



## PRINCIPLES OF CORPORATE GOVERNANCE

These Principles of Corporate Governance were amended and restated by the Board of Directors (the “Board” or “Board of Directors”) of Advanced Micro Devices, Inc. (the “Company”) on May 15, 2019.

The Board is responsible for selecting the Chief Executive Officer of the Company, monitoring the operating performance and financial condition of the Company, and overseeing the Company’s adherence to corporate standards. The Board may be composed of three types of Directors:

- “Independent Directors” refers to Directors that the Board of Directors affirmatively determines to be “independent” in accordance with applicable laws and the listing rules of the Nasdaq Stock Market LLC (“Nasdaq”).
- “Management Directors” refers to Directors who are employees of the Company (and are therefore not independent).
- “Non-Management Directors” refers to Directors who are not Company officers (as that term is defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), but are not independent by virtue of a material relationship, former status or family membership, or for any other reason.

The Board has adopted these guidelines which are intended to serve as a flexible framework of its oversight activities devoted to protecting and advancing the long-term interests of stockholders while being mindful of the shared interests of the Company’s other stakeholders, who include employees, customers, suppliers, creditors and the communities where the Company’s principal operations are located. The Board will continue to assess the appropriateness and effectiveness of these principles and to update these guidelines periodically as needed.

### 1. Composition, Selection and Orientation of the Board

#### 1.1 Board Membership Criteria

The Nominating and Corporate Governance Committee is responsible for determining the skills, experience and characteristics required of members of the Board, and for recommending to the Board nominations for membership. In making this determination, the Nominating and Corporate Governance Committee will consider among other things, the individual’s character and integrity, general business and industry experience, leadership profile, understanding of relevant technologies and communication and interpersonal skills. The Nominating and Corporate Governance Committee may, if appropriate, engage search firms as well as evaluate recommendations from stockholders. Membership on other boards of directors and the relationship of a candidate with non-affiliated not-for-profit organizations that receive support from the Company will also be considered when evaluating potential Board nominees. Finally, in an effort to foster and maintain a diversity of viewpoints on the Board, the Nominating and Corporate Governance Committee will monitor the mix of skills and experience of the Directors and assess potential candidates in the context of the current make-up of the Board and the needs of the Company. In determining whether to recommend a Director for re-election, the

Nominating and Corporate Governance Committee also considers the Director's attendance at meetings, performance and contribution to the activities of the Board.

In furtherance of the principles regarding majority election of Directors set forth in Article III, Section 1 of the Bylaws of the Company, the Board expects each incumbent Director who is nominated for re-election to the Board to resign from the Board if he or she fails to receive the required number of votes for re-election in an uncontested election in accordance with the Bylaws of the Company and the resignation is accepted in accordance with the Company's Bylaws. Accordingly, in considering whether to nominate any incumbent Director for re-election, the Board will take into account whether or not the incumbent Director has tendered an irrevocable resignation that will be effective upon (i) the failure to receive the required vote at the next meeting at which such Director faces re-election and (ii) acceptance of such resignation in accordance with the Company's Bylaws. In addition, in considering whether to nominate an individual who is not an incumbent Director for election to the Board, or to fill a Director vacancy or new directorship, the Board shall take into account whether such individual has agreed to tender a resignation of the type described in the preceding sentence prior to being nominated for re-election, if applicable.

## 1.2 Selection and Orientation of Directors

Based upon the recommendations of the Nominating and Corporate Governance Committee, the Board shall nominate candidates for election by the stockholders. Directors will stand for re-election every year. In accordance with the Company's Bylaws, the Board, at the recommendation of the Nominating and Corporate Governance Committee, will be responsible for filling vacancies or newly-created directorships on the Board that may occur between annual meetings of stockholders.

New Directors will promptly be provided with a comprehensive set of materials on among other things, the operations, finances and business plan of the Company, and as soon as possible will attend briefings by the Company's officers and other members of management. All Directors are encouraged to participate, at the Company's expense, in continuing education programs for corporate directors, and are otherwise expected to be informed about the Company and effective corporate governance practices.

## **2. Board Composition**

### 2.1 Size of the Board

The number of Directors which constitutes the whole Board may be a number between three and 12, with the actual number determined by resolution of the Board or by the stockholders at the annual meeting.

### 2.2 Majority of Independent Directors

The policy of the Board is that it should be comprised of a substantial majority of Independent Directors, except as otherwise permitted by Nasdaq rules and other applicable laws. No more than two employees of the Company may serve on the Board at the same time.

A Director will qualify as an Independent Director only if he or she meets the requirements under Nasdaq rules and other applicable laws.

The Board shall make an annual determination of the independence of each member of the Board, in accordance with applicable laws, regulations and stock exchange listing requirements.

### 2.3 Change of Principal Occupation

Each Director must notify the Chairman of the Board when his or her principal occupation changes. In addition, if a Director's principal occupation changes substantially from the position he or she held when originally invited to join the Board, the Director shall tender a resignation to the Chairman and to the Chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall review the circumstances to determine whether continued Board membership is appropriate and recommend to the Board the acceptance or rejection of the resignation.

### 2.4 Ownership of Company Stock

Each Director is expected to own, outright or beneficially, stock in the Company in an amount that is consistent with the Company's stock ownership guidelines.

### 2.5 Other Directorships

Serving on other boards of directors broadens the knowledge and experience of a Director and enhances the ability of a Director to contribute and participate effectively on the Board. At the same time, however, no Director can serve the Company effectively without dedicating substantial time and energy to Board duties. Therefore, Directors are encouraged to limit the number of other boards on which they serve. The following specific restrictions apply to other public company board and committee service:

1. Any Director who serves on two public company boards in addition to the Company's Board must receive approval from the Board of Directors before accepting an invitation to serve on an additional public or private company board of directors.
2. Due to the demanding nature of service on the Audit and Finance , the members of the Audit and Finance Committee may not serve on a corresponding committee of more than two other public companies at the same time as they are serving on the Company's Audit and Finance Committee without prior approval of the Board of Directors.

### 2.6 Term Limits

The Board endorses board renewal, but has not established term limits. While term limits offer some advantages, the Board believes that any benefit is outweighed by the disadvantage of losing experienced Directors who have developed valuable insight into the Company, its operations, strategies, plans and potential. As an alternative to term limits, the Nominating and Corporate Governance Committee shall review the current effectiveness of each Director to the Board on an annual basis in deciding whom to nominate for election by the stockholders.

### 2.7 Retirement Policy

No Director shall be nominated for re-election or reappointed to the Board after reaching the age of 72; provided, however, that the Board in its discretion may annually nominate any such director

for re-election upon its determination that it is in the best interests of the Company and its stockholders for that director to continue his or her service on the Board in light of his or her particular contributions or expertise.

## 2.8 Compensation

Management Directors shall not receive any additional compensation for serving as a Director. The Non-Management and Independent Directors will not receive any compensation from the Company other than their fees for serving as a member of the Board or as the chair or member of one of the Committees. A Non-Management or Independent Director who serves as the Chairman of the Board will be compensated for the role as determined by the Board.

The form and amount of fees paid to the Non-Management and Independent Directors for serving on the Board and its Committees should be competitive in light of industry practices and the obligations imposed by such service. Accordingly, the Company's management shall periodically work with the Compensation and Leadership Resources Committee to help the Committee develop its considered view of the adequacy and fairness of Board compensation in relation to comparable U.S. public companies and good governance practices. The Compensation and Leadership Resources Committee will report its assessment to the Board, who will determine its compensation.

In order to align the long-term interests of the Non-Management and Independent Directors with those of stockholders, a substantial portion of their compensation should be provided in equity interests of the Company. There is no pension, health or retirement plan for Non-Management and Independent Directors.

Any changes in Board compensation should be first proposed by the Compensation and Leadership Resources Committee and then discussed and voted on by the Board as a whole.

## 3. **Board Leadership**

### 3.1 Chairman of the Board

The Board shall choose the Chairman of the Board at its first meeting after each annual meeting of stockholders. Whether to have a separate Chairman and Chief Executive Officer should be based on the needs of the Company, best practices and the interests of the stockholders. The Board has the experience of functioning effectively either way.

The Chairman is responsible for setting Board meeting dates and locations, setting meeting agendas, and presiding over Board meetings. In exercising this leadership, the Chairman should consult the Lead Director (see Section 3.2 below), if applicable, the Chief Executive Officer (if a separate office), and the Board as a whole.

If the Chairman is an Independent Director, he or she will coordinate the activities of the Directors, chair the executive sessions of the Independent Directors (see Section 4.4 below), and make sure that there is full and candid communication between the Independent Directors and other members of the Board and the management of the Company.

### 3.2 Lead Director

If the Chairman of the Board is not an Independent Director, the Nominating and Corporate Governance Committee shall select a Lead Director from the Company's Independent Directors at their first executive session after each annual meeting of the stockholders. The Lead Director will act as the Chairman of the Nominating and Corporate Governance Committee, coordinate the activities of the Independent Directors, chair the executive sessions of the Independent Directors (see Section 4.4 below), and make sure that there is full and candid communication between the Independent Directors and other members of the Board and the management of the Company.

## **4. Committees and Executive Sessions**

### 4.1 Number, Structure and Independence of Committees

The Board shall have four standing committees: Audit and Finance Committee; Nominating and Corporate Governance Committee; Compensation and Leadership Resources Committee; and Innovation and Technology Committee.

The Audit and Finance Committee, which is comprised solely of Independent Directors, is responsible for overseeing the accounting and financial reporting processes of the Company, the audits of the financial statements of the Company and the Company's enterprise risk management process, including as it relates to the Company's financial and information technology (including security and cybersecurity) risk exposures. The Audit and Finance Committee is also responsible for making recommendations to the Board regarding the financial policies of the Company and the nature and structure of major strategic financial commitments. Each member must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. Either at least one member of the Audit and Finance Committee shall be an "audit committee financial expert" within the definition adopted by the Securities and Exchange Commission or the Company shall disclose in its periodic reports required pursuant to the Exchange Act the reasons why at least one member of the Audit and Finance Committee is not an "audit committee financial expert."

The Nominating and Corporate Governance Committee, which is comprised solely of Independent Directors, is responsible for determining the selection criteria and evaluating potential candidates for Board membership and recommending to the Board candidates for nomination. In addition, the Nominating and Corporate Governance Committee is responsible for making recommendations to the Board on all corporate governance issues, and for overseeing the Board's annual review of its performance. If the Nominating and Corporate Governance Committee includes all of the Independent Directors, executive sessions of this committee may also serve as meetings of the Independent Directors pursuant to these Principles.

The Compensation and Leadership Resources Committee, which is comprised solely of Independent Directors, is responsible for reviewing and making recommendations to the Board regarding all compensation policies, plans and programs for Company officers, Senior Vice Presidents, and members of the Board, as well as the terms and conditions of compensation agreements between the Company, Company officers, and Senior Vice Presidents. The Compensation and Leadership Resources Committee is also responsible for providing advice and guidance to the Company regarding its talent management and development programs. The Board may delegate the administration of the Company's equity plans, authorize the Compensation and Leadership Resources Committee to approve

certain amendments to the Company's equity plans or employment agreements or approve the terms and conditions of officer compensation arrangements, including the setting of performance targets under the Company's incentive compensation plans.

The Innovation and Technology Committee, which is comprised of Independent and Non-Management Directors, is responsible for assisting the Board of Directors in its oversight responsibilities regarding matters of innovation and technology. The Innovation and Technology Committee is responsible for: reviewing, evaluating and making recommendations to the members of the Board regarding the Company's major technology plans and strategies, including its research and development activities, as well as the technical and market risks associated with product development and investment; reviewing, evaluating and making recommendations regarding talent and skills of the Company's workforce supporting its technology and research and development activities; monitoring the performance of the Company's technology development in support of its overall business strategy; monitoring and evaluating existing and future trends in technology that may affect the Company's strategic plans; and, assessing the Company's risk mitigation policies and procedures relating to products based on new technology or significant innovations to existing technology.

#### 4.2 Committee Charters

Each of the Audit and Finance Committee, the Nominating and Corporate Governance Committee, the Compensation and Leadership Resources Committee and the Innovation and Technology Committee shall have a written charter that sets forth the purpose, responsibilities and duties of the committee, and these charters are available on the Company's website at [www.amd.com](http://www.amd.com).

#### 4.3 Assignment and Rotation of Committee Members

The Nominating and Corporate Governance Committee shall make recommendations to the Board regarding the assignment of Board members to various committees. The Board shall determine the Chair and membership of each committee. Committee membership and the position of the committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the best interests of the Company.

#### 4.4 Executive Sessions of Independent Directors

The Independent Directors together with the Non-Management Directors shall meet in executive sessions at least quarterly. In addition, the Independent Directors shall meet in executive session at least twice annually. The Chairman of the Board or the Lead Director, if applicable, shall preside at the executive sessions of the Independent Directors (see Section 3.2 above).

#### 4.5 Meeting Schedules and Agendas

The Chair of each Board committee shall determine the frequency and length of meetings of his or her committee and develop the committee's agenda. At the beginning of each fiscal year, each committee shall provide to the Board a schedule of meetings and the proposed agenda items to be discussed in the ensuing year (to the extent such items can be forecast). The Chair of each committee will report regularly to the Board on the substance of the committee meetings.

## **5. Meeting Procedures**

### **5.1 Schedule of Meetings**

The Board shall schedule five regular meetings each year and any special meetings, as needed.

At the organizational meeting of the Board of Directors following the annual stockholder meeting, the Chairman of the Board shall prepare and distribute a proposed schedule of Board meetings for the following year. Each Director is expected to attend and participate in the meetings of the Board and those Board committees of which he or she is a member.

### **5.2 Agendas**

The Chairman of the Board or Lead Director, if applicable, in consultation with the Chief Executive Officer, shall establish the agenda for each Board meeting. Each Director is encouraged to submit items for inclusion on the agenda.

### **5.3 Written Materials**

Information and data that are important to the Board's understanding of the Company's business should be distributed in writing to all members of the Board before each Board meeting so that the Directors have adequate time to consider the agenda items. Each Director is expected to review the materials prior to the Board meeting.

## **6. Management Selection and Development**

### **6.1 Corporate Officers**

The Board shall choose the Company's corporate officers at its first meeting after each annual meeting of the stockholders.

### **6.2 Evaluation of Management**

The Non-Management Directors and Independent Directors shall evaluate the performance of the Chief Executive Officer on an annual basis. The evaluation of the Chief Executive Officer should be based on performance criteria determined by the Nominating and Corporate Governance Committee and the Board, with input from the Chief Executive Officer, including, without limitation regarding, the performance of the Company, the accomplishment of strategic objectives, the recruitment, retention and development of management, and the overall leadership effectiveness. The Chief Executive Officer shall have the opportunity, at least annually, to make a presentation or furnish a written report to the Board with respect to his/her performance.

### **6.3 Succession Planning**

The Chief Executive Officer shall provide the Board an annual report on succession planning for all officers and other key senior managers of the Company.

## 6.4 Management Development

The Chief Executive Officer shall make an annual report to the Board on the Company's program for management development. The Board shall determine that a satisfactory system is in effect for the education, development and succession of officers and senior and mid-level managers throughout the Company.

## 7. **Board Relationship with Senior Management**

### 7.1 Board Access to Senior Management and Independent Advisors

Board members should have open access to the Company's officers, senior managers and advisors. Each Director should keep the Chairman of the Board or the Lead Director, if applicable, and the Chief Executive Officer apprised of his or her discussions with the Company's management. The Board also may retain at Company expense such outside legal, accounting and other advisors as the Board or its committees may deem necessary or appropriate in order to carry out its functions and responsibilities. There may be times when Board members should meet with other stakeholders, including customers and stockholders, but only after prior consultation with the Chairman.

### 7.2 External Communications

Generally, the authorized members of the Company's management should speak for the Company and coordinate communications with the general public, press, customers, securities analysts and stockholders. When comments from the Board are appropriate, the Chairman of the Board or the Chair of the appropriate Committee may make such comments as circumstances suggest.

## 8. **Performance Evaluations**

### 8.1 Performance of the Board and Board Committees

The Board and each Board committee should conduct a self-evaluation of its performance on an annual basis. In order to improve the effectiveness of the Board and its committees, these assessments should specifically review those areas where the Board members or management believe a more effective contribution can be made. The Nominating and Corporate Governance Committee is responsible for overseeing the overall evaluation process. The Committee Chairs are responsible for driving this process for their committees and acting on findings and conclusions, and the Chairman of the Board is responsible for driving this process for the Board and acting on findings and conclusions.

### 8.2 Performance of the Directors

The Nominating and Corporate Governance Committee Chair should lead a process that will evaluate the performance of the overall Board of Directors and of each Director on an annual basis. In evaluating Director performance, the Nominating and Corporate Governance Committee should consider attendance and preparedness at Board meetings, participation in voting, discussion and decision-making and overall contribution to the performance of the Board, its committees and the Company.



## 9. Ethics and Conflicts of Interest

Each Director commits to act ethically at all times, and in compliance with the Company's Worldwide Standards of Business Conduct. The Board will not permit the waiver of any ethical policy for any Director or Company Officer. Board member conflicts of interest must be disclosed immediately to the Chairman of the Board, the Chief Executive Officer (if the office is separate from the Chairman), and the Lead Director (if a Lead Director has been appointed).

## 10. Confidentiality

Pursuant to their fiduciary duties of loyalty and care, Directors are required to protect and hold confidential all non-public information obtained due to their directorship position absent the express or implied permission of the Board of Directors to disclose such information. Accordingly,

- no Director shall use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company; and
- no Director shall disclose Confidential Information outside the Company, either during or after his or her service as a Director of the Company, except with authorization of the Board of Directors or as may be otherwise required by law.

"Confidential Information" is all non-public information entrusted to or obtained by a Director by reason of his or her position as a Director of the Company. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company if disclosed, such as:

- non-public information about the Company's financial condition, prospects or plans its marketing and sales programs and its research and development programs;
- non-public information concerning possible transactions with other companies or information about the Company's customers, suppliers or strategic partners, which the Company is under an obligation to maintain as confidential; and
- non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors, including a Director's opinions or comments made during Board deliberations and discussions.