other than as permitted by applicable laws. For purposes of this Appendix for Israel, “dispose” shall mean any sale, transfer or other disposal of the Shares by you (including by means of an instruction by you to the designated broker) or the Trustee, including a release of such Shares from the Trustee to you.

Responsibility for Taxes. The following provisions supplement Section 5 of the Terms and Conditions:

You agree that the Trustee may act on behalf of the Company or the Employer, as applicable, to satisfy any obligation to withhold Tax-Related Items applicable to you in connection with the PRSUs granted under the Israeli Subplan.

The following provision applies to you only if you were not an Israeli tax resident at the time of grant of the PRSUs and the PRSUs do not qualify as Section 102 capital gains trustee track grants:

Settlement of Performance-Based Restricted Stock Units and Sale of Shares. Unless otherwise determined by the Committee, you agree to the immediate sale of all Shares issued upon vesting of the PRSUs. You agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on your behalf pursuant to this authorization), and you expressly authorize the Company's designated broker to complete the sale of such Shares. You agree to sign any forms and/or consents required by the Company's designated broker to effectuate the sale of Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale of the Shares, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

Notifications

Securities Law Information. An exemption from the requirement to file a prospectus with respect to the Plan has been granted to the Company by the Israeli Securities Authority. Copies of the Plan and Form S-8 registration statement for the Plan filed with the SEC are available free of charge upon request with your local human resources representative.

ITALY

Terms and Conditions

Plan Document Acknowledgment. In accepting the PRSUs, you acknowledge that you have received a copy of the Plan and the Agreement and have reviewed the Plan and the Agreement, including this Appendix, in their entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix. You further acknowledge that you have read and specifically and expressly approve the following sections of the Terms and Conditions: Section 1: Vesting of Performance-Based Restricted Stock Units; Section 2: Issuance of Shares; Section 4: Forfeiture of PRSUs; Section 5: Responsibility for Taxes; and Section 7: Nature of Grant.

JAPAN

There are no country-specific provisions.

KOREA

There are no country-specific provisions.

MALAYSIA

Terms and Conditions

Data Privacy. The following provisions replace Section 9 of the Terms and Conditions:

<i>You hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Agreement and any other Award Documentation by and among, as applicable, you, the Company, the Employer and other Parents, Subsidiaries and Affiliates or any third parties authorized by same in assisting in the implementation, administration or management of your participation in the Plan.</i>	<i>Anda dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang dinyatakan dalam Perjanjian Penganugerahan ini dan apa-apa Dokumentasi Penganugerahan oleh dan di antara, sebagaimana yang berkenaan, Syarikat, Majikan dan Syarikat Induk, Anak Syarikat dan Syarikat Sekutu lain atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan anda dalam Pelan tersebut.</i>
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You may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of your participation in the Plan, details of all PRSUs or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.

Sebelum ini, anda mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah dan nombor telefon, alamat emel, tarikh lahir, insurans sosial, nombor pasport atau pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan anda dalam Pelan tersebut, butir-butir semua PRSUs atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak diletak hak ataupun bagi faedah anda (“Data”), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.

<p><i>You also authorize any transfer of Data, as may be required, to a Company-designated Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any Shares acquired upon vesting of the PRSUs are deposited. You acknowledge that these recipients may be located in your country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections to your country, which may not give the same level of protection to Data. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, the stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing your participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing "Ask HR" at http://AskHR on AMD Central. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke the consent, your status as an Employee will not be affected; the only consequence of refusing or withdrawing the consent is that the Company would not be able to grant future PRSUs or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of the refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.</i></p>	<p><i>Anda juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada broker Pelan yang ditetapkan oleh Syarikat, atau pembekal perkhidmatan pelan saham lain sebagaimana yang dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan tersebut dan/atau dengan sesiapa yang mendepositkan Saham yang diperolehi melalui pemberian hak PRSUs. Anda mengakui bahawa penerima-penerima ini mungkin berada di negara anda atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara anda, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Anda memahami bahawa anda boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatan anda. Anda memberi kuasa kepada Syarikat, pembekal perkhidmatan pelan saham dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut. Anda saham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan anda, di mana butir-butir hubungannya adalah "Ask HR" at http://AskHR on AMD Central. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela. Jika anda tidak bersetuju, atau jika anda kemudian membatalkan persetujuan anda, status anda sebagai Pemberi Perkhidmatan dan kerjaya anda dengan Majikan tidak akan terjejas; satunya akibat jika anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan PRSU pada masa depan atau anugerah ekuiti lain kepada anda atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjasarkan keupayaan anda untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan anda.</i></p>
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Notifications

Director Notification Obligation. If you are a director of a Malaysian Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when you receive or dispose of an interest (e.g., an Award under the Plan or Shares) in the Company or any related company. Such notifications must be made within fourteen (14) days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

No Entitlement or Claims for Compensation. These provisions supplement Sections 6 and 7 of the Terms and Conditions:

Modification. By accepting the PRSUs, you understand and agree that any modification of the Plan or the Agreement or its termination will not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The Award of PRSUs the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with principal executive offices at 2485 Augustine Drive, Santa Clara, CA, 95054, U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of Shares does not, in any way, establish an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and your sole employer is AMD Latin America, Ltd. – Mexico City Branch Blvd. Manuel Ávila Camacho No. 40, Torre Esmeralda 1, Piso 18 Col. Lomas de Chapultepec México DF, CP 11000 - México, nor does it establish any rights between you and the Employer.

Plan Document Acknowledgment. By accepting the Award of PRSUs, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

In addition, by accepting the Agreement, you further acknowledge that you have read and specifically and expressly approve the terms and conditions in Section 7 of the Terms and Conditions, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right, (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis, (iii) participation in the Plan is voluntary, and (iv) the Company, the Employer and other Affiliates are not responsible for any decrease in the value of the Shares underlying the PRSUs.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company, the Employer or any other Affiliate for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to the Company, the Employer and other Affiliates with respect to any claim that may arise under the Plan.

Spanish Translation

Términos y Condiciones

Ausencia de derecho para reclamar compensaciones. Estas disposiciones complementan el apartado 6 y 7 de los Términos y Condiciones

Modificación. Al aceptar las Unidades de Acción Restringida, usted reconoce y acuerda que cualquier modificación del Plan o su terminación no constituye un cambio o determineto en los términos y condiciones de empleo.

Declaración de Política. El Otorgamiento de Unidades de Acción Restringida de la Compañía en virtud del Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier tiempo, sin responsabilidad alguna.

La Compañía, con oficinas registradas ubicadas en 2485 Augustine Drive, Santa Clara, CA, 95054, U.S.A., es la única responsable de la administración del Plan y de la participación en el mismo y la adquisición de Acciones no establece de forma alguna una relación de trabajo entre usted y la Compañía, ya que su participación en el Plan es completamente comercial y el único empleador es AMD Latin America, Ltd. – Mexico City Branch, Blvd. Manuel Ávila Camacho No. 40, Torre Esmeralda 1, Piso 18 Col. Lomas de Chapultepec México DF, CP 11000 - México, así como tampoco establece ningún derecho entre Usted y su Empleador.

Reconocimiento del Documento del Plan. Al aceptar el Otorgamiento de las Unidades de Acción Restringida, usted reconoce que ha recibido copias del Plan, ha revisado el mismo, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en el Plan y en el Acuerdo.

Adicionalmente, al aceptar el Acuerdo, reconoce que ha leido, y que aprueba especifica y expresamente los términos y condiciones contenidos en la sección 7 de los Términos y Condiciones Acuerdo, en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, su Empleador y cualquier empresa Matriz, Subsidiaria o Filiales no son responsables por cualquier disminución en el valor de las Acciones en relación a las Unidades de Acción Restringida.

Finalmente, declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía, su Matriz, Subsidiaria o Afiliada por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, su Matriz, Subsidiaria o Filiales con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

NETHERLANDS

There are no country-specific provisions.

POLAND

Notifications

Exchange Control Information. If you transfer funds in excess of €15,000 (or PLN 15,000 if such transfer is connected with the business activity of an entrepreneur) into Poland in connection with the sale of Shares or the receipt of dividends, the funds must be transferred via a bank account in Poland. You are required to retain the documents connected with a foreign exchange transaction for a period of five years, as measured from the end of the year in which such transaction occurred.

RUSSIA

Terms and Conditions

Immediate Sale Restriction. You agree that the Company is authorized, at its discretion, to instruct its designated broker to assist with the sale of your Shares issued upon the vesting of the PRSUs (on your behalf pursuant to this authorization) should the Company determine that such sale is necessary or advisable under Russian securities or exchange control laws. You expressly authorize the Company's designated broker to complete the sale of such Shares and acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the cash proceeds, less any brokerage fees, commissions or Tax-Related Items, will be remitted to you in accordance with any applicable laws and regulations. You acknowledge that you are not aware of any material nonpublic information with respect to the Company or any securities of the Company as of the Grant Date.

U.S. Transaction. You understand that the acceptance of the PRSUs results in an agreement between you and the Company that is completed in the U.S. and that the Agreement is governed by the laws of the State of California, without giving effect to the conflict of law principles thereof.

Upon vesting and settlement of the PRSUs, if the Company in its discretion allows you to hold Shares, such Shares must be held in the U.S. and will not be delivered to you in Russia. You acknowledge that you are not permitted to sell or otherwise transfer Shares directly to other individuals in Russia, nor are you permitted to bring any certificates representing the Shares (if any) into Russia.

Data Privacy. The following provisions supplement Section 9 of the Terms and Conditions:

You hereby acknowledge that you have read and understood the terms regarding collection, processing and transfer of Data contained in Section 9 and, by participating in the Plan, you agree to such terms. In this regard, upon request of the Company or the Employer, you agree to provide an executed data privacy consent form to the Employer or the Company (or any other agreements or consents that may be required by the Employer or the Company) that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in Russia, either now or in the future. You understand that you will not be able to participate in the Plan if you fail to execute any such consent or agreement.

Notifications

Exchange Control Information. You are responsible for complying with any applicable Russian exchange control regulations and rulings. Because Russian exchange control regulations and rulings change frequently and without notice, you should consult with a legal advisor to ensure compliance applicable to any aspect of your participation in the Plan, including the grant and vesting of the PRSUs, issuance of any Shares at vesting, receipt of any proceeds from the sale of Shares and/or receipt of any cash dividends.

Securities Law Information. The grant of the PRSUs and the distribution of the Plan and all other materials you may receive regarding participation in the Plan do not constitute an offering or the advertising of securities in Russia. The issuance

of Shares pursuant to the Plan has not and will not be registered in Russia and, therefore, the Shares may not be used for an offering or public circulation in Russia. You are not permitted to sell Shares directly to other Russian legal entities or residents.

Labor Law Information. If you continue to hold Shares acquired at vesting of the PRSUs after an involuntary termination of your employment, you may not be eligible to receive unemployment benefits in Russia.

Anti-Corruption Legislation Information. Individuals holding public office in Russia, as well as their spouses and dependent children, may be prohibited from opening or maintaining a foreign brokerage or bank account and holding any securities, whether acquired directly or indirectly, in a foreign company (including Shares acquired under the Plan). You should consult with your personal legal advisor to determine whether the restriction applies to you.

SINGAPORE

Term and Conditions

Sale of Shares. The Shares subject to the PRSUs may not be offered for sale in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the condition of, any other applicable provisions of the SFA.

Notifications

Securities Law Information. The Award of PRSUs is being made pursuant to the "Qualifying Person" exemption under Section 273(1)(f) of the SFA and is not made with a view to the PRSUs or underlying Shares being subsequently offered for sale to any other party. The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation. If you are a director, associate director or shadow director of a Singapore Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Affiliate in writing when you receive an interest (e.g., an Award or Shares) in the Company, the Employer or any other Affiliate. In addition, you must notify the Singapore Affiliate when you sell Shares or shares of any Affiliate (including when you sell Shares issued upon vesting and settlement of the PRSUs). These notifications must be made within two (2) business days of acquiring or disposing of any interest in the Company, the Employer or any other Affiliate. In addition, a notification of your interests in the Company, the Employer or any other Affiliate must be made within two (2) business days of becoming a director.

SPAIN

Terms and Conditions

No Entitlement for Claims or Compensation. The following provisions supplement Section 7 of the Terms and Conditions:

By accepting the PRSUs, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan documents.

You understand that the Company has unilaterally, gratuitously and in its sole discretion decided to grant PRSUs under the Plan to Employees throughout the world. The decision is limited and entered into based upon the express assumption and condition that any PRSUs will not economically or otherwise bind the Company, the Employer or any other Affiliate on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, you understand that the PRSUs are granted on the assumption and condition that the PRSUs are not, and will not become, part of any employment contract (whether with the Company, the Employer or any other Affiliate) and shall not be considered a mandatory benefit or salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, you understand and freely accept that there is no guarantee that any benefit whatsoever will arise from the grant of PRSUs, which is gratuitous and discretionary, since the future value of the PRSUs and the underlying Shares is unknown and unpredictable. You also understand that this grant of PRSUs would not be made but for the assumptions and conditions set forth hereinabove; thus, you understand, acknowledge and freely accept that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the PRSUs and any right to the underlying Shares will be null and void.

Further, the vesting of the PRSUs is expressly conditioned on your status as an active Employee, such that if your status as an Employee terminates for any reason whatsoever, your PRSUs cease vesting immediately effective the date of termination for any reason including, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, and/or

Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985.

Notifications

Securities Law Information. No “offer to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the PRSUs. The Plan, the Agreement (including this Appendix) and any other documents evidencing the grant of the PRSUs have not been, nor will they be, registered with the *Comisión Nacional del Mercado de Valores* (the Spanish securities regulator), and none of those documents constitutes a public offering prospectus.

Exchange Control Information. To participate in the Plan, you must comply with exchange control regulations in Spain. You must declare the acquisition of stock in a foreign company (including Shares acquired under the Plan) for statistical purposes to the *Dirección General de Comercio e Inversiones* (the “*DGCI*”), which is a department of the Ministry of Economy and Competitiveness. You must also declare ownership of any Shares by filing a Form D-6 with the Directorate of Foreign Transactions each January while the Shares are owned. In addition, the sale of Shares must also be declared on Form D-6 filed with the DGCI in January, unless the sale proceeds exceed the applicable threshold (currently €1,502,530), in which case, the filing is due within one month after the sale.

When receiving foreign currency payments in excess of €50,000 derived from the ownership of Shares (e.g., as a result of the sale of the Shares or the receipt of dividends), you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will likely need to provide the institution with the following information: (i) your name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any additional information that may be required.

You may be required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts) held abroad, any foreign instruments (including Shares), and any transactions with non-Spanish residents (including any payments of Shares made to you by the Company) depending on the value of the transactions during the relevant year or the balances in such accounts and the value of such instruments as of December 31 of the relevant year. You should consult with your personal legal advisor regarding the applicable thresholds and corresponding reporting requirements.

In addition, you are required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities (including Shares acquired under the Plan) held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

SWEDEN

Terms and Conditions

Authorization to Withhold. The following provision supplements Section 5 of the Terms and Conditions:

Without limiting the Company's and the Employer's authority to satisfy their withholding obligations for Tax-Related Items as set forth in Section 5 of the Terms and Conditions, in accepting the grant of PRSUs, you authorize the Company and/or the Employer to withhold Shares or to sell Shares otherwise deliverable to you upon vesting/settlement to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer have an obligation to withhold such Tax-Related Items.

TAIWAN

Notifications

Securities Law Information. The PRSUs and the underlying Shares are available only for certain Employees. It is not a public offer of securities by a Taiwanese company. Therefore, it is exempt from registration in Taiwan.

Exchange Control Information. You may acquire and remit foreign currency (including proceeds from the sale of Shares or the receipt of any dividends) into and out of Taiwan up to US\$5,000,000 per year without justification. If the transaction amount is TWD\$500,000 or more in a single transaction, you must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

THAILAND

Notifications

Exchange Control Information. When you realize US\$200,000 or more in a single transaction from the sale of Shares issued to you at vesting and settlement of the PRSUs or cash dividend paid on such Shares, you must immediately repatriate

all cash proceeds to Thailand and then either convert such proceeds to Thai Baht or deposit the funds into a foreign currency account opened with any commercial bank in Thailand within 360 days of repatriation. You are also required to specifically report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If you fail to comply with these obligations, you may be subject to penalties assessed by the Bank of Thailand. You should consult your personal advisor before taking action with respect to remittance of proceeds from the sale of Shares into Thailand. You are responsible for ensuring compliance with all exchange control laws in Thailand.

TURKEY

Notifications

Securities Law Information. Pursuant to Turkish securities law, you are not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the Nasdaq Stock Market, which is located outside of Turkey, under the ticker symbol “AMD” and Shares acquired under the Plan may be sold through this exchange.

Exchange Control Information. Turkish residents are permitted to purchase and sell securities or derivatives traded on exchanges abroad only through a financial intermediary licensed in Turkey. Therefore, you may be required to appoint a Turkish broker to assist you with the sale of the Shares acquired under the Plan. *You should consult your personal legal advisor before selling any Shares acquired under the Plan to confirm the applicability of this requirement to you.*

UNITED ARAB EMIRATES

Notifications

Securities Law Information. The Plan is only being offered to qualified Employees and constitutes an “exempt personal offer” of equity incentives to Employees in the United Arab Emirates. The Plan and the Agreement are intended for distribution only to such Employees and must not be delivered to, or relied on by, any other person.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with this statement or the Plan. The Ministry of Economy, the Dubai Department of Economic Development, the Emirates Securities and Commodities Authority, Central Bank and the Dubai Financial Securities Authority, depending on the employee’s location in the United Arab Emirates, have not approved this statement, the Plan, the Agreement or any other documents you may receive in connection with the PRSUs or taken steps to verify the information set out therein, and have no responsibility for such documents.

You should conduct your own due diligence on the Shares. If you do not understand the contents of the Plan and the Agreement, you should consult an authorized financial adviser.

UNITED KINGDOM

Terms and Conditions

Settlement of Performance-Based Restricted Stock Units. The following provision supplements Section 2 of the Terms and Conditions:

Notwithstanding any discretion contained in the Plan, PRSUs will be settled in Shares only, not cash.

Responsibility for Taxes. The following provisions supplement Section 5 of the Terms and Conditions:

Without limitation to Section 5 of the Terms and Conditions, you hereby agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax- Related Items, as and when requested by the Company or the Employer, as applicable, or by Her Majesty's Revenue & Customs (“**HMRC**”) (or any other tax authority or any other relevant authority). You also hereby agree to indemnify and keep indemnified the Company and the Employer, as applicable, against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of immediately foregoing provision may not apply in case the indemnification could be considered a loan. In this case, the amount of the income tax not collected within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the Tax-Related Items occurs may constitute a benefit to you on which additional income tax and National Insurance contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any National Insurance contributions due on this additional benefit, which may be obtained from you by the Company or the Employer at any time thereafter by any of the means referred to in Section 5 of the Terms and Conditions.

[End of Agreement]

Xilinx, Inc. 2007 Equity Incentive Plan
PRSU Agreement (SVP and Above) 26
Approved November 2021 – Appendix

**ADVANCED MICRO DEVICES, INC.
RESTRICTED STOCK UNIT GRANT NOTICE
XILINX, INC. 2007 EQUITY INCENTIVE PLAN**

Advanced Micro Devices, Inc., a Delaware corporation (the “*Company*”), pursuant to its Xilinx, Inc. 2007 Equity Incentive Plan (as amended from time to time, the “*Plan*”), hereby grants to the holder listed below (“*Participant*”) this award (“*Award*”) of restricted stock units set forth below (the “*RSUs*”). This Award is subject to all of the terms and conditions set forth herein and in the Terms and Conditions to the RSUs (the “*Terms and Conditions*”), including any applicable country-specific terms and conditions for Participant’s country set forth in the appendix thereto (the “*Appendix*”) and in the Plan, each of which is incorporated herein by reference. Unless otherwise defined, the terms defined in the Plan shall have the same defined meanings in this Restricted Stock Unit Grant Notice (the “*Grant Notice*”) and the Terms and Conditions.

Participant:	_____
Employee ID:	_____
Grant Date:	_____
Intended Award Value: (For Internal Use Only)	\$ _____
Number of Restricted Stock Units:	_____
Vesting Schedule:	[To be specified in individual agreements], subject to Participant continuing to be an active Employee, Director or Consultant (a “ <i>Service Provider</i> ”) through each applicable vesting date.

By his or her signature below or by electronic acceptance or authentication in a form authorized by the Company, Participant hereby: (a) agrees to be bound by the terms and conditions of the Plan, the Terms and Conditions, the Appendix and this Grant Notice; (b) acknowledges that he or she has reviewed the Plan, the Terms and Conditions, the Appendix and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice, and fully understands all provisions of the Plan, the Terms and Conditions, the Appendix and this Grant Notice; (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the Terms and Conditions, the Appendix or this Grant Notice; and (d) acknowledges and agrees that if he or she fails to timely activate a brokerage account with the Company’s designated brokerage firm (currently E*Trade) on or before the last business day preceding the first vesting date of the RSUs, then this Award will be immediately cancelled and forfeited and he or she will not receive any other benefits or compensation as replacement for this Award.

ADVANCED MICRO DEVICES, INC.

PARTICIPANT

By:
Print Name:
Title: _____

By:
Print Name:

TERMS AND CONDITIONS

**RESTRICTED STOCK UNIT AWARD
XILINX, INC. 2007 EQUITY INCENTIVE PLAN**

These Terms and Conditions, together with the Plan, the Grant Notice, and any country-specific terms and conditions for your country contained in the Appendix hereto, comprise your agreement (the “*Agreement*”) with the Company regarding the restricted stock units (the “*RSUs*”) awarded under the Plan.

1. Vesting of Restricted Stock Units. The RSUs will vest on the date(s) shown on the Grant Notice provided that you continue to be an active Service Provider (as defined in the Grant Notice) through each vesting date. Notwithstanding the immediately preceding sentence, if your status as an active Service Provider terminates due to your death you will immediately vest in the Number of RSUs set forth in the Grant Notice. Unless and until the RSUs have vested in accordance with the vesting schedule set forth in the Grant Notice, you will have no right to receive Shares in settlement of such RSUs. By accepting this Award, you acknowledge and agree that (a) this Award shall not be subject to any special or accelerated vesting under the terms of any agreement between you and Xilinx, Inc., including, without limitation, any change of control agreement between you and Xilinx, Inc. (as applicable, a “*Legacy Xilinx Agreement*”), and (b) this Section 1 shall supersede any conflicting provisions contained in any Legacy Xilinx Agreement.

2. Settlement of Vested RSUs; Issuance of Shares. Subject to Sections 4 and 10 of these Terms and Conditions, and further subject to any applicable country-specific terms and conditions set forth in the Appendix, the Shares in respect of vested RSUs will be issued in your name on or as soon as practicable following the date the underlying RSUs vest (the “*Standard Settlement Date*”).

Until Shares are actually issued in settlement of any vested RSUs, such RSUs will represent an unfunded, unsecured obligation of the Company.

3. Nontransferability of Restricted Stock Units. Unless determined otherwise by the Committee, the RSUs may not be pledged, assigned, sold or otherwise transferred.

4. Forfeiture of Restricted Stock Units. Except as otherwise provided in Section 6(e) of these Terms and Conditions, if your status as a Service Provider terminates for any reason other than death before the vesting date(s) shown on the Grant Notice, your unvested RSUs will be cancelled and forfeited without consideration. In case of any dispute as to whether your status as a Service Provider has terminated, the Committee will have sole discretion to determine whether such termination has occurred and the effective date of such termination.

For purposes of this Award, your status as an active Service Provider will be considered terminated (regardless of the reason for termination and whether or not the termination is in breach of applicable laws) effective as of the date you are no longer actively employed by or providing services to the Company or an Affiliate (as defined in Section 29), and will not be extended by any notice period mandated under applicable laws (e.g., active employment or service would not include a period of “garden leave” or similar period pursuant to applicable law). The Committee will have the exclusive discretion to determine when your status as an active Service Provider terminates for purposes of this Award (including whether you may still be considered to be employed by or providing services to the Company or an Affiliate while on a leave of absence).

5. Responsibility for Taxes. Regardless of any action the Company or, if different, your employer (the “*Employer*”) takes with respect to any or all income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you (“*Tax-Related Items*”), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the issuance of Shares upon settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to tax in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items (including hypothetical withholding tax amounts if you are covered under a Company or Employer Tax equalization policy). In this regard, you authorize the

Company, the Employer, and their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from your wages or other cash compensation payable to you by the Company and/or the Employer;
- (b) withholding from proceeds of the sale of Shares issuable or issued to you upon vesting and/or settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without your further consent or direction);
- (c) withholding in Shares to be issued upon vesting and/or settlement of the RSUs; or
- (d) requiring you to make a payment in cash by certified check or wire transfer.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering statutory withholding rates or other withholding rates, including maximum rates applicable in your jurisdiction(s), in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares, you are deemed for tax purposes to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of your participation in the Plan.

If you are covered by a Company or Employer tax equalization policy, you agree to pay to the Company or Employer any additional hypothetical tax obligation calculated and paid under the terms of such tax equalization policy. Finally, you must pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

6. Other Terms and Conditions

(a) The Plan. The Agreement is further subject to the terms and provisions of the Plan. Only certain provisions of the Plan are described in the Agreement. As a condition to your receipt of the RSUs and any Shares issuable in settlement of vested RSUs, you acknowledge and agree to the terms and conditions of the Agreement and the terms and provisions of the Plan.

(b) Activation of Brokerage Account. This Award of RSUs is subject to and conditioned on your activation of a brokerage account with the Company's designated brokerage firm on or before the last business day immediately preceding the first vesting date of the RSUs. If you fail to timely activate a brokerage account with the Company's designated brokerage firm, then this Award and all of the RSUs covered by this Award will be immediately cancelled and forfeited and you will not receive any other benefits or compensation as replacement for the RSUs.

(c) Stockholder Rights. Until the Shares are issued, you have no right to vote or receive dividends or any other rights as a stockholder with respect to the RSUs.

(d) Employment Relationship. Nothing in the Agreement will confer on you any right to continue in the employ of the Company or the Employer or interfere with or restrict rights of the Company or the Employer, which are hereby expressly reserved, to terminate your employment at any time.

(e) Change of Control. If your employment is terminated by the Company or the Employer (including for this purpose any successor to the Company due to such Change of Control (as defined in Section 29) and any employer that is an Affiliate of such successor) for any reason other than for Misconduct (as defined in Section 29) or, if applicable, by you as a result of a Constructive Termination (as defined in Section 29), within one year after a Change of Control, then the RSUs will become fully vested upon the date of termination.

(f) Declination of RSUs. If you wish to decline your RSUs, you must complete and file the Declination of Grant form with Corporate Compensation and Benefits by the deadline for such declination. Your declination is non-revocable, and you will not receive a grant of stock options or any other compensation as replacement for the declined RSUs. Your decision to not timely file the Declination of Grant form will constitute your acceptance of the Award on the terms on which it is offered, as set forth in this Agreement and the Plan.

(g) **Recovery in the Event of a Financial Restatement; Claw-Back Policy.** In the event the Company is required to prepare an accounting restatement due to material noncompliance of the Company with any financial reporting requirement under applicable securities laws, the Committee will review all equity-based compensation (including the RSUs) awarded to employees at the Senior Vice President level and above. If the Committee (in its sole discretion) determines that you were directly involved with fraud, misconduct or gross negligence that contributed to or resulted in such accounting restatement, the Committee may, to the extent permitted by applicable laws, recover for the benefit of the Company all or a portion of the equity-based compensation awarded to you, including (without limitation) by cancellation, forfeiture, repayment and disgorgement of profits realized from the sale of securities of the Company; provided, however, the Committee will not have the authority to recover any equity-based compensation awarded more than 18 months prior to the date of the first public issuance or filing with the U.S. Securities and Exchange Commission (the “SEC”) (whichever first occurs) of the financial document embodying such financial reporting requirement. In determining whether to seek recovery, the Committee may take into account any considerations it deems appropriate, including applicable laws and whether the assertion of a recovery claim may prejudice the interests of the Company in any related proceeding or investigation. Further, and notwithstanding the foregoing, the RSUs (including any proceeds, gains or other economic benefit actually or constructively received by you upon any receipt of the RSUs or upon the receipt or resale of any Shares underlying the RSUs) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable laws, including without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy.

7. **Nature of Grant.** In accepting this Award, you acknowledge, understand and agree that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted in the past;
- (c) all decisions with respect to future RSU grants, if any, will be at the sole discretion of the Company;
- (d) you are voluntarily participating in the Plan;
- (e) the RSUs and the Shares subject to the RSUs, and the value of and income from such RSUs and Shares, are not intended to replace any pension rights, retirement benefits or other compensation;
- (f) the RSUs and the Shares subject to the RSUs, and the value of and income from such RSUs and Shares, are not part of normal or expected compensation or salary for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (g) the RSU grant and your participation in the Plan will not be interpreted to form an employment contract or other service relationship with the Company, the Employer or any Affiliate;
- (h) the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- (i) no claim or entitlement to compensation or damages will arise from forfeiture of the RSUs resulting from termination of your status as a Service Provider (for any reason whatsoever and whether or not in breach of applicable laws), and in consideration of the grant of the RSUs to which you are otherwise not entitled, you irrevocably agree to (i) never institute any such claim against the Company, the Employer, or any of their respective Affiliates, (ii) waive your ability, if any, to bring any such claim against the Company, the Employer or any of their respective Affiliates, (iii) forever release the Company, the Employer and each of their respective Affiliates from any such claim, and (iv) execute any and all documents necessary, or reasonably requested by the Company, to request dismissal or withdrawal of any such claim that is allowed by a court of competent jurisdiction, in each case to the maximum extent permitted by applicable laws;
- (j) the RSUs and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger of the Company with or into another company or the sale of substantially all of the assets of the Company; and
- (k) if you are providing services outside the United States:

(i) the RSUs and the Shares subject to the RSUs, and the value of and income from such RSUs, are not part of normal or expected compensation or salary for any purpose, including, without limitation, for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension benefits, retirement benefits, welfare benefits or similar mandatory payments; and

(ii) none of the Company, the Employer, or any of their respective Affiliates will be liable for any foreign exchange rate fluctuation between any local currency and the U.S. Dollar that may affect the value of the RSUs, any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

8. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

9. **Data Privacy.** You understand that the Company and the Employer hold certain personal information about you, including, but not limited to, your name, home address, email address, and telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (your "Data"), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that it will be necessary for your Data to be collected, used and transferred, in electronic or other form, as described in the Agreement and any other Award Documentation by and among, as applicable, the Employer, the Company and any Affiliate. Such processing will be for the exclusive purpose of implementing, administering and managing your participation in the Plan, and therefore for the performance of the Agreement. The provision of your Data is a contractual requirement. Without the provision of your Data, it will not be possible for the Company and/or the Employer to perform their obligations under the Agreement.

You understand that, in performing the Agreement, it will be necessary for:

your Data to be transferred to a Company-designated Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan;

the Company, its Plan broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan, to receive, possess, use, retain and transfer your Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan; and

your Data to be held only as long as is necessary to implement, administer and manage your participation in the Plan.

If you are located in the European Union ("EU"), European Economic Area ("EEA") or the United Kingdom ("UK"), you understand that the recipients of your Data may be located in countries outside of the EU/EEA/UK, including the United States, and that the recipients' country may not have privacy laws and protections that are equivalent to those of the EU/EEA/UK member state in which you are based. You understand that if you reside in the EU/EEA/UK, you can request a list with the names and addresses of any recipients of your Data by contacting your local human resources representative.

You understand that if you reside in the EU/EEA/UK, you may, at any time and free of charge, request access to your Data, object to the processing of your Data, request to have access to it restricted, request additional information about the storage and processing of your Data, require any necessary amendments to your Data or ask for it to be erased by contacting your local human resources representative in writing. You may also have the right to receive a copy of your Data in a machine-readable format, and the right to not to be subject to any decision that significantly affects you being taken solely by automated processing, including profiling. We will process any request in line with applicable laws and our policies and procedures. You also have the right to lodge a complaint with a local supervisory authority.

10. **Compliance with Laws and Regulations.** The issuance and transfer of the Shares will be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Shares may be listed or quoted at the time of such issuance or transfer; and, you understand that the Company shall not be required to issue or deliver any Shares prior to fulfillment of all of the following conditions: (a) the admission of such Shares to listing on all stock

exchanges on which the Company's common stock is then listed; (b) the completion of any registration or other qualification of such Shares under any state or federal law or under rulings or regulations of the SEC or of any other governmental regulatory body, which the Committee shall, in its absolute discretion, deem necessary or advisable; (c) the obtaining of any approval or other clearance from any state or federal governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and (d) the lapse of such reasonable period of time following the vesting or settlement as the Committee may from time to time establish for reasons of administrative convenience. The Shares shall be fully paid and nonassessable. You understand that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, you agree that the Company has unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary or advisable to comply with securities or other laws applicable to issuance of Shares.

11. **Successors and Assigns.** The Company may assign any of its rights under the Agreement. The Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer contained herein, the Agreement will be binding upon you and your heirs, executors, Committees, legal representatives, successors and assigns.

12. **Governing Law; Jurisdiction; Severability.** The Agreement is to be governed by and construed in accordance with the internal laws of the State of Delaware, U.S.A., as such laws are applied to agreements between Delaware residents entered into and to be performed entirely within Delaware, excluding that body of laws pertaining to conflict of laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the Company and you evidenced by this grant or the Agreement, the Company and you hereby submit to and consent to the exclusive jurisdiction of the State of Delaware and agree that such litigation will be conducted only in the courts of New Castle County, Delaware, or the federal courts for the United States for the District of Delaware, and no other courts, where this grant is made and/or to be performed. If any provision of the Agreement is determined by a court of law to be illegal or unenforceable, in whole or in part, that provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

13. **Further Instruments.** You agree to execute further instruments and to take further actions as may be reasonably necessary to carry out the purposes and intent of the Agreement.

14. **Committee Authority.** The Committee has the power to interpret the Plan and the Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any RSUs have vested). All actions taken and all interpretations and determinations made by the Committee will be final and binding upon you, the Company and all other interested persons. The Committee will not be personally liable for any action, determination or interpretation made with respect to the Plan or the Agreement.

15. **Language.** You acknowledge that you are sufficiently proficient in English, or have consulted with an advisor who is sufficiently proficient in English, to understand the terms and conditions of the Agreement. Furthermore, if you have received the Agreement or any other Award Documentation translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

16. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with applicable laws or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. **Headings.** The captions and headings of the Agreement are included for ease of reference only and will be disregarded in interpreting or construing the Agreement. All references herein to Sections will refer to Sections of these Terms and Conditions, unless otherwise noted.

19. **Appendix.** Notwithstanding any provisions in the Award Documentation, the RSU grant will be subject to any additional terms and conditions for your country set forth in an Appendix to these Terms and Conditions. Moreover, if you relocate to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for

legal or administrative reasons. The Company reserves the right to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Appendix constitutes part of the Agreement.

20. **Waiver**. You acknowledge that a waiver by the Company of breach of any provision of the Agreement will not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by you or any other Participant.

21. **Entire Agreement**. The Plan, these Terms and Conditions, the Appendix and the Grant Notice constitute the entire agreement and understanding of the parties with respect to the subject matter of the Agreement, and supersede all prior understandings and agreements, whether oral or written, between the parties with respect to the specific subject matter hereof, including, without limitation, your Legacy Xilinx Agreement(s) (if any).

22. **Insider Trading Restrictions/Market Abuse Laws**. You acknowledge that, depending on your or your broker's country or the country in which the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to accept, acquire, sell or otherwise dispose of Shares or rights to Shares (or rights linked to Shares) under the Plan (e.g., RSUs) during such times as you are considered to have "inside information" regarding the Company (as defined by the laws or regulations in your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed insider information. Furthermore, you could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties (including employees and other service providers) or causing them otherwise to buy or sell Company securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

23. **Notices**. Any notice to be given under the terms of the Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to you shall be addressed to you at your last residential or email address reflected on the Company's records. By a notice given pursuant to this Section 23, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to you shall, if you are then deceased, be given to your legal representative. Any notice shall be deemed duly given to you (or, if applicable, your legal representative), (a) if it is delivered by email, upon confirmation of receipt (with an automatic "read receipt" constituting acknowledgment of receipt for purposes of this Section 23(a)); and (b) if sent by certified mail (return receipt requested), on the second business day following deposit (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or similar local service in jurisdictions outside of the United States.

24. **Limitations Applicable to Section 16 Persons**. Notwithstanding any other provision of the Plan or the Agreement, if you are subject to Section 16 of the Exchange Act, the Plan, the RSUs and the Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable laws, the Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

25. **Section 409A**. The RSUs are not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "**Section 409A**"). However, notwithstanding any other provision of the Plan or the Agreement, if at any time the Committee determines that the RSUs (or any portion thereof) may be subject to Section 409A, the Committee shall have the right in its sole discretion (without any obligation to do so or to indemnify you or any other person for failure to do so) to adopt such amendments to the Plan or the Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Committee determines are necessary or appropriate either for the RSUs to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

26. **Limitation on Participant's Rights**. Participation in the Plan confers no rights or interests other than as herein provided. The Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. You shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to RSUs, as and when vested or settled pursuant to the terms hereof.

27. **Foreign Asset/Account Reporting; Exchange Control Requirements**. Certain applicable foreign asset and/or foreign account reporting requirements and exchange controls may affect your ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including any dividends paid on Shares acquired under the

Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You may also be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. You acknowledge that you are responsible for complying with any applicable regulations, and that you should speak to your personal legal advisor for any details.

28. **Termination, Rescission and Recapture.** The RSUs are intended to align your long-term interests with the long-term interests of the Company. If you engage in certain activities discussed below, either during employment with the Company or after such employment terminates for any reason, the Company may terminate any outstanding, unexpired or unpaid RSUs (“**Termination**”), rescind any payment or delivery of Shares pursuant to the RSUs (“**Rescission**”) or recapture any Shares or any proceeds from your sale of Shares acquired pursuant to the RSUs (“**Recapture**”), as more fully described below and to the extent permitted by applicable laws. For purposes of this Section 28, “**Competitive Organization or Business**” is defined as those corporations, institutions, individuals, or other entities identified by the Company as competitive or working to become competitive in the Company’s most recently filed annual report on Form 10-K.

(a) You are acting contrary to the long-term interests of the Company if you at any time fail to comply with any agreement or undertaking regarding inventions, intellectual property rights, and/or proprietary or confidential information or material that you signed or otherwise agreed to in favor of the Company.

(b) You are acting contrary to the long-term interests of the Company if you, while employed by the Company: (i) materially breach any Company (or Affiliate) policy applicable to you, or any written agreement between you and the Company (or Affiliate); (ii) violate the Company’s Worldwide Standards of Business Conduct or commit any other act of misconduct, or violate state or federal law relating to the workplace (including laws related to sexual harassment or age, sex or other prohibited discrimination); (iii) commit any act or omission resulting in your being charged with a criminal offense involving moral turpitude, dishonesty, or breach of trust; or (iv) engage in conduct that constitutes a felony, or enter a plea of guilty or nolo contendere with respect to a felony under applicable law. Whether you are acting contrary to the long-term interests of the Company for any of the reasons set forth in clauses (i) through (iv) above shall be determined by the Committee in its sole discretion.

(c) You are acting contrary to the long-term interests of the Company if, during the restricted period set forth below, you engage in any of following activities in, or directed into, any State, possession or territory of the United States of America or any country in which the Company operates, sells products or does business:

(i) while employed by the Company, you render services to or otherwise directly or indirectly engage in or assist, any Competitive Organization or Business;

(ii) while employed by the Company or at any time thereafter, without the prior written consent of the Compensation and Leadership Resources Committee of the Board (“**CLRC**”), you (A) use any confidential information or trade secrets of the Company to render services to or otherwise engage in or assist any Competitive Organization or Business or (B) solicit away or attempt to solicit away any customer or supplier of the Company if in doing so, you use or disclose any of the Company’s confidential information or trade secrets;

(iii) while employed by the Company or during a period of twelve (12) months thereafter, without the prior written consent of the Board, you carry on any business or activity (whether directly or indirectly, as a partner, shareholder, principal, agent, director, affiliate, employee or consultant) that is a direct material Competitive Organization or Business (as conducted now or during the term of this Agreement);

(iv) while employed by the Company or during the period of twelve (12) months thereafter, without the prior written consent of the Board, you solicit away or influence or attempt to influence or solicit away any client, customer or other person either directly or indirectly to direct his/her or its purchase of the Company’s products and/or services to any Competitive Organization or Business; or

(v) while employed by the Company or during a period of twelve (12) months thereafter, without the prior written consent of the Board, you solicit or influence or attempt to influence or solicit any person employed by the Company or any consultant then retained by the Company to terminate or otherwise cease his/her employment or consulting relationship with the Company or become an employee of or perform services for any outside organization or business that is or is working to become competitive with the Company.

The activities described in this Section 28(c) are collectively referred to as “**Activities Against the Company’s Interest**.”

(d) If the Company determines, in its sole and absolute discretion, that: (i) you have violated any of the requirements set forth in Section 28(a) or (b) above or (ii) you have engaged in any Activities Against the Company's Interest (the date on which such violation or activity first occurred being referred to as the "**Trigger Date**"), then the Company will, in its sole and absolute discretion, impose a Termination, Rescission and/or Recapture of any or all of the RSUs, Shares issued or issuable pursuant to the RSUs, or the proceeds you received therefrom, provided, that such Termination, Rescission and/or Recapture shall not apply to the RSUs to the extent that such RSUs vested earlier than one year prior to the Trigger Date. Within ten days after receiving notice from the Company that Rescission or Recapture is being imposed on any RSU, you shall deliver to the Company the Shares acquired pursuant to the RSUs, or, if you have sold such Shares, the gain realized, or payment received as a result of the rescinded payment or delivery. Any payment by you to the Company pursuant to this Section 28(d) shall be made either in cash or by returning to the Company the number of Shares that you received in connection with the rescinded payment or delivery. It shall not be a basis for Termination, Rescission or Recapture if after your termination of employment, you purchase, as an investment or otherwise, stock or other securities of a Competitive Organization or Business, so long as (x) such stock or other securities are listed upon a recognized securities exchange or traded over-the-counter, and (y) such investment does not represent more than a one percent equity interest in the organization or business.

(e) Upon payment or delivery of Shares pursuant to the RSUs, you shall, if requested by the Company, certify on a form acceptable to the Company that you are in compliance with the terms and conditions of this Agreement and, if your termination of employment has occurred, shall state the name and address of your then-current employer or any entity for which you perform business services and your title, and shall identify any organization or business in which you own a greater-than-one-percent equity interest.

(f) Notwithstanding the foregoing provisions of this Section 28, in exceptional cases, the Company has sole and absolute discretion not to require Termination, Rescission and/or Recapture, and its determination not to require Termination, Rescission and/or Recapture with respect to any particular act by you or the RSUs shall not in any way reduce or eliminate the Company's authority to require Termination, Rescission and/or Recapture with respect to any other act by you or other equity awards.

(g) Nothing in this Section 28 shall be construed to impose obligations on you to refrain from engaging in lawful competition with the Company after the termination of employment. For the avoidance of doubt, you acknowledge that this Section 28(f) shall not limit or supersede any other agreement between you and the Company concerning restrictive covenants.

(h) All administrative and discretionary authority given to the Company under this Section 28 shall be exercised by the CLRC, or an executive officer of the Company as the CLRC may designate from time to time.

(i) Notwithstanding any provision of this Section 28, if any provision of this Section 28 is determined to be unenforceable or invalid under any applicable laws, such provision will be applied to the maximum extent permitted by applicable laws, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable laws. Furthermore, if any provision of this Section 28 is illegal under any applicable laws, such provision shall be null and void to the extent necessary to comply with applicable laws.

Notwithstanding the foregoing, this Section 28 shall not be applicable to you from and after your termination of employment if such termination of employment occurs after a Change of Control.

29. **Certain Defined Terms.** As used herein, the following definitions shall apply:

(a) "**Affiliate**" means any corporation, partnership, joint venture or other entity in which the Company holds an equity, profit or voting interest of more than fifty percent (50%).

(b) "**Change of Control**" shall mean the first occurrence after the Grant Date of any of the following events:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including the securities beneficially owned by such person any securities acquired directly from the Company or any of its Affiliates) representing more than 20% of either the then outstanding shares of the Common Stock of the Company or the combined voting power of the Company's then outstanding voting securities;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director designated by a person who has entered into an agreement or arrangement with the Company to effect a transaction described in clause (i) or (ii) of this sentence) whose appointment,

election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board;

(iii) there is consummated a merger or consolidation of the Company or subsidiary thereof with or into any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding securities which represent immediately after such merger or consolidation more than 50% of the combined voting power of the voting securities of either the Company or the other entity which survives such merger or consolidation or the parent of the entity which survives such merger or consolidation; o

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company and such plan of complete liquidation of the Company is consummated or there is consummated the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 80% of the combined voting power of the voting securities of which are owned by persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing: (x) no "Change of Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately prior to such transaction or series of transactions and (z) "Change of Control" shall exclude the acquisition of securities representing more than 20% of either the then outstanding shares of the Common Stock of the Company or the combined voting power of the Company's then outstanding voting securities by the Company or any of its wholly owned subsidiaries, or any trustee or other fiduciary holding securities of the Company under an employee benefit plan now or hereafter established by the Company.

Further, if necessary to avoid the imposition of tax under Section 409A of the Code, a "Change of Control" will not be deemed to have occurred for purposes of this Award if such transaction does not also constitute a "change in the ownership or effective control of" the Company or "a change in the ownership of a substantial portion of the assets of" the Company as determined under Treasury Regulations Section 1.409A-3(i)(5).

(c) "**Constructive Termination**" means, if you have been selected by the Board as a corporate officer of the Company, your resignation due to a material diminution or material adverse change in the circumstances of your service as such a corporate officer, as determined by you in good faith; including, without limitation, reporting relationships, job description, duties, responsibilities, compensation, perquisites, office or location of employment. Constructive Termination shall be communicated by you by written notice to the Company (or successor to the Company), and such termination shall be deemed to occur on the date such notice is so delivered.

(d) "**Misconduct**" means you are determined by the Committee in its sole discretion to have: (i) violated your obligations to the Company (or Affiliate) regarding confidentiality, or the protection of sensitive, confidential, or proprietary information and trade secrets; (ii) committed any act or omission resulting in your being charged with a criminal offense involving moral turpitude, dishonesty, or breach of trust; (iii) engaged in conduct that constitutes a felony, or entered a plea of guilty (or state law equivalent) or nolo contendere with respect to a felony (or state law equivalent) under applicable law; (iv) engaged in conduct that constitutes gross neglect; (v) acted insubordinately or refused to implement the lawful directives of your manager; (vi) been chronically absent other than pursuant to an approved leave of absence per the Company's (or Affiliate's) policies; (vii) failed to cooperate with any internal investigation of the Company (or Affiliate); (viii) violated the Company's Worldwide Standards of Business Conduct or committed other acts of misconduct, or violated any state or federal law relating to the workplace (including laws related to sexual harassment or age, sex or other prohibited discrimination); (ix) materially breached any Company (or Affiliate) policy applicable to you, or any written agreement between you and Company (or Affiliate); or (x) failed to substantially and satisfactorily perform your job duties with the Company (or Affiliate).

By signing the Grant Notice or otherwise accepting the RSU grant and the Shares issued upon vesting of the RSUs, you agree to be bound by terms of the Agreement and the Plan.

APPENDIX

Terms and Conditions Restricted Stock Unit Award Xilinx, Inc. 2007 Equity Incentive Plan

Capitalized terms not specifically defined in this Appendix (this “**Appendix**”) have the same meaning assigned to them in the Xilinx, Inc. 2007 Equity Incentive Plan (as amended from time to time, the “**Plan**”) and/or the Terms and Conditions to which this Appendix is attached (the “**Terms and Conditions**”).

Terms and Conditions

This Appendix includes additional terms and conditions that govern the grant of RSUs in your country. If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the grant of the RSUs or are considered a resident of another country for local law purposes, the Company may, in its discretion, determine to what extent the additional terms and conditions contained herein will be applicable to you.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of April 2020. Such laws are often complex and change frequently. As a result, you should not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at vesting of the RSUs, the receipt of any dividends or dividend equivalents or the subsequent sale of the Shares.

In addition, the information is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

If you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer residency and/or employment to another country after the RSUs are granted to you or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you in the same manner.

ARGENTINA

Notifications

Securities Law Information. Neither the RSUs nor the Shares subject to the RSUs are publicly offered or listed on any stock exchange in Argentina. The offer is private and not made to the public.

Exchange Control Information. Certain restrictions and requirements may apply if and when you transfer proceeds from the sale of Shares or any cash dividends paid with respect to such Shares into Argentina.

Exchange control regulations in Argentina are subject to frequent change. Prior to vesting in the RSUs or remitting funds into Argentina, you should consult with your personal legal advisor regarding any exchange control obligations you may have in connection with your participation in the Plan.

AUSTRALIA

Terms and Conditions

Data Privacy. The following provisions supplement Section 9 of the Terms and Conditions:

The Company can be contacted at 2485 Augustine Drive, Santa Clara, CA, 95054, U.S.A. The Australian Employer can be contacted at Part Level 8, 15 Talavera Road, North Ryde, NSW 2113, Sydney, Australia.

Data will be held in accordance with the Company's Worldwide Standards of Business Conduct, a copy of which can be obtained on the Company's website or by contacting the Company or the Australian Employer at the address listed above.

You understand and agree that Data may be transferred to recipients of Data located outside of Australia, including the United States and any other country where the Company has operations.

Australia Offer Document. The offer of RSUs is intended to comply with the provisions of the Corporations Act 2001, ASIC Regulatory Guide 49 and ASIC Class Order CO 14/1000. Additional details are set forth in the Offer Document for the offer of the RSUs to Australian resident Participants, which is being provided to you with the Agreement. Participation in the Plan is subject to the terms and conditions set forth in the Australian Offer Document and other Award Documentation provided to you.

Notifications

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in the Act).

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A\$10,000 and international fund transfers. The Australian bank assisting with the transaction will file the report. If there is no Australian bank involved in the transfer, you will be required to file the report.

BELGIUM

Notifications

Exchange Control Information. You are required to provide the National Bank of Belgium with account details of any foreign securities or bank accounts (including the account number, bank name and country in which any such account was opened). This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the *Kredietcentrales / Centrales des crédits* caption.

BRAZIL

Terms and Conditions

Nature of Grant. The following provisions supplement Section 7 of the Agreement:

By accepting the RSUs, you acknowledge, understand and agree that (i) you are making an investment decision, and (ii) the value of the underlying Shares is not fixed and may increase or decrease without compensation to you.

Compliance with Laws. By accepting the RSUs, you agree that you will comply with Brazilian law when you vest in your RSUs and sell Shares. You also agree to report and pay applicable Tax-Related Items associated with the vesting and settlement of the RSUs, the receipt of any dividends and the subsequent sale of the Shares acquired at settlement.

Notifications

Exchange Control Information. If you are a resident or domiciled in Brazil, you will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights is equal to or greater than US\$100,000. Quarterly reporting is required if such amount exceeds US\$100,000,000. Assets and rights that must be reported include any Shares acquired under the Plan and may include RSUs granted under the Plan. Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

CANADA

Terms and Conditions

Settlement of Restricted Stock Units. The following provision supplements Section 2 of the Terms and Conditions:

Notwithstanding any discretion contained in the Plan, RSUs will be settled in Shares only, not cash.

Forfeiture of Restricted Stock Units. The following provisions replace the second paragraph of Section 4 of the Terms and Conditions (but are not intended to derogate from Section 12 ("Governing Law; Jurisdiction; Severability")):

For purposes of this Award, your status as an Employee will be considered terminated (regardless of the reason for termination and whether or not later found to be invalid or unlawful for any reason, including for breaching either applicable laws or your employment agreement, if any) effective as of the date that is the earliest of:

- (1) the date your status as an Employee is terminated,
- (2) the date that you receive notice of termination from the Employer, or
- (3) the date you are no longer actively employed by the Company or any Affiliate,

regardless of any notice period or period of pay in lieu of such notice or related payments or damages provided or required under applicable laws (including, but not limited to statutory law, regulatory law and/or common law).

You will not be entitled to any pro-rata vesting for that portion of time before the date on which your right to vest terminates, nor will you be entitled to any compensation for lost vesting. The Committee will have the exclusive discretion to determine when you are no longer actively employed for purposes of your RSU grant (including whether you may still be considered to be actively employed while on a leave of absence). Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, your right to vest in the RSUs under the Plan, if any, will terminate effective as of the last day of your minimum statutory notice period, but you will not earn or be entitled to pro-rata vestings if the vesting date falls after the end of your statutory notice period, nor will you be entitled to any compensation for lost vesting.

The following provisions will apply if you are a resident of Quebec:

French Language Provision. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de la Convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. The following provisions supplement Section 9 of the Terms and Conditions:

You hereby authorize the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel involved in the administration and operation of the Plan. You further authorize the Company, the Employer and any other Affiliate and the Committee of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company, the Employer and any other Affiliate to record such information and to keep such information in your employee file.

Notifications

Securities Law Information. You will not be permitted to sell or otherwise dispose of the Shares acquired upon vesting of the RSUs within Canada. You will only be permitted to sell or dispose of any Shares if such sale or disposal takes place outside of Canada on the facilities on which such Shares are traded.

CHINA

Terms and Conditions

The following terms and conditions will apply if you are subject to exchange control restrictions and regulations in China, including the requirements imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion.

Settlement of Restricted Stock Units and Sale of Shares. The following provisions supplement Section 2 of the Terms and Conditions:

You agree to maintain any Shares you obtain upon vesting in an account with the designated broker prior to sale. Further, you agree to sell all Shares issued upon vesting of the RSUs either immediately after vesting or, if no immediate sale is required, promptly upon notice of termination of your status as an Employee. You agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on your behalf pursuant to this authorization) and you expressly authorize the Company's designated broker to complete the sale of such Shares. You agree to sign any forms and/or consents required by the Company's designated broker to effectuate the sale of Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Furthermore, you acknowledge that the sale of Shares upon termination of your status as an Employee will be made as soon as administratively possible after the Company's stock plan administration is aware of your termination, but the Company is not committed to sell the Shares at any particular time after termination of your status as an Employee. However, you are always free to sell the Shares yourself at any time prior to the date the Company arranges for the sale of the Shares. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale of the Shares, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

Exchange Control Requirements. You understand and agree that, pursuant to local exchange control requirements, you will be required to repatriate the cash proceeds from the sale of the Shares issued upon the vesting of the RSUs as well as any cash dividends paid on such Shares to China. You further understand that, under applicable laws, such repatriation of your cash proceeds will need to be effectuated through a special exchange control account established by the Company, the Employer or any other Affiliate, and you hereby consent and agree that any proceeds from the sale of any Shares you acquire or from cash dividends paid on such Shares will be transferred to such special account prior to being delivered to you. You also understand that the Company will deliver the proceeds to you as soon as possible, but there may be delays in distributing the funds to you due to exchange control requirements in China. Proceeds may be paid to you in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid to you in U.S. dollars, you may be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid to you in local currency, the Company is under no obligation to secure any particular exchange conversion rate and the Company may face delays in converting the proceeds to local currency due to exchange control restrictions. You further agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Notifications

Exchange Control Information. Chinese residents may be required to report to exchange control regulators all details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with individuals who are not Chinese residents.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to the RSUs and the opening and maintenance of a foreign account.

Because exchange control regulations change frequently and without notice, you should consult your personal legal advisor prior to the vesting of the RSUs and the sale of Shares to ensure compliance with current regulations. It is your responsibility to comply with Czech exchange control laws.

FRANCE

Terms and Conditions

French Language Provision. By accepting the RSU grant and the Shares issued at vesting, you confirm having read and understood the documents relating to the Plan which were provided to you in the English language and you accept the terms of those documents.

En acceptant l'attribution des RSU et les actions émises durant l'acquisition, vous confirmez ainsi avoir lu et compris les documents relatifs au Plan qui vous ont été communiqués en langue anglaise et vous en acceptez les termes en connaissance de cause.

Notifications

Tax Information. The RSUs are not intended to be French tax-qualified Awards.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). If you receive a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan or the receipt of dividends paid on such Shares, the report must be made electronically by the fifth day of the month following the month in which the payment was received. The form of report can be accessed via the German Federal Bank's website at www.bundesbank.de and is available in both German and English.

HONG KONG

Terms and Conditions

Settlement of Restricted Stock Units and Sale of Shares. The following provisions supplement Section 2 of the Terms and Conditions:

Notwithstanding any discretion contained in the Plan, RSUs will be settled in Shares only, not cash. This provision is without prejudice to the application of Section 5 of the Terms and Conditions.

In the event the RSUs vest and Shares are issued to you within six months of the Grant Date, you agree that you will not dispose of any Shares acquired prior to the six-month anniversary of the Grant Date.

Notifications

Securities Law Warning: *The RSUs and Shares issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to Employees of the Company, the Employer or other Affiliates. The Agreement, the Plan and other Award Documentation have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor has the Agreement, the Plan or the other Award Documentation been reviewed by any regulatory authority in Hong Kong. The RSUs are intended only for the personal use of each eligible Employee and may not be distributed to any other person. If you are in any doubt about any of the contents of the Agreement, the Plan or the other Award Documentation, you should obtain independent professional advice.*

INDIA

Notifications

Exchange Control Information. You understand that you must repatriate to India any proceeds from the sale of Shares acquired under the Plan and any cash dividends paid on such Shares within such period of time as may be required under applicable regulations. You must obtain a foreign inward remittance certificate ("FIRC") from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India, the Company or the Employer requests proof of repatriation. It is your responsibility to comply with applicable exchange control laws in India.

INDONESIA

Terms and Conditions

Language Consent and Notification. A translation of the documents relating to this grant into Bahasa Indonesia can be provided to you upon request at <http://AskHR> on AMD Central. By accepting the RSUs, you (i) confirm having read and understood the documents relating to this grant (*i.e.*, the Plan and the Agreement) which were provided in the English language, (ii) accept the terms of those documents accordingly, and (iii) agree not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Terjemahan dari dokumen-dokumen terkait dengan pemberian ini ke Bahasa Indonesia dapat disediakan untuk anda berdasarkan permintaan kepada <http://AskHR> on AMD Central. Dengan menekan tombol "Saya menerima" atau dengan menandatangani dan mengembalikan dokumen ini yang memuat syarat dan ketentuan pemberian anda, (i) anda mengkonfirmasi bahwa anda telah membaca dan mengerti isi dokumen yang terkait dengan pemberian ini yang disediakan untuk anda dalam bahasa Inggris, (ii) Anda menerima syarat dari dokumen-dokumen tersebut, dan (iii) anda setuju bahwa anda tidak akan mengajukan keberatan atas keberlakuan dokumen ini berdasarkan Undang-Undang No. 24 tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan atau Peraturan Presiden pelaksana (ketika diterbitkan).

Notifications

Exchange Control Information. Indonesian residents must provide the Indonesian central bank, Bank of Indonesia, with information on foreign exchange activities on an online monthly report no later than the fifteenth day of the following month. Such report can be submitted through the Bank of Indonesia's website.

In addition, if you remit proceeds from the sale of Shares or the receipt of dividends paid on such Shares into Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to the Bank of Indonesia for statistical reporting purposes. For transactions of US\$10,000 or more, a description of the transaction must be included in the report. Although the bank through which the transaction is made is required to make the report, you must complete a Transfer Report Form. The Transfer Report Form will be provided to you by the bank through which the transaction is made.

IRELAND

Notifications

Director Notification Requirement. If you are a director, shadow director or secretary of an Irish Affiliate, you must notify the Irish Affiliate in writing if (i) you receive or dispose of an interest exceeding 1% of the Company (e.g., RSUs, Shares, etc.), (ii) you become aware of an event giving rise to a notification requirement, or (iii) you become a director or secretary if such an interest exists at that time. This notification requirement also applies with respect to the interests of a spouse or children under the age of 18 (whose interests will be attributed to the director, shadow director or secretary).

ISRAEL

Terms and Conditions

The following terms and conditions apply to you only if you are an Israeli tax resident at the time of grant of the RSUs, which were made under the capital gains trustee track of Section 102 of the Israeli Income Tax Ordinance.

Israeli Subplan. By accepting the RSUs, you understand and agree that the RSUs are offered subject to and in accordance with the Advanced Micro Devices, Inc. 2004 Equity Incentive Plan Israeli Subplan (the “**Israeli Subplan**”) and the RSUs are intended to qualify as a 102 Capital Gains Track Grant (as defined in the Israeli Subplan). Notwithstanding the foregoing, the Company does not undertake to maintain the qualified status of the RSUs, and you acknowledge that you will not be entitled to damages of any nature whatsoever if the RSUs become disqualified and no longer qualify as a 102 Capital Gains Track Grant. In the event of any inconsistencies between the Israeli Subplan, the Agreement and/or the Plan, the terms of the Israeli Subplan will govern.

Further, to the extent requested by the Company or the Employer, you agree to execute any letter or other agreement in connection with the grant of the RSUs or any future awards granted under the Israeli Subplan. If you fail to comply with such request, the RSUs may not qualify as a 102 Capital Gains Track Grant.

Trust Arrangement. You acknowledge and agree that any Shares issued upon vesting of the RSUs will be subject to a supervisory trust arrangement with the Company’s designated trustee in Israel, ESOP Management and Trust Company Ltd. (the “**Trustee**”) in accordance with the terms of the trust agreement between the Company and the Trustee. You further agree that such Shares will be subject to the Required Holding Period (as defined in the Israeli Subplan), which shall be 24 months from the Grant Date. The Company may, in its sole discretion, replace the Trustee from time to time and instruct the transfer of all awards and Shares held and/or administered by such Trustee at such time to its successor. The provisions of the Agreement, including this Appendix, shall apply to the new Trustee *mutatis mutandis*.

Restriction on Sale. You acknowledge that any Shares underlying the RSUs may not be disposed of prior to the expiration of the Required Holding Period in order to qualify for tax treatment under the 102 Capital Gains Track. Accordingly, you shall not dispose of (or request the Trustee to dispose of) any such Shares prior to the expiration of the Required Holding Period, other than as permitted by applicable laws. For purposes of this Appendix for Israel, “dispose” shall mean any sale, transfer or other disposal of the Shares by you (including by means of an instruction by you to the designated broker) or the Trustee, including a release of such Shares from the Trustee to you.

Responsibility for Taxes. The following provisions supplement Section 5 of the Terms and Conditions:

You agree that the Trustee may act on behalf of the Company or the Employer, as applicable, to satisfy any obligation to withhold Tax-Related Items applicable to you in connection with the RSUs granted under the Israeli Subplan.

The following provision applies to you only if you were not an Israeli tax resident at the time of grant of the RSUs and the RSUs do not qualify as Section 102 capital gains trustee track grants:

Settlement of Restricted Stock Units and Sale of Shares. Unless otherwise determined by the Committee, you agree to the immediate sale of all Shares issued upon vesting of the RSUs. You agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on your behalf pursuant to this authorization), and you

expressly authorize the Company's designated broker to complete the sale of such Shares. You agree to sign any forms and/or consents required by the Company's designated broker to effectuate the sale of Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay you the cash proceeds from the sale of the Shares, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items.

Notifications

Securities Law Information. An exemption from the requirement to file a prospectus with respect to the Plan has been granted to the Company by the Israeli Securities Authority. Copies of the Plan and Form S-8 registration statement for the Plan filed with the SEC are available free of charge upon request with your local human resources representative.

ITALY

Terms and Conditions

Plan Document Acknowledgment. In accepting the RSUs, you acknowledge that you have received a copy of the Plan and the Agreement and have reviewed the Plan and the Agreement, including this Appendix, in their entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix. You further acknowledge that you have read and specifically and expressly approve the following sections of the Terms and Conditions: Section 1: Vesting of Restricted Stock Units, Section 2: Issuance of Shares; Section 4: Forfeiture of Restricted Stock Units; Section 5: Responsibility for Taxes; and Section 7: Nature of Grant.

JAPAN

There are no country-specific provisions.

KOREA

There are no country-specific provisions.

MALAYSIA

Terms and Conditions

Data Privacy. The following provisions replace Section 9 of the Terms and Conditions:

You hereby explicitly, voluntarily and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Agreement and any other Award Documentation by and among, as applicable, you, the Company, the Employer and other Parents, Subsidiaries and Affiliates or any third parties authorized by same in assisting in the implementation, administration or management of your participation in the Plan.

Anda dengan ini secara eksplisit, secara sukarela dan tanpa sebarang keraguan mengizinkan pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi anda seperti yang dinyatakan dalam Perjanjian Penganugerahan ini dan apa-apa Dokumentasi Penganugerahan oleh dan di antara, sebagaimana yang berkenaan, Syarikat, Majikan dan Syarikat Induk, Anak Syarikat dan Syarikat Sekutu lain atau mana-mana pihak ketiga yang diberi kuasa oleh yang sama untuk membantu dalam pelaksanaan, pentadbiran dan pengurusan penyertaan anda dalam Pelan tersebut.

You may have previously provided the Company and the Employer with, and the Company and the Employer may hold, certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, the fact and conditions of your participation in the Plan, details of all RSUs or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding in your favor (“Data”), for the exclusive purpose of implementing, administering and managing the Plan.

Sebelum ini, anda mungkin telah membekalkan Syarikat dan Majikan dengan, dan Syarikat dan Majikan mungkin memegang, maklumat peribadi tertentu tentang anda, termasuk, tetapi tidak terhad kepada, nama anda, alamat rumah dan nombor telefon, alamat emel, tarikh lahir, insurans sosial, nombor pasport atau pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer dalam saham atau jawatan pengarah yang dipegang dalam Syarikat, fakta dan syarat-syarat penyertaan anda dalam Pelan tersebut, butir-butir semua RSUs atau apa-apa hak lain untuk syer dalam saham yang dianugerahkan, dibatalkan, dilaksanakan, terletak hak, tidak dilewatkan hak ataupun bagi faedah anda (“Data”), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.

<p>You also authorize any transfer of Data, as may be required, to a Company-designated Plan broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan and/or with whom any Shares acquired upon vesting of the RSUs are deposited. You acknowledge that these recipients may be located in your country or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections to your country, which may not give the same level of protection to Data. You understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, the stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing your participation in the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case, without cost, by contacting in writing "Ask HR" at http://AskHR on AMD Central. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke the consent, your status as an Employee will not be affected; the only consequence of refusing or withdrawing the consent is that the Company would not be able to grant future RSUs or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of the refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.</p>	<p>Anda juga memberi kuasa untuk membuat apa-apa pemindahan Data, sebagaimana yang diperlukan, kepada broker Pelan yang ditetapkan oleh Syarikat, atau pembekal perkhidmatan pelan saham lain sebagaimana yang dipilih oleh Syarikat pada masa depan, yang membantu Syarikat dalam pelaksanaan, pentadbiran dan pengurusan Pelan tersebut dan/atau dengan sesiapa yang mendepositkan Saham yang diperolehi melalui pemberian hak RSUs. Anda mengakui bahawa penerima-penerima ini mungkin berada di negara anda atau di tempat lain, dan bahawa negara penerima (contohnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data dan perlindungan yang berbeza daripada negara anda, yang mungkin tidak boleh memberi tahap perlindungan yang sama kepada Data. Anda memahami bahawa anda boleh meminta senarai nama dan alamat mana-mana penerima Data dengan menghubungi wakil sumber manusia tempatan anda. Anda memberi kuasa kepada Syarikat, pembekal perkhidmatan pelan saham dan mana-mana penerima lain yang mungkin membantu Syarikat (masa sekarang atau pada masa depan) untuk melaksanakan, mentadbir dan menguruskan penyertaan Peserta dalam Pelan tersebut untuk menerima, memiliki, menggunakan, mengekalkan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, semata-mata dengan tujuan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut. Anda sahah bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut. Anda memahami bahawa anda boleh, pada bila-bila masa, melihat data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, meminta bahawa pindaan-pindaan dilaksanakan ke atas Data atau menolak atau menarik balik persetujuan dalam ini, dalam mana-mana kes, tanpa kos, dengan menghubungi secara bertulis wakil sumber manusia tempatan anda, di mana butir-butir hubungannya adalah "Ask HR" at http://AskHR on AMD Central. Selanjutnya, anda memahami bahawa anda memberikan persetujuan di sini secara sukarela. Jika anda tidak bersetuju, atau jika anda kemudian membatalkan persetujuan anda, status anda sebagai Pemberi Perkhidmatan dan kerjaya anda dengan Majikan tidak akan terjejas; satunya akibat jika anda tidak bersetuju atau menarik balik persetujuan anda adalah bahawa Syarikat tidak akan dapat memberikan RSU pada masa depan atau anugerah ekuiti lain kepada anda atau mentadbir atau mengekalkan anugerah tersebut. Oleh itu, anda memahami bahawa keengganan atau penarikan balik persetujuan anda boleh menjelaskan keupayaan anda untuk mengambil bahagian dalam Pelan tersebut. Untuk maklumat lanjut mengenai akibat keengganan anda untuk memberikan keizinan atau penarikan balik keizinan, anda memahami bahawa anda boleh menghubungi wakil sumber manusia tempatan anda.</p>
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Notifications

Director Notification Obligation. If you are a director of a Malaysian Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when you receive or dispose of an interest (e.g., an Award under the Plan or Shares) in the Company or any related company. Such notifications must be made within fourteen (14) days of receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

No Entitlement or Claims for Compensation. These provisions supplement Sections 6 and 7 of the Terms and Conditions:

Modification. By accepting the RSUs, you understand and agree that any modification of the Plan or the Agreement or its termination will not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The Award of RSUs the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with principal executive offices at 2485 Augustine Drive, Santa Clara, CA, 95054, U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of Shares does not, in any way, establish an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and your sole employer is AMD Latin America, Ltd. – Mexico City Branch Blvd. Manuel Ávila Camacho No. 40, Torre Esmeralda 1, Piso 18 Col. Lomas de Chapultepec México DF, CP 11000 - México, nor does it establish any rights between you and the Employer.

Plan Document Acknowledgment. By accepting the Award of RSUs, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Agreement in their entirety and fully understand and accept all provisions of the Plan and the Agreement.

In addition, by accepting the Agreement, you further acknowledge that you have read and specifically and expressly approve the terms and conditions in Section 7 of the Terms and Conditions, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right, (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis, (iii) participation in the Plan is voluntary, and (iv) the Company, the Employer and other Affiliates are not responsible for any decrease in the value of the Shares underlying the RSUs.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company, the Employer or any other Affiliate for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to the Company, the Employer and other Affiliates with respect to any claim that may arise under the Plan.

Spanish Translation

Términos y Condiciones

Ausencia de derecho para reclamar compensaciones. Estas disposiciones complementan el apartado 6 y 7 de los Términos y Condiciones

Modificación. Al aceptar las Unidades de Acción Restringida, usted reconoce y acuerda que cualquier modificación del Plan o su terminación no constituye un cambio o determinante en los términos y condiciones de empleo.

Declaración de Política. El Otorgamiento de Unidades de Acción Restringida de la Compañía en virtud del Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier tiempo, sin responsabilidad alguna.

La Compañía, con oficinas registradas ubicadas en 2485 Augustine Drive, Santa Clara, CA, 95054, U.S.A., es la única responsable de la administración del Plan y de la participación en el mismo y la adquisición de Acciones no establece de forma alguna una relación de trabajo entre usted y la Compañía, ya que su participación en el Plan es completamente comercial y el único empleador es AMD Latin America, Ltd. – Mexico City Branch, Blvd. Manuel Ávila Camacho No. 40, Torre Esmeralda 1, Piso 18 Col. Lomas de Chapultepec México DF, CP 11000 - México, así como tampoco establece ningún derecho entre Usted y su Empleador.

Reconocimiento del Documento del Plan. Al aceptar el Otorgamiento de las Unidades de Acción Restringida, usted reconoce que ha recibido copias del Plan, ha revisado el mismo, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en el Plan y en el Acuerdo.

Adicionalmente, al aceptar el Acuerdo, reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la sección 7 de los Términos y Condiciones Acuerdo, en el cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, su Empleador y cualquier empresa Matriz, Subsidiaria o Filiales no son responsables por cualquier disminución en el valor de las Acciones en relación a las Unidades de Acción Restringida.

Finalmente, declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía, su Matriz, Subsidiaria o Afiliada por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, su Matriz, Subsidiaria o Filiales con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

NETHERLANDS

There are no country-specific provisions.

POLAND

Notifications

Exchange Control Information. If you transfer funds in excess of €15,000 (or PLN 15,000 if such transfer is connected with the business activity of an entrepreneur) into Poland in connection with the sale of Shares or the receipt of dividends, the funds must be transferred via a bank account in Poland. You are required to retain the documents connected with a foreign exchange transaction for a period of five years, as measured from the end of the year in which such transaction occurred.

RUSSIA

Terms and Conditions

Immediate Sale Restriction. You agree that the Company is authorized, at its discretion, to instruct its designated broker to assist with the sale of your Shares issued upon the vesting of the RSUs (on your behalf pursuant to this authorization) should the Company determine that such sale is necessary or advisable under Russian securities or exchange control laws. You expressly authorize the Company's designated broker to complete the sale of such Shares and acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the cash proceeds, less any brokerage fees, commissions or Tax-Related Items, will be remitted to you in accordance with any applicable laws and regulations. You acknowledge that you are not aware of any material nonpublic information with respect to the Company or any securities of the Company as of the Grant Date.

U.S. Transaction. You understand that the acceptance of the RSUs results in an agreement between you and the Company that is completed in the U.S. and that the Agreement is governed by the laws of the State of California, without giving effect to the conflict of law principles thereof.

Upon vesting and settlement of the RSUs, if the Company in its discretion allows you to hold Shares, such Shares must be held in the U.S. and will not be delivered to you in Russia. You acknowledge that you are not permitted to sell or otherwise transfer Shares directly to other individuals in Russia, nor are you permitted to bring any certificates representing the Shares (if any) into Russia.

Data Privacy. The following provisions supplement Section 9 of the Terms and Conditions:

You hereby acknowledge that you have read and understood the terms regarding collection, processing and transfer of Data contained in Section 9 and, by participating in the Plan, you agree to such terms. In this regard, upon request of the Company or the Employer, you agree to provide an executed data privacy consent form to the Employer or the Company (or any other agreements or consents that may be required by the Employer or the Company) that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in Russia, either now or in the future. You understand that you will not be able to participate in the Plan if you fail to execute any such consent or agreement.

Notifications

Exchange Control Information. You are responsible for complying with any applicable Russian exchange control regulations and rulings. Because Russian exchange control regulations and rulings change frequently and without notice, you should consult with a legal advisor to ensure compliance applicable to any aspect of your participation in the Plan, including the grant and vesting of the RSUs, issuance of any Shares at vesting, receipt of any proceeds from the sale of Shares and/or receipt of any cash dividends.

Securities Law Information. The grant of the RSUs and the distribution of the Plan and all other materials you may receive regarding participation in the Plan do not constitute an offering or the advertising of securities in Russia. The issuance of

Shares pursuant to the Plan has not and will not be registered in Russia and, therefore, the Shares may not be used for an offering or public circulation in Russia. You are not permitted to sell Shares directly to other Russian legal entities or residents.

Labor Law Information. If you continue to hold Shares acquired at vesting of the RSUs after an involuntary termination of your employment, you may not be eligible to receive unemployment benefits in Russia.

Anti-Corruption Legislation Information. Individuals holding public office in Russia, as well as their spouses and dependent children, may be prohibited from opening or maintaining a foreign brokerage or bank account and holding any securities, whether acquired directly or indirectly, in a foreign company (including Shares acquired under the Plan). You should consult with your personal legal advisor to determine whether the restriction applies to you.

SINGAPORE

Term and Conditions

Sale of Shares. The Shares subject to the RSUs may not be offered for sale in Singapore prior to the six-month anniversary of the Grant Date, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the condition of, any other applicable provisions of the SFA.

Notifications

Securities Law Information. The Award of RSUs is being made pursuant to the "Qualifying Person" exemption under Section 273(1)(f) of the SFA and is not made with a view to the RSUs or underlying Shares being subsequently offered for sale to any other party. The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore.

Director Notification Obligation. If you are a director, associate director or shadow director of a Singapore Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Affiliate in writing when you receive an interest (e.g., an Award or Shares) in the Company, the Employer or any other Affiliate. In addition, you must notify the Singapore Affiliate when you sell Shares or shares of any Affiliate (including when you sell Shares issued upon vesting and settlement of the RSUs). These notifications must be made within two (2) business days of acquiring or disposing of any interest in the Company, the Employer or any other Affiliate. In addition, a notification of your interests in the Company, the Employer or any other Affiliate must be made within two (2) business days of becoming a director.

SPAIN

Terms and Conditions

No Entitlement for Claims or Compensation. The following provisions supplement Section 7 of the Terms and Conditions:

By accepting the RSUs, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan documents.

You understand that the Company has unilaterally, gratuitously and in its sole discretion decided to grant RSUs under the Plan to Employees throughout the world. The decision is limited and entered into based upon the express assumption and condition that any RSUs will not economically or otherwise bind the Company, the Employer or any other Affiliate on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, you understand that the RSUs are granted on the assumption and condition that the RSUs are not, and will not become, part of any employment contract (whether with the Company, the Employer or any other Affiliate) and shall not be considered a mandatory benefit or salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, you understand and freely accept that there is no guarantee that any benefit whatsoever will arise from the grant of RSUs, which is gratuitous and discretionary, since the future value of the RSUs and the underlying Shares is unknown and unpredictable. You also understand that this grant of RSUs would not be made but for the assumptions and conditions set forth hereinabove; thus, you understand, acknowledge and freely accept that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the RSUs and any right to the underlying Shares will be null and void.

Further, the vesting of the RSUs is expressly conditioned on your status as an active Employee, such that if your status as an Employee terminates for any reason whatsoever, your RSUs cease vesting immediately effective the date of termination for any reason including, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, and/or

Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985.

Notifications

Securities Law Information. No "offer to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the RSUs. The Plan, the Agreement (including this Appendix) and any other documents evidencing the grant of the RSUs have not been, nor will they be, registered with the *Comisión Nacional del Mercado de Valores* (the Spanish securities regulator), and none of those documents constitutes a public offering prospectus.

Exchange Control Information. To participate in the Plan, you must comply with exchange control regulations in Spain. You must declare the acquisition of stock in a foreign company (including Shares acquired under the Plan) for statistical purposes to the *Dirección General de Comercio e Inversiones* (the "*DGCI*"), which is a department of the Ministry of Economy and Competitiveness. You must also declare ownership of any Shares by filing a Form D-6 with the Directorate of Foreign Transactions each January while the Shares are owned. In addition, the sale of Shares must also be declared on Form D-6 filed with the DGCI in January, unless the sale proceeds exceed the applicable threshold (currently €1,502,530), in which case, the filing is due within one month after the sale.

When receiving foreign currency payments in excess of €50,000 derived from the ownership of Shares (e.g., as a result of the sale of the Shares or the receipt of dividends), you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will likely need to provide the institution with the following information: (i) your name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any additional information that may be required.

You may be required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts) held abroad, any foreign instruments (including Shares), and any transactions with non-Spanish residents (including any payments of Shares made to you by the Company) depending on the value of the transactions during the relevant year or the balances in such accounts and the value of such instruments as of December 31 of the relevant year. You should consult with your personal legal advisor regarding the applicable thresholds and corresponding reporting requirements.

In addition, you are required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities (including Shares acquired under the Plan) held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceeds €1,000,000.

SWEDEN

Terms and Conditions

Authorization to Withhold. The following provision supplements Section 5 of the Terms and Conditions:

Without limiting the Company's and the Employer's authority to satisfy their withholding obligations for Tax-Related Items as set forth in Section 5 of the Terms and Conditions, in accepting the grant of RSUs, you authorize the Company and/or the Employer to withhold Shares or to sell Shares otherwise deliverable to you upon vesting/settlement to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer have an obligation to withhold such Tax-Related Items.

TAIWAN

Notifications

Securities Law Information. The RSUs and the underlying Shares are available only for certain Employees. It is not a public offer of securities by a Taiwanese company. Therefore, it is exempt from registration in Taiwan.

Exchange Control Information. You may acquire and remit foreign currency (including proceeds from the sale of Shares or the receipt of any dividends) into and out of Taiwan up to US\$5,000,000 per year without justification. If the transaction amount is TWD\$500,000 or more in a single transaction, you must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

THAILAND

Notifications

Exchange Control Information. When you realize US\$200,000 or more in a single transaction from the sale of Shares issued to you at vesting and settlement of the RSUs or cash dividend paid on such Shares, you must immediately repatriate all

cash proceeds to Thailand and then either convert such proceeds to Thai Baht or deposit the funds into a foreign currency account opened with any commercial bank in Thailand within 360 days of repatriation. You are also required to specifically report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If you fail to comply with these obligations, you may be subject to penalties assessed by the Bank of Thailand. You should consult your personal advisor before taking action with respect to remittance of proceeds from the sale of Shares into Thailand. You are responsible for ensuring compliance with all exchange control laws in Thailand.

TURKEY

Notifications

Securities Law Information. Pursuant to Turkish securities law, you are not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the Nasdaq Stock Market, which is located outside of Turkey, under the ticker symbol “AMD” and Shares acquired under the Plan may be sold through this exchange.

Exchange Control Information. Turkish residents are permitted to purchase and sell securities or derivatives traded on exchanges abroad only through a financial intermediary licensed in Turkey. Therefore, you may be required to appoint a Turkish broker to assist you with the sale of the Shares acquired under the Plan. *You should consult your personal legal advisor before selling any Shares acquired under the Plan to confirm the applicability of this requirement to you.*

UNITED ARAB EMIRATES

Notifications

Securities Law Information. The Plan is only being offered to qualified Employees and constitutes an “exempt personal offer” of equity incentives to Employees in the United Arab Emirates. The Plan and the Agreement are intended for distribution only to such Employees and must not be delivered to, or relied on by, any other person.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with this statement or the Plan. The Ministry of Economy, the Dubai Department of Economic Development, the Emirates Securities and Commodities Authority, Central Bank and the Dubai Financial Securities Authority, depending on the employee’s location in the United Arab Emirates, have not approved this statement, the Plan, the Agreement or any other documents you may receive in connection with the RSUs or taken steps to verify the information set out therein, and have no responsibility for such documents.

You should conduct your own due diligence on the Shares. If you do not understand the contents of the Plan and the Agreement, you should consult an authorized financial adviser.

UNITED KINGDOM

Terms and Conditions

Settlement of Restricted Stock Units. The following provision supplements Section 2 of the Terms and Conditions:

Notwithstanding any discretion contained in the Plan, RSUs will be settled in Shares only, not cash.

Responsibility for Taxes. The following provisions supplement Section 5 of the Terms and Conditions:

Without limitation to Section 5 of the Terms and Conditions, you hereby agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax- Related Items, as and when requested by the Company or the Employer, as applicable, or by Her Majesty's Revenue & Customs (“**HMRC**”) (or any other tax authority or any other relevant authority). You also hereby agree to indemnify and keep indemnified the Company and the Employer, as applicable, against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of immediately foregoing provision may not apply in case the indemnification could be considered a loan. In this case, the amount of the income tax not collected within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the Tax-Related Items occurs may constitute a benefit to you on which additional income tax and National Insurance contributions may be payable. You will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer, as applicable, for the value of any National Insurance contributions due on this additional benefit, which may be obtained from you by the Company or the Employer at any time thereafter by any of the means referred to in Section 5 of the Terms and Conditions.

[End of Agreement]

Xilinx, Inc. 2007 Equity Incentive Plan
RSU Agreement (SVP and above) 25
Approved November 2021 – Appendix

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Lisa T. Su, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Advanced Micro Devices, Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 3, 2022

/s/Lisa T. Su

Lisa T. Su
Chair, President and Chief Executive Officer
(Principal Executive Officer)

**Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Devinder Kumar, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Advanced Micro Devices, Inc. (the "Company");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 3, 2022

/s/Devinder Kumar

Devinder Kumar
Executive Vice President,
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Advanced Micro Devices, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i.) the Quarterly Report on Form 10-Q of the Company for the period ended June 25, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii.) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 3, 2022

/s/Lisa T. Su

Lisa T. Su
Chair, President and Chief Executive Officer
(Principal Executive Officer)

Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Advanced Micro Devices, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the Quarterly Report on Form 10-Q of the Company for the period ended June 25, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 3, 2022

/s/Devinder Kumar

Devinder Kumar
Executive Vice President,
Chief Financial Officer and Treasurer
(Principal Financial Officer)