

**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 September 26, 2015

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

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.)

One AMD Place

Sunnyvale, California

(Address of principal executive offices)

94088

(Zip Code)

Registrant's telephone number, including area code: (408) 749-4000

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 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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 October 29, 2015: 790,189,438

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
	(In millions, except per share amounts)			
Net revenue	\$ 1,061	\$ 1,429	\$ 3,033	\$ 4,267
Cost of sales	822	935	2,236	2,788
Gross margin	239	494	797	1,479
Research and development	241	278	718	834
Marketing, general and administrative	108	150	373	460
Amortization of acquired intangible assets	—	3	3	10
Restructuring and other special charges, net	48	—	135	—
Operating income (loss)	(158)	63	(432)	175
Interest expense	(39)	(43)	(119)	(136)
Other expense, net	—	(1)	(3)	(70)
Income (loss) before income taxes	(197)	19	(554)	(31)
Provision for income taxes	—	2	4	8
Net income (loss)	\$ (197)	\$ 17	\$ (558)	\$ (39)
Net income (loss) per share				
Basic	\$ (0.25)	\$ 0.02	\$ (0.72)	\$ (0.05)
Diluted	\$ (0.25)	\$ 0.02	\$ (0.72)	\$ (0.05)
Shares used in per share calculation:				
Basic	785	770	780	765
Diluted	785	785	780	765

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
	(In millions)			
Net income (loss)	\$ (197)	\$ 17	\$ (558)	\$ (39)
Other comprehensive income (loss):				
Unrealized gains (losses) on available-for-sale securities:				
Unrealized gains (losses) arising during the period, net of tax effect of \$0	(3)	—	(3)	—
Unrealized gains (losses) on cash flow hedges:				
Unrealized gains (losses) arising during the period, net of tax effects of \$0	(13)	(3)	(21)	(3)
Reclassification adjustment for (gains) losses realized and included in net income (loss), net of tax effects of \$0	6	1	14	4
Total other comprehensive income (loss)	(10)	(2)	(10)	1
Total comprehensive income (loss)	\$ (207)	\$ 15	\$ (568)	\$ (38)

See accompanying notes to condensed consolidated financial statements.

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

	September 26, 2015	December 27, 2014*
(In millions, except par value amounts)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 755	\$ 805
Marketable securities	—	235
Accounts receivable, net of allowances of \$0 and \$0	648	818
Inventories, net	761	685
Prepayments to GLOBALFOUNDRIES	20	113
Prepaid expenses	63	32
Other current assets	219	48
Total current assets	2,466	2,736
Property, plant and equipment, net	194	302
Acquisition related intangible assets, net	—	65
Goodwill	283	320
Other assets	286	344
Total assets	\$ 3,229	\$ 3,767
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Short-term debt	\$ 230	\$ 177
Accounts payable	388	415
Payable to GLOBALFOUNDRIES	226	218
Accrued liabilities	408	518
Other current liabilities	137	40
Deferred income on shipments to distributors	60	72
Total current liabilities	1,449	1,440
Long-term debt	2,030	2,035
Other long-term liabilities	86	105
Commitments and contingencies (See Note 9)		
Stockholders' equity (deficit):		
Capital stock:		
Common stock, par value \$0.01; 1,500 shares authorized on September 26, 2015 and December 27, 2014; shares issued: 803 shares on September 26, 2015 and 788 shares on December 27, 2014; shares outstanding: 790 shares on September 26, 2015 and 776 shares on December 27, 2014	8	8
Additional paid-in capital	6,997	6,949
Treasury stock, at cost (13 shares on September 26, 2015 and 12 shares on December 27, 2014)	(122)	(119)
Accumulated deficit	(7,204)	(6,646)
Accumulated other comprehensive loss	(15)	(5)
Total stockholders' equity (deficit)	(336)	187
Total liabilities and stockholders' equity (deficit)	\$ 3,229	\$ 3,767

* Amounts were derived from the December 27, 2014 audited consolidated financial statements.

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended	
	September 26, 2015	September 27, 2014
	(In millions)	
Cash flows from operating activities:		
Net loss	\$ (558)	\$ (39)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	133	155
Stock-based compensation expense	47	65
Non-cash interest expense	8	11
Loss on debt redemptions	—	64
Restructuring and other special charges, net	83	—
Other	7	(9)
Changes in operating assets and liabilities:		
Accounts receivable	164	(144)
Inventories	(93)	(14)
Prepayments to GLOBALFOUNDRIES	97	—
Prepaid expenses and other assets	(113)	(156)
Accounts payable, accrued liabilities and other	(74)	(100)
Payable to GLOBALFOUNDRIES	9	(47)
Net cash used in operating activities	<u>(290)</u>	<u>(214)</u>
Cash flows from investing activities:		
Purchases of available-for-sale securities	(227)	(646)
Purchases of property, plant and equipment	(64)	(73)
Proceeds from maturities of available-for-sale securities	462	664
Proceeds from sale of property, plant and equipment	8	—
Net cash provided by (used in) investing activities	<u>179</u>	<u>(55)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock	1	4
Proceeds from borrowings, net	100	1,080
Net proceeds from grants	8	5
Repayments of long-term debt and capital lease obligations	(44)	(1,043)
Other	(4)	(6)
Net cash provided by financing activities	<u>61</u>	<u>40</u>
Net decrease in cash and cash equivalents	<u>(50)</u>	<u>(229)</u>
Cash and cash equivalents at beginning of period	805	869
Cash and cash equivalents at end of period	<u>\$ 755</u>	<u>\$ 640</u>

See accompanying notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation. The accompanying unaudited condensed consolidated financial statements of Advanced Micro Devices, Inc. and its subsidiaries (the Company or 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 quarter ended September 26, 2015 shown in this report are not necessarily indicative of results to be expected for the full year ending December 26, 2015. 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 and cash flows. 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 year ended December 27, 2014.

The Company uses a 52 or 53 week fiscal year ending on the last Saturday in December. The quarters and nine months ended September 26, 2015 and September 27, 2014 each consisted of 13 weeks and 39 weeks, respectively.

Principles of Consolidation. The condensed consolidated financial statements include the Company's accounts and those of its wholly-owned subsidiaries. Upon consolidation, all significant intercompany accounts and transactions are eliminated.

Change to Prior Period Information. During the third quarter of 2014, the Company realigned its organizational structure. As a result of this organizational change, beginning in third quarter of 2014, the Company reports its financial statements based on the new segments described in Note 7 - Segment Reporting with no other impact on the Company's condensed consolidated financial statements. All prior-period amounts have been adjusted retrospectively to reflect the Company's reportable segment changes.

Recently Issued Accounting Standards

Inventory. In July 2015, the Financial Accounting Standards Board (FASB) issued ASU No. 2015-11, *Simplifying the Measurement of Inventory* (ASU 2015-11), which simplifies the measurement of inventory by requiring certain inventory to be measured at the lower of cost or net realizable value. The amendments in this ASU are effective for fiscal years beginning after December 15, 2016 and for interim periods therein, with early adoption permitted. The Company is currently evaluating the impact of its pending adoption of ASU 2015-11 on its consolidated financial statements.

Interest—Imputation of Interest. In April 2015, the FASB issued Accounting Standards Update No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (ASU 2015-03), which requires an entity to present such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs will continue to be reported as interest expense. ASU 2015-03 will be effective for annual reporting periods beginning after December 15, 2015 and interim periods within fiscal years beginning after December 15, 2016, with early adoption permitted. The new guidance will be applied retrospectively to each prior period presented. The Company plans to adopt ASU 2015-03 in the first quarter of 2016, at which time the Company will reclassify approximately \$30 million of debt issuance costs associated with the Company's long-term debt from other non-current assets to long-term debt. A reclassification will also be applied retrospectively to each prior period presented.

Disclosure of Going Concern Uncertainties. In August 2014, the FASB issued Accounting Standards Update No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (ASU 2014-15), which provides guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 will be effective in the fourth quarter of 2016, with early adoption permitted. The Company is currently evaluating the impact of its pending adoption of ASU 2014-15 on its consolidated financial statements.

Share-Based Payments with Performance Targets. In June 2014, the FASB issued Accounting Standards Update No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* (ASU 2014-12), which requires that a performance target be treated as a performance condition if it affects vesting and could be achieved after the requisite service period is rendered. ASU 2014-12 will be effective in the first quarter of 2016, with early adoption permitted. The Company may use either of two methods: (i) prospective application to all awards granted or modified after the effective date or (ii) retrospective application to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter, with the cumulative effect of applying ASU 2014-12 as an adjustment to the opening retained earnings balance as of the beginning of the earliest annual period presented in the financial statements.

The Company is currently evaluating the impact of its pending adoption of ASU 2014-12 on its consolidated financial statements and has not yet determined which method it will apply.

Revenue Recognition. In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers: Topic 606* (ASU 2014-09), which creates a single source of revenue guidance under U.S. GAAP for all companies in all industries. The core principle of ASU 2014-09 is that revenue should be recognized in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 defines a five-step process in order to achieve this core principle, which may require the use of judgment and estimates. ASU 2014-09 also requires expanded qualitative and quantitative disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and estimates used. In July 2015, FASB announced a decision to defer the effective date for this ASU. ASU 2014-09 will be effective for the Company in the first quarter of 2018 with early adoption permitted (for annual reporting periods beginning after December 15, 2016). The Company may adopt ASU 2014-09 either by using a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. The Company is currently evaluating the impact of its pending adoption of ASU 2014-09 on its consolidated financial statements and has not yet determined which approach it will apply.

NOTE 2. GLOBALFOUNDRIES

Wafer Supply Agreement. The Wafer Supply Agreement (WSA) governs the terms by which the Company purchases products manufactured by GLOBALFOUNDRIES Inc. (GF).

Fourth Amendment to Wafer Supply Agreement. On March 30, 2014, the Company entered into a fourth amendment to the WSA. The primary effect of the fourth amendment was to establish volume purchase commitments and fixed pricing for the 2014 calendar year as well as to modify certain other terms of the WSA applicable to wafers for some of the Company's microprocessor unit, graphics processor unit and semi-custom game console products to be delivered by GF to the Company during the 2014 calendar year.

Fifth Amendment to Wafer Supply Agreement. On April 16, 2015, the Company entered into a fifth amendment to the WSA. The primary effect of the fifth amendment was to establish volume purchase commitments and fixed pricing for the 2015 calendar year as well as to modify certain other terms of the WSA applicable to wafers for some of the Company's microprocessor unit, graphics processor unit and semi-custom products to be delivered by GF to the Company during the 2015 calendar year.

The Company's total purchases from GF related to wafer manufacturing and research and development activities for the quarters ended September 26, 2015 and September 27, 2014 were \$288 million and \$290 million, respectively. The Company's total purchases from GF related to wafer manufacturing and research and development activities for the nine months ended September 26, 2015 and September 27, 2014 were \$704 million and \$843 million, respectively.

The Company estimates that its purchase obligations to GF for wafer manufacturing and research and development activities will be approximately \$1.1 billion in fiscal year 2015 and at least \$106 million during the first quarter of fiscal year 2016. The Company is not able to meaningfully quantify or estimate its future purchase obligations to GF other than those set forth in the fifth amendment to the WSA, but it expects that its future purchases from GF will continue to be material. The Company is currently in discussions with GF regarding the re-profiling of its wafer purchase commitments under the fifth amendment to the WSA. The Company is unable to quantify the outcome of its negotiations with GF.

GF continues to be a related party of the Company because Mubadala Development Company PJSC (Mubadala) and Mubadala Technology Investments LLC (Mubadala Tech) are affiliated with West Coast Hitech L.P. (WCH), the Company's largest stockholder. GF, WCH and Mubadala Tech are wholly-owned subsidiaries of Mubadala.

NOTE 3. Supplemental Balance Sheet Information***Inventories***

	September 26, 2015	December 27, 2014
	(In millions)	
Raw materials	\$ 20	\$ 40
Work in process	461	431
Finished goods	280	214
Total inventories, net	<u>\$ 761</u>	<u>\$ 685</u>

Other Current Assets

	September 26, 2015	December 27, 2014
	(In millions)	
Assets held-for-sale	\$ 156	\$ —
Other current assets	63	48
Total other current assets	<u>\$ 219</u>	<u>\$ 48</u>

Property, Plant and Equipment

	September 26, 2015	December 27, 2014
	(In millions)	
Land and land improvements	\$ 1	\$ 4
Buildings and leasehold improvements	178	246
Equipment	1,349	1,416
Construction in progress	21	14
Property, plant and equipment, gross	<u>1,549</u>	<u>1,680</u>
Accumulated depreciation and amortization	(1,355)	(1,378)
Total property, plant and equipment, net	<u>\$ 194</u>	<u>\$ 302</u>

Other Assets

	September 26, 2015	December 27, 2014
	(In millions)	
Software and technology licenses, net	\$ 197	\$ 219
Other	89	125
Total other assets	<u>\$ 286</u>	<u>\$ 344</u>

Accrued Liabilities

	September 26, 2015	December 27, 2014
	(In millions)	
Accrued compensation and benefits	\$ 99	\$ 139
Marketing programs and advertising expenses	103	141
Software and technology licenses payable	48	39
Other	158	199
Total accrued liabilities	<u>\$ 408</u>	<u>\$ 518</u>

Other Current Liabilities

	September 26, 2015	December 27, 2014
	(In millions)	
Liabilities related to assets held-for-sale	\$ 81	\$ —
Other current liabilities	56	40
Total other current liabilities	\$ 137	\$ 40

NOTE 4. Net Income (Loss) Per Share

Basic net loss per share is computed based on the weighted average number of shares outstanding.

Diluted net loss per share is computed based on the weighted average number of shares outstanding plus any potentially dilutive shares outstanding. Potentially dilutive shares include stock options and restricted stock units.

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

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
	(In millions, except per share amounts)			
Numerator – Net income (loss):				
Numerator for basic and diluted net income (loss) per share	\$ (197)	\$ 17	\$ (558)	\$ (39)
Denominator – Weighted average shares				
Denominator for basic net income (loss) per share	785	770	780	765
Effect of potentially dilutive shares:				
Employee stock options, restricted stock and restricted stock units	—	15	—	—
Denominator for diluted net income (loss) per share	785	785	780	765
Net income (loss) per share:				
Basic	\$ (0.25)	\$ 0.02	\$ (0.72)	\$ (0.05)
Diluted	\$ (0.25)	\$ 0.02	\$ (0.72)	\$ (0.05)

Potential shares from stock options and restricted stock units totaling 64 million and 28 million were not included in the net income (loss) per share calculations for the third quarters of 2015 and 2014, respectively, because their inclusion would have been anti-dilutive.

Potential shares from employee stock options and restricted stock units totaling 61 million and 46 million were not included in the net loss per share calculation for the nine months ended September 26, 2015 and September 27, 2014, because their inclusion would have been anti-dilutive.

NOTE 5. Financial Instruments

Cash and Cash Equivalents and Marketable Securities

Cash and financial instruments measured and recorded at fair value on a recurring basis as of September 26, 2015 and December 27, 2014 are summarized below:

	Total Fair Value	Cash and Cash Equivalents
(In millions)		
September 26, 2015		
Cash	\$ 370	\$ 370
Level 2 ⁽²⁾⁽³⁾		
Commercial paper	385	385
Total level 2	385	385
Total	\$ 755	\$ 755

	Total Fair Value	Cash and Cash Equivalents	Short-Term Marketable Securities
(In millions)			
December 27, 2014			
Cash	\$ 391	\$ 391	\$ —
Level 1 ⁽¹⁾⁽²⁾			
Money market funds	4	4	—
Total level 1	4	4	—
Level 2 ⁽²⁾⁽³⁾			
Commercial paper	618	410	208
Corporate bonds	27	—	27
Total level 2	645	410	235
Total	\$ 1,040	\$ 805	\$ 235

(1) The Company's Level 1 assets are valued using quoted prices for identical instruments in active markets.

(2) The Company did not have any transfers between Level 1 and Level 2 of the fair value hierarchy during the quarter and nine months ended September 26, 2015 or the year ended December 27, 2014.

(3) The Company's Level 2 short-term investments are valued using broker reports that utilize quoted market prices for identical or comparable instruments. Brokers gather observable inputs for all of the Company's fixed income securities from a variety of industry data providers and other third-party sources.

Available-for-sale securities held by the Company as of September 26, 2015 consisted of commercial paper and as of December 27, 2014 also consisted of money market funds and corporate bonds. The amortized cost of available-for-sale securities approximated the fair value for all periods presented.

In addition to those amounts presented above, as of September 26, 2015 and December 27, 2014, the Company had approximately \$1 million and \$10 million, respectively, of available-for-sale investments in money market funds, used as collateral for leased buildings and letters of credit deposits, which were included in Other assets on the Company's condensed consolidated balance sheets. These money market funds are classified within Level 1 because they are valued using quoted prices for identical instruments in active markets. Their amortized costs are the same as the fair value for all periods presented. The Company is restricted from accessing these deposits.

Also in addition to those amounts presented above, as of September 26, 2015 and December 27, 2014, the Company had approximately \$15 million and \$16 million, respectively, of available-for-sale investments in mutual funds held in a Rabbi trust established for the Company's deferred compensation plan, which were also included in Other assets on the Company's condensed consolidated balance sheets. These mutual funds are classified within Level 1 because they are valued using quoted prices for identical instruments in active markets. Their amortized cost approximates the fair value for all periods presented. The Company is restricted from accessing these investments.

Financial Instruments Not Recorded at Fair Value on a Recurring Basis. The Company carries its financial instruments at fair value with the exception of its debt. Financial instruments that are not recorded at fair value are measured at fair value on a quarterly basis for disclosure purposes. The carrying amounts and estimated fair values of financial instruments not recorded at fair value are as follows:

	September 26, 2015		December 27, 2014	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(In millions)			
Short-term debt (excluding capital leases)	\$ 230	\$ 230	\$ 172	\$ 173
Long-term debt (excluding capital leases)	\$ 2,025	\$ 1,341	\$ 2,025	\$ 1,858

The Company's short-term and long-term debt are classified within Level 2. The fair value of the debt was estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The fair value of the Company's accounts receivable, accounts payable and other short-term obligations approximate their carrying value based on existing payment terms.

Hedging Transactions and Derivative Financial Instruments

Cash Flow Hedges

The following table shows the amount of gain (loss) included in accumulated other comprehensive income (loss), the amount of gain (loss) reclassified from accumulated other comprehensive income (loss) and included in earnings related to the foreign currency forward contracts designated as cash flow hedges and the amount of gain (loss) included in other income (expense), net, related to contracts not designated as hedging instruments, which was allocated in the condensed consolidated statements of operations:

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
	(In millions)			
<u>Foreign Currency Forward Contracts - gains (losses)</u>				
Contracts designated as cash flow hedging instruments				
Other comprehensive income (loss)	\$ (7)	\$ (2)	\$ (7)	\$ 1
Cost of sales	(1)	—	(2)	—
Research and development	(3)	—	(7)	(2)
Marketing, general and administrative	(2)	(1)	(5)	(2)
Contracts not designated as hedging instruments				
Other income (expense), net	\$ (2)	\$ (2)	\$ (3)	\$ (2)

The Company's foreign currency derivative contracts are classified within Level 2 because the valuation inputs are based on quoted prices and market observable data of similar instruments in active markets, such as currency spot and forward rates.

The following table shows the fair value amounts included in Other current assets should the foreign currency forward contracts be in a gain position or included in Other current liabilities should these contracts be in a loss position. As of September 26, 2015, the Company's outstanding contracts were in a net loss position of \$15 million. These amounts were recorded in the Company's condensed consolidated balance sheets as follows:

	September 26, 2015	December 27, 2014
	(In millions)	
<u>Foreign Currency Forward Contracts - gains (losses)</u>		
Contracts designated as cash flow hedging instruments	\$ (13)	\$ (6)
Contracts not designated as hedging instruments	\$ (2)	\$ (1)

For the foreign currency contracts designated as cash flow hedges, the ineffective portions of the hedging relationship and the amounts excluded from the assessment of hedge effectiveness were immaterial.

As of September 26, 2015 and December 27, 2014, the notional values of the Company's outstanding foreign currency forward contracts were \$197 million and \$298 million, respectively. All the contracts mature within 12 months, and, upon maturity, the amounts recorded in Accumulated other comprehensive income (loss) are expected to be reclassified into earnings. The Company hedges its exposure to the variability in future cash flows for forecasted transactions over a maximum of 12 months.

Fair Value Hedges

The Company's fair value hedge derivative contracts are classified within Level 2 because the valuation inputs are based on quoted prices and market observable data of similar instruments in active markets.

The following table shows the fair value amounts included in Other assets should the fair value hedge derivative contracts be in a gain position or included in Other long-term liabilities should these contracts be in a loss position. These amounts were recorded in the Company's condensed consolidated balance sheets as follows:

	September 26, 2015		December 27, 2014
	(In millions)		
<u>Interest Rate Swap Contracts - gains (losses)</u>			
Contracts designated as fair value hedging instruments	\$	5	\$ 3

NOTE 6. Income Taxes

In the third quarter of 2015, the Company did not record any income tax provision. For the nine months ended September 26, 2015, the Company recorded an income tax provision of \$4 million due to foreign taxes in profitable locations.

In the third quarter of 2014, the Company recorded an income tax provision of \$2 million, due principally to foreign taxes in profitable locations. For the nine months ended September 27, 2014, the Company recorded an income tax provision of \$8 million arising from \$9 million of foreign taxes in profitable locations, partially offset by \$1 million of tax benefits arising from other comprehensive income and Canadian tax credits.

As of September 26, 2015, substantially all of the Company's U.S. and Canadian deferred tax assets, net of deferred tax liabilities, continue to be subject to a valuation allowance. The realization of these assets is dependent on substantial future taxable income which, as of September 26, 2015, in management's estimate, is not more likely than not to be achieved.

The Company's total gross unrecognized tax benefits as of September 26, 2015 were \$27 million. The Company does not believe it is reasonably possible that other unrecognized tax benefits will materially change in the next 12 months. The Company is currently undergoing a tax audit in a foreign jurisdiction and has recently commenced settlement discussions with the tax authority. Based on information and events that arose after September 26, 2015, the total potential amount related to this matter is approximately \$17 million including penalties and interest, which would be due upon the completion of the settlement process with the tax authority. The settlement, resolution or closure of its tax audits is highly uncertain.

NOTE 7. Segment Reporting

Management, including the Chief Operating Decision Maker, who is the Company's Chief Executive Officer, reviews and assesses operating performance using segment net revenue and operating income (loss) before interest, other income (expense), net and income taxes. These performance measures include the allocation of expenses to the operating segments based on management's judgment. The Company has the following two reportable segments:

- the Computing and Graphics segment, which primarily includes desktop and notebook processors and chipsets, discrete graphics processing units (GPUs) and professional graphics; and
- the Enterprise, Embedded and Semi-Custom segment, which primarily includes server and embedded processors, semi-custom System-on-Chip (SoC) products, engineering services and royalties.

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 management does not consider these expenses and credits in evaluating the performance of the reportable segments. Also included in this category are amortization of acquired intangible assets, employee stock-based compensation expense, restructuring and other special charges, net and workforce rebalancing severance charges.

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

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
(In millions)				
Net revenue:				
Computing and Graphics	\$ 424	\$ 781	\$ 1,335	\$ 2,470
Enterprise, Embedded and Semi-Custom	637	648	1,698	1,797
Total net revenue	\$ 1,061	\$ 1,429	\$ 3,033	\$ 4,267
Operating income (loss):				
Computing and Graphics	\$ (181)	\$ (17)	\$ (403)	\$ (20)
Enterprise, Embedded and Semi-Custom	84	108	156	290
All Other	(61)	(28)	(185)	(95)
Total operating income (loss)	\$ (158)	\$ 63	\$ (432)	\$ 175

NOTE 8. Stock-Based Incentive Compensation Plans

The following table summarizes stock-based compensation expense related to employee stock options and restricted stock units, which is allocated within the Company's condensed consolidated statements of operations as follows:

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
(In millions)				
Cost of sales	\$ —	\$ 1	\$ 2	\$ 3
Research and development	7	11	27	34
Marketing, general and administrative	6	9	18	28
Stock-based compensation expense, net of tax of \$0	\$ 13	\$ 21	\$ 47	\$ 65

For all periods presented, the Company did not realize any excess tax benefit related to stock-based compensation and therefore did not record any related financing cash flows.

Stock Options

The weighted average assumptions applied in the lattice-binomial model that the Company uses to estimate the fair value of employee stock options are as follows:

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
Expected volatility	71.71%	51.94%	60.19%	52.88%
Risk-free interest rate	1.32%	1.16%	1.24%	1.11%
Expected dividends	0.00%	0.00%	0.00%	0.00%
Expected life	3.91 years	3.86 years	3.91 years	3.86 years

In the third quarters of 2015 and 2014, the Company granted 5.2 million and 5.6 million shares of employee stock options, respectively, with weighted average grant date fair value per share of \$0.94 and \$1.59, respectively. For the nine months ended September 26, 2015 and September 27, 2014, the Company granted 5.9 million and 5.7 million employee stock options, respectively, with weighted average grant date fair values per share of \$0.96 and 1.59, respectively.

Restricted Stock Units

In the third quarter of 2015, the Company granted 25.0 million restricted stock units including 3.3 million of performance-based restricted stock units (PRSUs) with market conditions referenced below and in the third quarter of 2014, the Company granted 17.7 million restricted stock units including 2.9 million PRSUs, with weighted average grant date fair values

per share of \$1.79 and \$4.12, respectively. For the nine months ended September 26, 2015, the Company granted 33.9 million restricted stock units including 3.3 million PRSUs with market conditions referenced below and 0.8 million PRSUs, with weighted average grant date fair values per share of \$1.96. For the nine months ended September 27, 2014, the Company granted 19.9 million restricted stock units including 3.7 million PRSUs, with weighted average grant date fair values per share of \$4.11.

Performance-based Restricted Stock Units with Market Conditions

During the third quarter of 2015, the Company granted restricted stock units with both a market condition and a service condition (market-based restricted stock units) to the Company's senior executives. The number of shares that may be earned is based on three-year compounded annual growth rate milestones related to the Company's closing stock price that may be attained within the three-year performance period, with the potential payout levels of shares at 50%, 100%, 200% and 250% of the target number of shares granted. Any shares earned pursuant to the attainment of a performance level shall vest 50% upon the compensation committee certification of the attainment of the performance level (provided, however, that no shares may be earned or vest prior to the first anniversary of the grant date) and the remaining 50% shall vest at the end of the Performance Period, subject to the recipient's continuous employment or service through each such vesting date.

The Company estimated the fair value of the market-based restricted stock units using a Monte Carlo simulation model on the date of grant. As of September 26, 2015, there were 3.3 million market-based restricted stock units with the potential payout level at 100% with a grant date fair value per share of \$1.44.

NOTE 9. Commitments and Contingencies

Warranties and Indemnities

The Company generally warrants that its products sold to its customers will conform to the Company's approved specifications and be free from defects in material and workmanship under normal use and service for one year. Subject to certain exceptions, the Company also offers a three-year limited warranty to end users for only those central processing unit (CPU) and AMD accelerated processing unit (APU) products that are commonly referred to as "processors in a box" and for certain server CPU products. The Company also offered extended limited warranties to certain customers of "tray" microprocessor products and/or professional graphics products who have written agreements with the Company and target their computer systems at the commercial and/or embedded markets.

Changes in the Company's estimated liability for product warranty were as follows:

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
	(In millions)			
Beginning balance	\$ 17	\$ 19	\$ 19	\$ 17
New warranties issued	7	6	21	22
Settlements	(5)	(9)	(20)	(28)
Changes in liability for pre-existing warranties, including expirations	(4)	3	(5)	8
Ending balance	\$ 15	\$ 19	\$ 15	\$ 19

In addition to product warranties, the Company, from time to time in its normal course of business, indemnifies other parties, with whom it enters into contractual relationships, including customers, lessors and parties to other transactions with the Company, with respect to certain matters. In these limited matters, the Company has agreed to hold certain third parties harmless against specific types of claims or losses, such as those arising from a breach of representations or covenants, third-party claims that the Company's products when used for their intended purpose(s) and under specific conditions infringe the intellectual property rights of a third party, or other specified claims made against the indemnified party. It is not possible to determine the maximum potential amount of liability under these indemnification obligations due to the unique facts and circumstances that are likely to be involved in each particular claim and indemnification provision. Historically, payments made by the Company under these obligations have not been material.

Contingencies

Securities Class Action

On January 15, 2014, a class action lawsuit captioned *Hatamian v. AMD, et al.*, C.A. No. 3:14-cv-00226 was filed against the Company in the United States District Court for the Northern District of California. The complaint purports to assert claims against the Company and certain individual officers for alleged violations of Section 10(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Rule 10b-5 of the Exchange Act. The plaintiffs seek to represent a proposed class of all persons who purchased or otherwise acquired the Company's common stock during the period April 4, 2011 through October 18, 2012. The complaint seeks damages allegedly caused by alleged materially misleading statements and/or material omissions by the Company and the individual officers regarding the Company's 32nm technology and "Llano" product, which statements and omissions, the plaintiffs claim, allegedly operated to artificially inflate the price paid for the Company's common stock during the period. The complaint seeks unspecified compensatory damages, attorneys' fees and costs.

On July 7, 2014, the Company filed a motion to dismiss plaintiffs' claims. On March 31, 2015, the Court denied the motion to dismiss. On May 14, 2015, the Company filed its answer to plaintiffs' corrected amended complaint. The discovery process is ongoing. On September 4, 2015, plaintiffs filed their motion for class certification. A court-ordered mediation is scheduled for January 2016.

Based upon information presently known to management, the Company believes that the potential liability, if any, will not have a material adverse effect on its financial condition, cash flows or results of operations.

Shareholder Derivative Lawsuits

On March 20, 2014, a purported shareholder derivative lawsuit captioned *Wessels v. Read, et al.*, Case No. 1:14 cv-262486 was filed against the Company (as a nominal defendant only) and certain of its directors and officers in the Santa Clara County Superior Court of the State of California. The complaint purports to assert claims against the Company and certain individual directors and officers for breach of fiduciary duty, waste of corporate assets and unjust enrichment. The complaint seeks damages allegedly caused by alleged materially misleading statements and/or material omissions by the Company and the individual directors and officers regarding our 32nm technology and "Llano" product, which statements and omissions, the plaintiffs claim, allegedly operated to artificially inflate the price paid for its common stock during the period. On April 27, 2015, a similar purported shareholder derivative lawsuit captioned *Christopher Hamilton and David Hamilton v. Barnes, et al.*, Case No. 5:15-cv-01890 was filed against the Company (as a nominal defendant only) and certain of its directors and officers in the United States District Court for the Northern District of California. The case was transferred to the judge handling the Hatamian Lawsuit and is now Case No. 4:15-cv-01890. The Wessels and Hamilton shareholder derivative lawsuits are currently stayed.

On September 29, 2015, a similar purported shareholder derivative lawsuit captioned *Jake Ha v Caldwell, et al.*, Case No. 3:15-cv-04485 was filed against the Company (as a nominal defendant only) and certain of its directors and officers in the United States District Court for the Northern District of California. The lawsuit also seeks a court order voiding the shareholder vote on the Company's 2015 proxy.

Based upon information presently known to management, the Company believes that the potential liability, if any, will not have a material adverse effect on its financial condition, cash flows or results of operations.

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 business, consolidated financial position, results of operations or cash flows.

NOTE 10. Restructuring and Other Special Charges, Net

2015 Restructuring Plan

On September 26, 2015, the Company implemented a restructuring plan (2015 Restructuring Plan) focused on the Company's ongoing efforts to simplify its business and align resources with its long term strategy.

The 2015 Restructuring Plan involved a reduction of global headcount by approximately 5%. The 2015 Restructuring Plan includes organizational actions such as outsourcing certain IT services and application development. The 2015 Restructuring Plan also anticipates a charge for the consolidation of certain real estate facilities. The Company recorded a \$41

million restructuring charge in the third quarter of 2015, of which approximately \$31 million is related to severance and benefit costs, approximately \$1 million to facilities related consolidation charges and approximately \$9 million of intangible asset related charges associated with the impairment of certain software licenses that have ongoing payment obligations. The Company expects the 2015 Restructuring Plan will likely result in total cash payments of approximately \$26 million and \$15 million in the fiscal years 2015 and 2016, respectively. The actions associated with the 2015 Restructuring Plan are expected to be substantially completed by the end of fiscal year 2016.

The following table provides a summary of the restructuring activities in the third quarter of 2015 and the related liabilities recorded in Other current liabilities and Other long-term liabilities on the Company's condensed consolidated balance sheets as of September 26, 2015:

	Severance and related benefits		Other exit related costs		Total	
	(In millions)					
Balance as of June 27, 2015	\$	—	\$	—	\$	—
Charges		31		10		41
Cash payments		(3)		—		(3)
Non-cash charges		—		(9)		(9)
Balance as of September 26, 2015	\$	28	\$	1	\$	29

2014 Restructuring Plan

In October 2014, the Company implemented a restructuring plan (2014 Restructuring Plan) designed to improve operating efficiencies. The 2014 Restructuring Plan involved a reduction of global headcount by approximately 6% and an alignment of its real estate footprint with its reduced headcount. In the nine months ended September 26, 2015, the Company recorded an \$18 million restructuring charge, which consisted of \$5 million non-cash charge related to asset impairments, \$4 million for severance, and related benefits and \$9 million for facilities related costs. The 2014 Restructuring Plan was largely completed by the end of the third quarter of 2015.

The following table provides a summary of the restructuring activities in the first nine months of 2015 and the related liabilities recorded in Other current liabilities and Other long-term liabilities on the Company's condensed consolidated balance sheets as of September 26, 2015:

	Severance and related benefits		Other exit related costs		Total	
	(In millions)					
Balance as of December 27, 2014	\$	26	\$	13	\$	39
Charges		4		14		18
Cash payments		(22)		(5)		(27)
Non-cash charges		—		(5)		(5)
Balance as of September 26, 2015	\$	8	\$	17	\$	25

Dense Server Systems Business Exit

As a part of the Company's strategy to simplify and sharpen its investment focus, the Company exited the dense server systems business, formerly SeaMicro, in the first quarter of 2015. As a result, the Company recorded a charge of \$76 million in Restructuring and other special charges, net on the Company's condensed consolidated statements of operations in the first nine months ended September 26, 2015. This charge consisted of an impairment charge of \$62 million related to the acquired intangible assets. The Company concluded that the carrying value of the acquired intangible assets associated with its dense server systems business was fully impaired as the Company did not have plans to utilize the related freedom fabric technology in any of its future products nor did it have any plans at that time to monetize the associated intellectual property. In addition, the exit charge consisted of a \$7 million non-cash charge related to asset impairments, \$4 million of severance and related benefits and \$3 million for contract or program termination costs. The Company expects to complete this exit activity by the end of the first quarter of 2016.

NOTE 11. Accumulated Other Comprehensive Income (Loss)

The tables below summarize the changes in accumulated other comprehensive income (loss) by component:

	Three Months Ended											
	September 26, 2015			September 27, 2014								
	Unrealized gains (losses) on available-for-sale securities	Unrealized gains (losses) on cash flow hedges	Total	Unrealized gains (losses) on available-for-sale securities	Unrealized gains (losses) on cash flow hedges	Total						
	(In millions)											
Beginning balance	\$	1	\$	(6)	\$	(5)	\$	1	\$	—	\$	1
Unrealized gains (losses) arising during the period, net of tax		(3)		(13)		(16)		—		(3)		(3)
Reclassification adjustment for (gains) losses realized and included in net income (loss), net of tax		—		6		6		—		1		1
Total other comprehensive income (loss)		(3)		(7)		(10)		—		(2)		(2)
Ending balance	\$	(2)	\$	(13)	\$	(15)	\$	1	\$	(2)	\$	(1)

	Nine Months Ended											
	September 26, 2015			September 27, 2014								
	Unrealized gains (losses) on available-for-sale securities	Unrealized gains (losses) on cash flow hedges	Total	Unrealized gains (losses) on available-for-sale securities	Unrealized gains (losses) on cash flow hedges	Total						
	(In millions)											
Beginning balance	\$	1	\$	(6)	\$	(5)	\$	1	\$	(3)	\$	(2)

Unrealized gains (losses) arising during the period, net of tax	(3)	(21)	(24)	—	(3)	(3)
Reclassification adjustment for (gains) losses realized and included in net income (loss), net of tax	—	14	14	—	4	4
Total other comprehensive income (loss)	(3)	(7)	(10)	—	1	1
Ending balance	\$ (2)	\$ (13)	\$ (15)	\$ 1	\$ (2)	\$ (1)

NOTE 12. Secured Revolving Line of Credit

Loan and Security Agreement

The Company and its subsidiary, AMD International Sales & Service, Ltd. (together, the Borrowers), entered into a loan and security agreement on November 12, 2013, as amended on December 11, 2014, (the Loan Agreement) for a secured revolving line of credit for a principal amount of up to \$500 million (the Secured Revolving Line of Credit), with up to \$75 million available for issuance of letters of credit, with a group of lenders and Bank of America, N.A., acting as agent for the lenders (the Agent). The Secured Revolving Line of Credit matures on November 12, 2018. Borrowings under the Secured Revolving Line of Credit are limited to up to 85% of eligible account receivable minus certain reserves. The borrowings of the Secured Revolving Line of Credit may be used for general corporate purposes, including working capital needs.

Amended and Restated Loan and Security Agreement

On April 14, 2015, the Borrowers and ATI Technologies ULC (together with the Borrowers, the Loan Parties), amended and restated the Loan Agreement (the Amended and Restated Loan Agreement) by and among the Loan Parties, the financial institutions party thereto from time to time as lenders (the Lenders) and the Agent.

The Amended and Restated Loan Agreement provides for a Secured Revolving Line of Credit for a principal amount of up to \$500 million with up to \$75 million available for issuance of letters of credit, which remained unchanged from the Loan Agreement. Borrowings under the Secured Revolving Line of Credit are limited to up to 85% of eligible accounts receivable (90% for certain qualified eligible accounts receivable), minus specified reserves. The size of the commitments under the Secured Revolving Line of Credit may be increased by up to an aggregate amount of \$200 million.

The Secured Revolving Line of Credit matures on April 14, 2020 and is secured by a first priority security interest in the Loan Parties' accounts receivable, inventory, deposit accounts maintained with the Agent and other specified assets, including books and records.

The Borrowers may elect a per annum interest rate equal to (a) the London Interbank Offered Rate (LIBOR) plus the applicable margin set forth in the applicable chart below (the "Applicable Margin") as determined by the average availability under the Secured Revolving Line of Credit and the fixed charge coverage ratio for the most recently ended four-fiscal quarter period; or (b) (i) the greatest of (x) the Agent's prime rate, (y) the federal funds rate, as published by the Federal Reserve Bank of New York plus 0.50%, and (z) LIBOR for a one-month period plus 1.00%, plus (ii) the Applicable Margin.

Applicable Margin, if average availability is equal to or greater than 66.66% of the total commitment amount and the fixed charge coverage ratio for the most recently ended four-fiscal quarter period is greater than or equal to 1.25 to 1.00, is 0.25% for Base Rate Revolver Loans and 1.25% for LIBOR Revolver Loans. Otherwise, Applicable Margin is determined in accordance with the below table:

Level	Average Availability for Last Fiscal Month	Base Rate Revolver Loans: Applicable Margin	LIBOR Revolver Loans: Applicable Margin
I	greater than or equal to 66.66% of the Revolver Commitment	0.50%	1.50%
II	greater than or equal to 33.33% of the Revolver Commitment, less than 66.66%	0.75%	1.75%
III	less than 33.33% of the Revolver Commitment	1.00%	2.00%

The Secured Revolving Line of Credit may be optionally prepaid or terminated, and unutilized commitments may be reduced at any time, in each case without premium or penalty. In connection with the Secured Revolving Line of Credit, the Borrowers will pay an unused line fee equal to 0.375% per annum, payable monthly on the unused amount of the commitments under the Secured Revolving Line of Credit. The unused line fee decreases to 0.25% per annum when 35% or more of the Secured Revolving Line of Credit is utilized. The Borrowers will pay (i) a monthly fee on all letters of credit outstanding under the Secured Revolving Line of Credit equal to the applicable LIBOR margin and (ii) a fronting fee to the Agent equal to 0.125% of all such letters of credit, payable monthly in arrears.

The Amended and Restated Loan Agreement contains covenants that place certain restrictions on the Loan Parties' ability to, among other things, allow certain of the Company's subsidiaries that manufacture or process inventory for the Loan Parties to borrow secured debt or unsecured debt beyond a certain amount, amend or modify certain terms of any debt of \$50 million or more or subordinated debt, create or suffer to exist any liens upon accounts or inventory, sell or transfer any of Loan Parties'

accounts or inventory other than certain ordinary-course transfers, make certain changes to any Loan Party's name or form or state of organization without notifying the Agent, liquidate, dissolve, merge, amalgamate, combine or consolidate, or become a party to certain agreements restricting the Loan Parties' ability to incur or repay debt, grant liens, make distributions, or modify loan agreements.

Further restrictions apply when certain payment conditions (the Payment Conditions) are not satisfied with respect to specified transactions, events or payments. The Payment Conditions include that (i) no default or event of default exists and (ii) at all times during the 45 consecutive days immediately prior to such transaction, event or payment and on a pro forma basis after giving effect to such transaction, event or payment and any incurrence or repayment of indebtedness in connection therewith, the Loan Parties' Excess Cash Availability (as defined in the Amended and Restated Loan Agreement) is greater than the greater of 20% of the total commitment amount and \$100 million. Such restrictions limit the Loan Parties' ability to, among other things, create any liens upon any of the Loan Parties' property (other than customary permitted liens and liens on up to \$1.5 billion of secured credit facilities debt (which amount includes the Secured Revolving Line of Credit), declare or make any distributions, create any encumbrance on the ability of a subsidiary to make any upstream payments, make asset dispositions other than certain ordinary course dispositions, make certain loans, make payments with respect to subordinated debt or certain borrowed money prior to its due date or become a party to certain agreements restricting the Loan Parties' ability to enter into any non arm's-length transaction with an affiliate.

The Loan Parties are required to repurchase, redeem, defease, repay, create a segregated account for the repayment of, or request Agent to reserve a sufficient available amount under the Secured Revolving Line of Credit for the repayment of, all debt for borrowed money exceeding \$50 million, by no later than 60 days prior to its maturity date (not including the Secured Revolving Line of Credit). Any reserved funds for this purpose would not be included in domestic cash calculations.

In addition, if at any time the Loan Parties' Excess Cash Availability is less than the greater of 15% of the total commitment amount and \$75 million, the Loan Parties must maintain a minimum fixed charge coverage ratio of 1.00 to 1.00 until (i) no event of default exists and (ii) the Loan Parties' Excess Cash Availability is greater than the greater of 15% of the total commitment amount and \$75 million for 45 consecutive days.

The events of default under the Amended and Restated Loan Agreement include, among other things, payment defaults, the inaccuracy of representations or warranties, defaults in the performance of affirmative and negative covenants, bankruptcy and insolvency related defaults, a cross-default related to indebtedness in an aggregate amount in excess of \$50 million, judgments entered against a Loan Party in an amount that exceeds cumulatively \$50 million, certain ERISA events and events related to Canadian defined benefits plans and a change of control. When a Payment Condition has not been satisfied, additional events of default include, among other things, a loss, theft damage or destruction with respect to any collateral if the amount not covered by insurance exceeds \$50 million.

First Amendment to Amendment and Restated Loan and Security Agreement

On June 10, 2015, the Loan Parties entered into a First Amendment to the Amended and Restated Loan and Security Agreement (the "First Amendment") by and among the Loan Parties, the Lenders and the Agent, which modifies the Amended and Restated Loan Agreement. Amendments to the Amended and Restated Loan Agreement effected by the First Amendment include the addition of exceptions to the liens and asset sale covenants to permit the Loan Parties to enter into certain supply chain finance arrangements, as well as the addition of certain definitions related thereto.

At September 26, 2015 and December 27, 2014, the Secured Revolving Line of Credit had an outstanding loan balance of \$230 million and \$130 million, respectively, at an interest rate of 3.75% and 4.25%, respectively. At September 26, 2015, the Secured Revolving Line of Credit also had \$16 million related to outstanding Letters of Credit, and up to \$151 million available for future borrowings. The Company reports its intra-period changes in its revolving credit balance on a net basis in its condensed consolidated statement of cash flows as the Company intends the period of the borrowings to be brief, repaying borrowed amounts within 90 days. As of September 26, 2015, the Company was in compliance with all required covenants stated in the Loan Agreement.

NOTE 13. Subsequent Events

Equity Interest Purchase Agreement

On October 15, 2015, the Company entered into an Equity Interest Purchase Agreement (the Equity Interest Purchase Agreement) with Nantong Fujitsu Microelectronics Co., Ltd., a Chinese joint stock company (JV Party), under which the Company will sell to JV Party a majority of the equity interests in AMD Technologies (China) Co. Ltd. a wholly-foreign owned enterprise incorporated as a limited liability company (the Chinese Target Company) and Advanced Micro Devices Export Sdn. Bhd., a Malaysian limited liability company (the Malaysian Target Company) and, together with the Chinese Target Company, (the Target Companies), thereby forming two joint ventures (collectively, the JVs) with JV Party in a transaction valued at approximately \$436 million (the Transaction). The JV Party will acquire 85% of the equity interests in each JV for approximately \$371 million and the Company estimates it will receive approximately \$320 million cash, net of taxes and other customary expenses. After closing, JV Party's affiliates will own 85% of the equity interests in each JV while the Company's subsidiaries (the Company Shareholders) will own the remaining 15%. The Transaction will result in the JVs providing assembly, testing, marking, packing and packaging services (ATMP) to the Company. The Company plans to account for its investment in the JVs under the equity method of accounting.

The Equity Interest Purchase Agreement also has related agreements including: (i) with respect to the Malaysian Target Company, a Shareholders' Agreement, and with respect to the Chinese Target Company, a Joint Venture Contract governing the joint venture relationships from and after the Closing, (ii) an IP License Agreement, (iii) a Manufacturing Services Agreement, (iv) a Transition Services Agreement, and (v) a Trademark License Agreement.

The transaction is expected to close in the first half of 2016, pending all regulatory and other approvals.

As a result of the decision to form the above JVs, the balance sheet as of September 26, 2015 reflects held-for-sale accounting of the ATMP assets and liabilities which requires reclassification of such financial amounts to current assets and current liabilities. The Company reclassified \$156 million to other current assets and \$81 million to other current liabilities. Asset balances reclassified into other current assets are primarily comprised of property, plant, and equipment of \$89 million, preliminary goodwill allocation of \$37 million and inventory of \$14 million. Liability balances reclassified into other current liabilities are primarily comprised of accounts payable of \$74 million. The balances included in the final gain/(loss) calculation, at closing, are likely to be different due to normal operational activities occurring through the closing date, as well as the final goodwill allocation.

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: demand for AMD's products; the growth, change and competitive landscape of the markets in which AMD participates; future restructuring activities; the nature and extent of AMD's future payments to GLOBALFOUNDRIES Inc. (GF) and the materiality of these payments; AMD's ability to negotiate a re-profiling of its wafer purchase commitments with GF; the materiality of AMD's future purchases from GF; sales patterns of AMD's semi-custom System-on-Chip (SoC) products; expected completion of its restructuring plan announced in October 2015 (the 2015 Restructuring Plan) and the anticipated cash payments and savings from the 2015 Restructuring Plan; the expected completion of AMD's exit from the dense server systems business; statements regarding the proposed joint ventures (the JVs) between AMD and Nantong Fujitsu Microelectronics, Co., Ltd., including the JVs' expected future performance (including expected results of operations and financial guidance); benefits from the proposed transaction; the JVs' future financial condition, operating results, strategy and plans; statements about regulatory and other approvals; the closing date for the proposed transaction; the level of international sales as compared to total sales; that other unrecognized tax benefits will not materially change in the next 12 months; the total estimated amount related to settlement discussions with a foreign tax authority; that AMD's cash and cash equivalents and marketable securities balances, the savings from our restructuring plans and the Secured Revolving Line of Credit will be sufficient to fund AMD's operations including capital expenditures over the next 12 months; AMD's ability to obtain sufficient external financing on favorable terms, or at all; its dependence on a small number of customers for a substantial part of its revenue; its hedging strategy; and its expenditures related to environmental compliance and conflict minerals disclosure requirements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices may limit AMD's ability to compete effectively; AMD relies on GF to manufacture most of its microprocessor and APU products and certain of its GPU and semi-custom products. If GF is not able to satisfy AMD's manufacturing requirements, its business could be adversely impacted; AMD relies on third parties to manufacture its products, and if they are unable to do so on a timely basis in sufficient quantities and using competitive technologies, AMD's business could be materially adversely affected; failure to achieve expected manufacturing yields for AMD's products could negatively impact its financial results; the success of AMD's business is dependent upon its ability to introduce products on a timely basis with features and performance levels that provide value to its customers while supporting and coinciding with significant industry transitions; if AMD cannot generate sufficient revenue and operating cash flow or obtain external financing, it may face a cash shortfall and be unable to make all of its planned investments in research and development or other strategic investments; the loss of a significant customer may have a material adverse effect on us; global economic uncertainty may adversely impact AMD's business and operating results; AMD may not be able to generate sufficient cash to service its debt obligations or meet its working capital requirements; AMD has a substantial amount of indebtedness which could adversely affect its financial position and prevent it from implementing its strategy or fulfilling its contractual obligations; the agreements governing AMD's notes and its secured revolving line of credit (Secured Revolving Line of Credit) impose restrictions on AMD that may adversely affect its ability to operate its business; the completion and impact of the 2015 Restructuring Plan, its transformation initiatives and any future restructuring actions could adversely affect it; the markets in which AMD's products are sold are highly competitive; uncertainties involving the ordering and shipment of AMD's products could materially adversely affect it; AMD's receipt of revenue from its semi-custom SoC products is dependent upon its technology being designed into third-party products and the success of those products; the demand for AMD's products depends in part on the market conditions in the industries into which they are sold. Fluctuations in demand for AMD's products or a market decline in any of these industries could have a material adverse effect on its results of operations; AMD's ability to design and introduce new products in a timely manner is dependent upon third-party intellectual property; AMD depends on third-party companies for the design, manufacture and supply of motherboards and other computer platform components to support its business; if AMD loses Microsoft Corporation's support for its products or other software vendors do not design and develop software to run on AMD's products, its ability to sell its products could be materially adversely affected; AMD may incur future impairments of goodwill; AMD's reliance on third-party distributors and AIB partners subjects it to certain risks; AMD's inability to continue to attract and retain qualified personnel may hinder its product development programs; in the event of a change of control, AMD may not be able to repurchase its outstanding debt as required by the applicable indentures and its Secured Revolving Line of Credit, which would result in a default under the indentures and its Secured Revolving Line of Credit; the semiconductor industry is highly cyclical and has experienced severe downturns that have materially adversely affected, and may continue to materially adversely affect,

its business in the future; AMD's business is dependent upon the proper functioning of its internal business processes and information systems and modification or interruption of such systems may disrupt its business, processes and internal controls; data breaches and cyber-attacks could compromise AMD's intellectual property or other confidential, sensitive information be costly to remediate and cause significant damage to its business and reputation; AMD's operating results are subject to quarterly and seasonal sales patterns; if essential equipment or materials are not available to manufacture its products, AMD could be materially adversely affected; if AMD's products are not compatible with some or all industry-standard software and hardware, it could be materially adversely affected; costs related to defective products could have a material adverse effect on AMD; if AMD fails to maintain the efficiency of its supply chain as it responds to changes in customer demand for its products, its business could be materially adversely affected; AMD outsources to third parties certain supply-chain logistics functions, including portions of its product distribution, transportation management and information technology support services; acquisitions, divestitures and/or joint ventures could disrupt its business, harm its financial condition and operating results or dilute, or adversely affect the price of its common stock; AMD's worldwide operations are subject to political, legal and economic risks and natural disasters, which could have a material adverse effect on it; worldwide political conditions may adversely affect demand for AMD's products; unfavorable currency exchange rate fluctuations could adversely affect AMD; AMD's inability to effectively control the sales of its products on the gray market could have a material adverse effect on it; if AMD cannot adequately protect its technology or other intellectual property in the United States and abroad, through patents, copyrights, trade secrets, trademarks and other measures, it may lose a competitive advantage and incur significant expenses; AMD is a party to litigation and may become a party to other claims or litigation that could cause it to incur substantial costs or pay substantial damages or prohibit it from selling its products; AMD's business is subject to potential tax liabilities; a variety of environmental laws that AMD is subject to could result in additional costs and liabilities; and higher health care costs and labor costs could adversely affect AMD's business.

For a discussion of factors that could cause actual results to differ materially from the forward-looking statements, see "Part II, Item 1A—Risk Factors" beginning on page 44 and "Financial Condition" beginning on page 34 and other risks and uncertainties 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.

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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 27, 2014 and December 28, 2013, and for each of the three years in the period ended December 27, 2014 as filed in our Annual Report on Form 10-K for the year ended December 27, 2014.

Overview

We are a global semiconductor company with facilities around the world. Within the global semiconductor industry, we offer primarily:

- x86 microprocessors, as standalone devices or as incorporated as an accelerated processing unit (APU), chipsets, discrete graphics processing units (GPUs) and professional graphics; and
- server and embedded processors, semi-custom System-on-Chip (SoC) products and technology for game consoles.

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 quarter and nine months ended September 26, 2015 compared to the quarter ended June 27, 2015 and the quarter and nine months ended September 27, 2014, an analysis of changes in our financial condition and a discussion of our contractual obligations.

Net revenue in the third quarter of 2015 was \$1.06 billion, a 13% increase compared to the second quarter of 2015, and a 26% decrease compared to the third quarter of 2014. The quarter-over-quarter increase was due to a 13% increase in Enterprise, Embedded and Semi-Custom segment net revenue and a 12% increase in Computing and Graphics segment net revenue. The increase in Enterprise, Embedded and Semi-Custom segment net revenue was primarily driven by seasonally higher sales of our semi-custom SoCs. The increase in Computing and Graphics segment net revenue was primarily due to higher sales of GPUs and desktop processors. Gross margin, as a percentage of net revenue, for the third quarter of 2015 was 23%, a 2 percentage point decrease compared to the second quarter of 2015. Gross margin in the third quarter of 2015 was adversely impacted by an inventory write-down of \$65 million primarily consisting of older-generation APUs.

Cash and cash equivalents at the end of the third quarter of 2015 were \$755 million, compared to \$829 million as of the end of the second quarter of 2015. Total debt as of the end of the third quarter of 2015 was \$2.26 billion, flat from the prior quarter.

During the third quarter of 2015, we continued to execute our product roadmap and delivered new products. In July 2015, we introduced the A8-7670K APU, the newest addition to our A-Series line of desktop processors. We designed the A8-7670K APU to support Windows® 10, mainstream workloads and online gaming. We also expanded our AMD FirePro™ server GPU family by introducing the world’s first server GPU, the AMD FirePro S9170, designed for high performance compute (HPC) environments. The AMD FirePro S9170 is based on second-generation AMD Graphics Core Next (GCN) GPU architecture, a unified scalable GPU optimized for graphics and compute. In August 2015, we introduced the AMD Radeon® R9 Nano, a small-form-factor mini-ITX enthusiast graphics card designed to deliver energy efficiency and performance for ultra-high resolutions, improved virtual reality experiences and smoother gameplay.

As part of our ongoing efforts to simplify our business and align resources with our long term strategy, we implemented a restructuring plan (2015 Restructuring Plan) in the third quarter of 2015. The 2015 Restructuring Plan provides for a workforce reduction of approximately 5% of our global workforce, organizational actions such as outsourcing IT services and application development and consolidation of certain real estate facilities. We realized operational savings, primarily in operating expenses, of approximately \$2 million in the third quarter of 2015. We expect to realize operational savings, primarily in operating expenses, of approximately \$7 million in the fourth quarter of fiscal year 2015 and approximately \$58 million in fiscal year 2016. We recorded a restructuring and asset impairment charge of approximately \$48 million in the third quarter of 2015, comprised of approximately \$41 million related to the 2015 Restructuring Plan and approximately \$7 million related to our 2014 Restructuring Plan. The majority of the restructuring charge related to the 2015 Restructuring Plan consists of severance and benefits costs.

Further to our strategic plan, in October 2015, we entered into a definitive agreement to form a joint venture with Nantong Fujitsu Microelectronics Co., Ltd. (NFME). We agreed to sell to NFME 85% of our interest in each of our Assembly, Test, Mark and Pack (ATMP) manufacturing subsidiaries located in Penang, Malaysia and Suzhou, China forming two joint ventures, which will provide us with ATMP services. We will retain a 15% ownership in each of the two joint ventures. As consideration for the transaction we expect to receive approximately \$371 million from NFME with net proceeds of \$320 million, net of taxes and other charges at the closing of the transaction. The transaction is expected to close in the first half of 2016, pending successful completion of regulatory approvals.

As a result of the decision to form the above JVs, the balance sheet as of September 26, 2015 reflects held-for-sale accounting of the ATMP assets and liabilities which requires reclassification of such financial amounts to current assets and current liabilities. We reclassified \$156 million to other current assets and \$81 million to other current liabilities.

GLOBALFOUNDRIES

Wafer Supply Agreement. The Wafer Supply Agreement (WSA) governs the terms by which we purchase products manufactured by GLOBALFOUNDRIES Inc. (GF).

Fourth Amendment to Wafer Supply Agreement. On March 30, 2014, we entered into a fourth amendment to the WSA. The primary effect of the fourth amendment was to establish volume purchase commitments and fixed pricing for the 2014 calendar year as well as to modify certain other terms of the WSA applicable to wafers for some of our microprocessor unit, graphics processor unit and semi-custom game console products to be delivered by GF to us during the 2014 calendar year.

Fifth Amendment to Wafer Supply Agreement. On April 16, 2015, we entered into a fifth amendment to the WSA. The primary effect of the fifth amendment was to establish volume purchase commitments and fixed pricing for the 2015 calendar year as well as to modify certain other terms of the WSA applicable to wafers for some of our microprocessor unit, graphics processor unit and semi-custom products to be delivered by GF to us during the 2015 calendar year.

Our total purchases from GF related to wafer manufacturing and research and development activities for the quarters ended September 26, 2015 and September 27, 2014 were \$288 million and \$290 million, respectively. Our total purchases from GF related to wafer manufacturing and research and development activities for the nine months ended September 26, 2015 and September 27, 2014 were \$704 million and \$843 million, respectively.

We estimate that our purchase obligations to GF for wafer manufacturing and research and development activities will be approximately \$1.1 billion in fiscal year 2015 and at least \$106 million during the first quarter of fiscal year 2016. We are not able to meaningfully quantify or estimate our future purchase obligations to GF other than those set forth in the fifth amendment to the WSA, but we expect that our future purchases from GF will continue to be material. We are currently in discussions with GF regarding the re-profiling of our wafer purchase commitments under the fifth amendment to the WSA. We are unable to quantify the outcome of our negotiations with GF.

GF continues to be a related party of AMD because Mubadala Development Company PJSC (Mubadala) and Mubadala Technology Investments LLC (Mubadala Tech) are affiliated with West Coast Hitech L.P. (WCH), our largest stockholder. GF, WCH and Mubadala Tech are wholly-owned subsidiaries of Mubadala.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our condensed 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 condensed consolidated financial statements. We evaluate our estimates on an on-going basis, including those related to our net revenue, inventories, asset impairments 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 our 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.

Management believes there have been no significant changes during the quarter and nine months ended September 26, 2015 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 year ended December 27, 2014.

We will perform an annual goodwill impairment analysis as of the first day of the fourth quarter of 2015 pursuant to our accounting policy. However, we will also test for goodwill impairment at any time during the year if there are indicators of impairment present. If there are declines in our market capitalization, business climate or operating results, we may incur impairment charges that could be material.

Results of Operations

Management, including the Chief Operating Decision Maker, who is our Chief Executive Officer, reviews and assesses our operating performance using segment net revenue and operating income (loss) before interest, other income (expense), net and income taxes. These performance measures include the allocation of expenses to the operating segments based on management's judgment. We have the following two reportable segments:

- the Computing and Graphics segment, which primarily includes desktop and notebook processors and chipsets, discrete GPUs and professional graphics; and
- the Enterprise, Embedded and Semi-Custom segment, which primarily includes server and embedded processors, semi-custom SoC products, engineering services and royalties.

In addition to these reportable segments, we have 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 management does not consider these expenses and credits in evaluating the performance of the reportable segments. Also included in this category are amortization of acquired intangible assets, employee stock-based compensation expense, restructuring and other special charges, net and workforce rebalancing severance charges.

We use a 52 or 53 week fiscal year ending on the last Saturday in December. The quarters ended September 26, 2015 and September 27, 2014 each consisted of 13 weeks. The nine months ended September 26, 2015 and September 27, 2014 each consisted of 39 weeks.

Our operating results tend to vary seasonally. For example, historically, first quarter PC product sales are generally lower than fourth quarter sales. In addition, with respect to our semi-custom SoC products for game consoles, we expect sales patterns to follow the seasonal trends of a consumer business with sales in the first half of the year being lower than sales in the second half of the year.

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

	Three Months Ended			Nine Months Ended	
	September 26, 2015	June 27, 2015	September 27, 2014	September 26, 2015	September 27, 2014
(In millions)					
Net revenue:					
Computing and Graphics	\$ 424	\$ 379	\$ 781	\$ 1,335	\$ 2,470
Enterprise, Embedded and Semi-Custom	637	563	648	1,698	1,797
Total net revenue	\$ 1,061	\$ 942	\$ 1,429	\$ 3,033	\$ 4,267
Operating income (loss):					
Computing and Graphics	\$ (181)	\$ (147)	\$ (17)	\$ (403)	\$ (20)
Enterprise, Embedded and Semi-Custom	84	27	108	156	290
All Other	(61)	(17)	(28)	(185)	(95)
Total operating income (loss)	\$ (158)	\$ (137)	\$ 63	\$ (432)	\$ 175

Computing and Graphics

Computing and Graphics net revenue of \$424 million in the third quarter of 2015 decreased by 46%, compared to net revenue of \$781 million in the third quarter of 2014, as a result of a 47% decrease in unit shipments. Average selling price remained flat. The decrease in unit shipments was primarily attributable to lower unit shipments of our desktop and notebook microprocessor products and chipset products due to lower demand.

Computing and Graphics net revenue of \$424 million in the third quarter of 2015 increased by 12%, compared to net revenue of \$379 million in the second quarter of 2015, as a result of a 16% increase in unit shipments, partially offset by 4% decrease in average selling price. The increase in unit shipments was primarily attributable to higher unit shipment of our GPU products and microprocessor products. Average selling price decreased primarily attributable to a decrease in average selling price of our notebook microprocessor products and our GPU desktop products, partially offset by increase in average selling price of our add-in board (AIB) products.

Computing and Graphics net revenue of \$1,335 million in the first nine months of 2015 decreased by 46%, compared to \$2,470 million in the first nine months of 2014, as a result of a 47% decrease in unit shipments, partially offset by a 3% increase in average selling price. The decrease in unit shipments of all categories of products was due to lower demand and lower unit shipments of our chipset products due to our chipsets being integrated into our APU products. The increase in average selling price was primarily attributable to an increase in average selling price of our notebook microprocessor products and our GPU products due to a favorable shift in our product mix, partially offset by a decrease in average selling price of our chipset products.

Computing and Graphics operating loss was \$181 million in the third quarter of 2015 compared to operating loss of \$17 million in the third quarter of 2014. The decline in operating results was primarily due to the decrease in net revenue referenced above, partially offset by a \$136 million decrease in cost of sales, a \$29 million decrease in marketing, general and administrative expenses and a \$28 million decrease in research and development expenses. Cost of sales decreased primarily due to lower unit shipments in the third quarter of 2015 compared to the third quarter of 2014, partially offset by an inventory write-down of \$52 million as a result of lower than anticipated demand for primarily older-generation APU products. Marketing, general and administrative expenses and research and development expenses decreased for the reasons set forth under "Expenses" below.

Computing and Graphics operating loss was \$181 million in the third quarter of 2015 compared to operating loss of \$147 million in the second quarter of 2015. The decline in operating results was primarily due to an \$87 million increase in cost of sales and a \$12 million increase in research and development expenses, partially offset by the increase in net revenue referenced above and a \$21 million decrease in marketing, general and administrative expenses. Cost of sales increased primarily due to higher unit shipments in the third quarter of 2015 compared to the second quarter of 2015 and an inventory write-down of \$52 million as a result of lower than anticipated demand for primarily older-generation APU products. Marketing, general and administrative expenses decreased and research and development expenses increased for the reasons set forth under "Expenses" below.

Computing and Graphics operating loss was \$403 million in the first nine months of 2015 compared to operating loss of \$20 million in the first nine months of 2014. The decline in operating results was primarily due to the decrease in net revenue referenced above, partially offset by a \$584 million decrease in cost of sales, a \$115 million decrease in research and development expenses and a \$53 million decrease in marketing, general and administrative expenses. Cost of sales decreased primarily due to lower unit shipments in the first nine months of 2015, compared to the first nine months of 2014, partially offset by an inventory write-down of \$52 million as a result of lower than anticipated demand for primarily older-generation APU products. Research and development expenses and marketing, general and administrative expenses decreased for the reasons set forth under "Expenses" below.

Enterprise, Embedded and Semi-Custom

Enterprise, Embedded and Semi-Custom net revenue of \$637 million in the third quarter of 2015 decreased by 2% compared to net revenue of \$648 million in the third quarter of 2014. The decrease was primarily due to a decrease in net revenue received in connection with lower unit shipments of our embedded and server products and a decrease in our non-recurring engineering (NRE) revenue, partially offset by an increase in net revenue received from higher unit shipments of our semi-custom SoC products.

Enterprise, Embedded and Semi-Custom net revenue of \$637 million in the third quarter of 2015 increased by 13% compared to net revenue of \$563 million in the second quarter of 2015. The increase was primarily due to an increase in net revenue received in connection with higher unit shipments of our semi-custom SoC products.

Enterprise, Embedded and Semi-Custom net revenue of \$1,698 million in the first nine months of 2015 decreased by 6% compared to net revenue of \$1,797 million in the first nine months of 2014. The decrease was primarily due to a decrease in net revenue received in connection with lower unit shipments of our server and embedded products, NRE revenue, game console royalties and net revenue from our dense server system products as we exited our dense server systems business, partially offset by a seasonal increase in net revenue received in connection with higher unit shipments of our semi-custom SoC products.

Enterprise, Embedded and Semi-Custom operating income was \$84 million in the third quarter of 2015 compared to operating income of \$108 million in the third quarter of 2014. The decline in operating results was primarily due to the decrease in net revenue referenced above and a \$25 million increase in cost of sales, partially offset by an \$8 million decrease in marketing, general and administrative expenses and a \$5 million decrease in research and development expenses. The increase in cost of sales was primarily due to an inventory write-down of \$13 million primarily related to certain units which will not be sold, partially offset by lower manufacturing cost due to lower sales. Marketing, general and administrative expenses and research and development expenses decreased for the reasons set forth under "Expenses" below.

Enterprise, Embedded and Semi-Custom operating income was \$84 million in the third quarter of 2015 compared to operating income of \$27 million in the second quarter of 2015. The improvement in operating results was primarily due to an increase in net revenue referenced above, a \$4 million decrease in marketing, general and administrative expenses and a \$3 million decrease in research and development expenses, partially offset by a \$25 million increase in cost of sales. The increase in cost of sales was primarily due to an inventory write-down of \$13 million primarily related to certain units which will not be sold and higher unit shipments of our semi-custom SoC products in the third quarter of 2015, partially offset by the absence of a technology node transition charge of \$33 million in the second quarter of 2015. Marketing, general and administrative expenses and research and development expenses decreased for the reasons set forth under "Expenses" below.

Enterprise, Embedded and Semi-Custom operating income was \$156 million in the first nine months of 2015 compared to operating income of \$290 million in the first nine months of 2014. The decline in operating results was primarily due to the decrease in net revenue referenced above, a \$34 million increase in cost of sales and a \$16 million increase in research and development expenses, partially offset by a \$15 million decrease in marketing, general and administrative expenses. The increase in cost of sales was primarily due to a technology node transition charge of \$33 million and an inventory write-down of \$13 million primarily related to certain units which will not be sold in the first nine months of 2015, partially offset by a decrease in unit shipments of our server products in the first nine months of 2015 compared to the first nine months of 2014. Research and development expenses increased and marketing, general and administrative expenses decreased for the reasons set forth under "Expenses" below.

All Other

All Other operating loss of \$61 million in the third quarter of 2015 included restructuring and other special charges, net of \$48 million and stock-based compensation expense of \$13 million. All Other operating loss of \$28 million in the third quarter of 2014 included stock-based compensation expense of \$21 million, \$4 million related to other expenses and \$3 million related to amortization of acquired intangible assets. All Other operating loss of \$17 million in the second quarter of 2015 included stock-based compensation expense of \$17 million.

All Other operating loss of \$185 million in the first nine months of 2015 included restructuring and other special charges, net of \$135 million, stock-based compensation expense of \$47 million and \$3 million related to amortization of acquired intangible assets. Restructuring and other special charges, net of \$135 million included \$76 million related to our decision to exit from the dense server systems business, \$41 million related to our 2015 Restructuring Plan and \$18 million related to our 2014 Restructuring Plan. All Other operating loss of \$95 million in the first nine months of 2014 included stock-based compensation expense of \$65 million, \$14 million related to workforce rebalancing severance charges, \$10 million related to amortization of acquired intangible assets and \$6 million related to other expenses.

International Sales

International sales as a percentage of net revenue were 75% in the third quarter of 2015 and 82% in the third quarter of 2014. The decrease in international sales as a percentage of net revenue in the third quarter of 2015 compared to the third quarter of 2014 was primarily driven by a higher proportion of revenue from domestic sales of our semi-custom SoC products.

International sales as a percentage of net revenue were 75% in the third and second quarters of 2015.

International sales as a percentage of net revenue were 75% in the first nine months of 2015 and 82% in the first nine months of 2014. The decrease in international sales as a percentage of net revenue in the first nine months of 2015 compared to the first nine months of 2014 was primarily driven by a higher proportion of revenue from domestic sales of our semi-custom SoC products.

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, Interest Expense, Other Income (Expense), Net, and Income Taxes

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

	Three Months Ended			Nine Months Ended	
	September 26, 2015	June 27, 2015	September 27, 2014	September 26, 2015	September 27, 2014
	(In millions except for percentages)				
Cost of sales	\$ 822	\$ 710	\$ 935	\$ 2,236	\$ 2,788
Gross margin	239	232	494	797	1,479
Gross margin percentage	23%	25%	35%	26%	35%
Research and development	241	235	278	718	834
Marketing, general and administrative	108	134	150	373	460
Amortization of acquired intangible assets	—	—	3	3	10
Restructuring and other special charges, net	48	—	—	135	—
Interest expense	(39)	(40)	(43)	(119)	(136)
Other income (expense), net	—	(3)	(1)	(3)	(70)
Provision for income taxes	—	1	2	4	8

Gross Margin

Gross margin as a percentage of net revenue was 23% in the third quarter of 2015 compared to 35% in the third quarter of 2014. Gross margin in the third quarter of 2015 was adversely impacted by an inventory write-down of \$65 million, which was primarily the result of lower anticipated demand for older-generation APUs. The impact of the write-down accounted for six gross margin percentage points. Gross margin in the third quarter of 2015 was also adversely impacted by a higher proportion of revenue from our Enterprise, Embedded and Semi-Custom segment, which has lower average gross margins.

Gross margin as a percentage of net revenue was 23% in the third quarter of 2015 compared to 25% in the second quarter of 2015. Gross margin in the third quarter of 2015 was adversely impacted by an inventory write-down of \$65 million, which was primarily the result of lower anticipated demand for older-generation APUs. The impact of the write-down accounted for six gross margin percentage points. Gross margin in the third quarter of 2015 was adversely impacted by a higher proportion of revenue from our Enterprise, Embedded and Semi-Custom segment, which has lower average gross margin. In addition, gross margin in the second quarter of 2015 included a technology node transition charge of \$33 million, which accounted for three gross margin percentage points.

Gross margin as a percentage of net revenue was 26% in the first nine months of 2015 compared to 35% in the first nine months of 2014. Gross margin in the first nine months of 2015 was adversely impacted by an inventory write-down of \$65 million, which was primarily the result of lower anticipated demand for older-generation APUs and a technology node transition charge of \$33 million. The impact of the write-down accounted for two gross margin percentage points and the technology node transition charge accounted for one gross margin percentage point. Gross margin in the first nine months of 2015 was also adversely impacted by a higher proportion of revenue from our Enterprise, Embedded and Semi-Custom segment, which has lower average gross margin than our Computing and Graphics segment and lower game console royalties.

Expenses

Research and Development Expenses

Research and development expenses of \$241 million in the third quarter of 2015 decreased by \$37 million, or 13%, compared to \$278 million in the third quarter of 2014. The decrease was primarily due to a \$28 million decrease in research and development expenses attributable to our Computing and Graphics segment and a \$6 million decrease attributable to the All Other category primarily due to \$5 million decrease in stock-based compensation and other employee compensation expenses. Research and development expenses attributable to our Computing and Graphics segment decreased primarily due to a \$23 million decrease in product engineering and design costs and a \$5 million decrease in other employee compensation and benefit expenses.

Research and development expenses of \$241 million in the third quarter of 2015 increased by \$6 million, or 3%, compared to \$235 million in the second quarter of 2015. The increase was primarily due to a \$12 million increase in research and development expenses attributable to our Computing and Graphics segment, partially offset by a \$3 million decrease in research and development expenses attributable to our Enterprise, Embedded and Semi-Custom segment. The increase in research and development expenses in our Computing and Graphics segment was primarily due to an increase in product engineering and design costs. The decrease in research and development expenses in our Enterprise, Embedded and Semi-Custom segment was primarily due to a decrease in product engineering and design costs.

Research and development expenses of \$718 million in the first nine months of 2015 decreased by \$116 million, or 14%, compared to \$834 million in the first nine months of 2014. The decrease was primarily due to a \$115 million decrease in research and development expenses attributable to our Computing and Graphics segment and a \$17 million decrease in the All Other category, primarily due to a \$9 million workforce rebalancing severance charges recorded in the first nine months of 2014 and \$6 million decrease in stock compensation expenses, partially offset by a \$16 million increase in research and development expenses attributable to our Enterprise, Embedded and Semi-Custom segment. Research and development expenses attributable to our Computing and Graphics segment decreased primarily due to a \$95 million decrease in product engineering and design costs and a \$20 million decrease in other employee compensation and benefit expenses. Research and development expenses attributable to our Enterprise, Embedded and Semi-Custom segment increased primarily due to a \$21 million increase in product engineering and design costs, offset by a \$5 million decrease in other employee compensation and benefit expenses.

Marketing, General and Administrative Expenses

Marketing, general and administrative expenses of \$108 million in the third quarter of 2015 decreased by \$42 million, or 28%, compared to \$150 million in the third quarter of 2014. The decrease was primarily due to a \$29 million decrease in marketing, general and administrative expenses attributable to our Computing and Graphics segment and an \$8 million decrease in marketing, general and administrative expenses attributable to our Enterprise, Embedded and Semi-Custom segment. Marketing, general and administrative expenses attributable to our Computing and Graphics segment decreased primarily due to a \$19 million decrease in sales and marketing activities and a \$10 million decrease in other general and administrative expenses. Marketing, general and administrative expenses attributable to our Enterprise, Embedded and Semi-Custom segment decreased primarily due to a \$6 million decrease in other general and administrative expenses.

Marketing, general and administrative expenses of \$108 million in the third quarter of 2015 decreased by \$26 million, or 19%, compared to \$134 million in the second quarter of 2015. The decrease was primarily due to a decrease in marketing, general and administrative expenses attributable to our Computing and Graphics segment as a result of a decrease in sales and marketing activities.

Marketing, general and administrative expenses of \$373 million in the first nine months of 2015 decreased by \$87 million, or 19%, compared to \$460 million in the first nine months of 2014. The decrease was primarily due to a \$53 million decrease in marketing, general and administrative expenses attributable to our Computing and Graphics segment, a \$19 million decrease in the All Other category, primarily due to a \$10 million decrease in stock-based compensation expenses and a \$5 million decrease related to workforce rebalancing severance charges recorded in the first nine months of 2014 and a \$15 million decrease in marketing, general and administrative expenses attributable to our Enterprise, Embedded and Semi-Custom segment. Marketing, general and administrative expenses attributable to our Computing and Graphics segment decreased primarily due to a \$30 million decrease in sales and marketing activities and a \$23 million decrease in other general and administrative expenses. Marketing, general and administrative expenses attributable to our Enterprise, Embedded and Semi-Custom segment decreased primarily due to a \$13 million decrease in other general and administrative expenses.

Restructuring and Other Special Charges, Net

2015 Restructuring Plan

In September 2015, we implemented a restructuring plan focused on our ongoing efforts to simplify our business and align resources with our long term strategy.

The 2015 Restructuring Plan involved a reduction of global headcount by approximately 5%. The 2015 Restructuring Plan includes organizational actions such as outsourcing certain IT services and application development. The 2015 Restructuring Plan also anticipates a charge for the consolidation of certain real estate facilities. We recorded a \$41 million restructuring charge in the third quarter of 2015, of which approximately \$31 million is related to severance and benefit costs, approximately \$1 million to facilities related consolidation charges and approximately \$9 million of intangible asset related charges associated with the impairment of certain software licenses that have ongoing payment obligations. We expect the 2015 Restructuring Plan will likely result in total cash payments of approximately \$26 million and \$15 million in the fiscal years 2015 and 2016, respectively.

The savings from the 2015 Restructuring Plan are anticipated to be approximately \$2 million and \$7 million in the third and fourth quarters of fiscal year 2015, respectively. We anticipate savings of approximately \$58 million in fiscal year 2016. The actions associated with the 2015 Restructuring Plan are expected to be substantially completed by the end of fiscal year 2016.

The following table provides a summary of the restructuring activities in the third quarter of 2015 and the related liabilities recorded in Other current liabilities and Other long-term liabilities on our condensed consolidated balance sheets as of September 26, 2015:

	Severance and related benefits		Other exit related costs		Total
	(In millions)				
Balance as of June 27, 2015	\$	—	\$	—	\$ —
Charges		31		10	41
Cash payments		(3)		—	(3)
Non-cash charges		—		(9)	(9)
Balance as of September 26, 2015	\$	28	\$	1	\$ 29

2014 Restructuring Plan

In October 2014, we implemented a restructuring plan (2014 Restructuring Plan) designed to improve operating efficiencies. The 2014 Restructuring Plan involved a reduction of global headcount by approximately 6% and an alignment of our real estate footprint with our reduced headcount. In the first nine months ended September 26, 2015, we recorded an \$18 million restructuring charge, which consisted of \$4 million for severance and related benefits, \$5 million non-cash charge related to asset impairments, and \$9 million for facilities related costs. The 2014 Restructuring Plan was largely completed by the end of the third quarter of 2015.

The following table provides a summary of the restructuring activities in the first nine months of 2015 and the related liabilities recorded in Other current liabilities and Other long-term liabilities on our condensed consolidated balance sheets as of September 26, 2015:

	Severance and related benefits		Other exit related costs		Total
	(In millions)				
Balance at December 27, 2014	\$	26	\$	13	\$ 39
Charges		4		14	18
Cash payments		(22)		(5)	(27)
Non-cash charges		—		(5)	(5)
Balance as of September 26, 2015	\$	8	\$	17	\$ 25

Dense Server Systems Business Exit

As a part of our strategy to simplify and sharpen our investment focus, we exited the dense server systems business, formerly SeaMicro, in the first quarter of 2015. As a result, we recorded a charge of \$76 million in Restructuring and other special charges, net on our condensed consolidated statements of operations in the first nine months of 2015. This charge consisted of an impairment charge of \$62 million related to the acquired intangible assets. We concluded that the carrying value of the acquired intangible assets associated with our dense server systems business was fully impaired as we did not have plans to utilize the related freedom fabric technology in any of our future products nor did we have any plans at that time to monetize the associated intellectual property. In addition, the exit charge consisted of a \$7 million non-cash charge related to asset impairments, \$4 million of severance and related benefits and \$3 million for contract or program termination costs. We expect to complete this exit activity by the end of the first quarter of 2016.

Interest Expense

Interest expense of \$39 million in the third quarter of 2015 decreased by \$4 million compared to \$43 million in the third quarter of 2014, primarily due to the repurchases of other debt in the fourth quarter of 2014 and the payoff of the remaining principal amount of the 6.00% Convertible Senior Notes due 2015 (6.00% Notes) during the second quarter of 2015.

Interest expense of \$39 million in the third quarter of 2015 was flat as compared to the second quarter of 2015.

Interest expense of \$119 million in the first nine months of 2015 decreased by \$17 million compared to \$136 million in the first nine months of 2014, primarily due to the timing of the issuances of new debt and repurchases of other debt in 2014.

Other Expense, Net

Other expense, net of \$0 in the third quarter of 2015 was relatively flat as compared to both the third quarter of 2014 and the second quarter of 2015.

Other expense, net, of \$3 million in the first nine months of 2015 decreased by \$67 million compared to \$70 million of other expense, net, in the first nine months of 2014, primarily as a result of a \$64 million loss from debt repurchases during the first nine months of 2014.

Income Taxes

In the third quarter of 2015, we did not record any income tax provision. For the nine months ended September 26, 2015, we recorded an income tax provision of \$4 million due to foreign taxes in profitable locations.

In the third quarter of 2014, we recorded an income tax provision of \$2 million due principally to foreign taxes in profitable locations. For the nine months ended September 27, 2014, we recorded an income tax provision of \$8 million arising from \$9 million of foreign taxes in profitable locations, partially offset by \$1 million of tax benefits arising from other comprehensive income and Canadian tax credits.

As of September 26, 2015, substantially all of our U.S. and Canadian deferred tax assets, net of deferred tax liabilities, continue to be subject to a valuation allowance. The realization of these assets is dependent on substantial future taxable income, which at September 26, 2015, in our estimate, is not more likely than not to be achieved.

Our gross unrecognized tax benefits as of September 26, 2015 were \$27 million. We do not believe it is reasonably possible that other unrecognized tax benefits will materially change in the next 12 months. We are currently undergoing a tax audit in a foreign jurisdiction and have recently commenced settlement discussions with the tax authority. Based on information and events that arose after September 26, 2015, the total potential amount related to this matter is approximately \$17 million including penalties and interest, which would be due upon the completion of the settlement process with the tax authority. The settlement, resolution or closure of our tax audits are highly uncertain.

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense related to employee stock options and restricted stock units, which we allocated in the condensed consolidated statements of operations:

	Three Months Ended			Nine Months Ended	
	September 26, 2015	June 27, 2015	September 27, 2014	September 26, 2015	September 27, 2014
	(In millions)				
Cost of sales	\$ —	\$ 1	\$ 1	\$ 2	\$ 3
Research and development	7	10	11	27	34
Marketing, general and administrative	6	6	9	18	28
Stock-based compensation expense, net of tax of \$0	\$ 13	\$ 17	\$ 21	\$ 47	\$ 65

For all periods presented, we did not realize any excess tax benefit related to stock-based compensation and therefore did not record any related financing cash flows.

Stock-based compensation expense of \$13 million in the third quarter of 2015 decreased by \$8 million compared to \$21 million in the third quarter of 2014. The decrease was primarily due to a lower weighted average grant date fair value and the effect of the 2015 and 2014 Restructuring Plans.

Stock-based compensation expense of \$13 million in the third quarter of 2015 decreased by \$4 million compared to the second quarter of 2015. The decrease was primarily due to a lower weighted average grant date fair value, the departure of one of our executives and the effect of the 2015 Restructuring Plan.

Stock-based compensation expense of \$47 million in the first nine months of 2015 decreased by \$18 million compared to \$65 million in the first nine months of 2014. The decrease was primarily due to a lower weighted average grant date fair value and the effect of the 2015 and 2014 Restructuring Plans.

FINANCIAL CONDITION

Liquidity and Capital Resources

Our cash and cash equivalents and marketable securities consisted of money market funds and commercial paper. As of September 26, 2015, our cash and cash equivalents and marketable securities of \$755 million were lower compared to \$1.0 billion as of December 27, 2014. The decrease was primarily due to lower sales and the timing of related collections, the timing of accounts payable payments made and the debt interest payments of \$145 million for the first nine months of 2015. During the first nine months of 2015, we used \$64 million for purchases of property, plant and equipment. The percentage of cash and cash equivalents held domestically increased from 89% as of December 27, 2014 to 91% as of September 26, 2015, as a result of repatriation of cash from China.

Our debt and capital lease obligations as of September 26, 2015 were \$2.3 billion compared to \$2.2 billion as of December 27, 2014. During the first nine months of 2015, we received \$100 million net proceeds from our Secured Revolving Line of Credit, of which \$42 million was used to repay the remaining aggregate principal amount of our 6.00% Notes.

We believe our cash and cash equivalents balance along with the savings from our Restructuring Plans and our Secured Revolving Line of Credit will be sufficient to fund operations, including capital expenditures, over the next 12 months. We believe that in the event we decide to obtain external funding, we may be able to access the capital markets on terms and in amounts adequate to meet our objectives.

Over the longer term, should additional funding be required, such as to meet payment obligations of our long-term debt when due, we may need to raise the required funds through borrowings or public or private sales of debt or equity securities, which may be issued from time to time under an effective registration statement, through the issuance of securities in a transaction exempt from registration under the Securities Act of 1933, as amended, or a combination of one or more of the foregoing. Uncertain global economic conditions have in the past adversely impacted, and may in the future adversely impact, our business. If market conditions deteriorate, we may be limited in our ability to access the capital markets to meet liquidity needs on favorable terms or at all, which could adversely affect our liquidity and financial condition, including our ability to refinance maturing liabilities.

Operating Activities

Net cash used in operating activities was \$290 million in the first nine months of 2015 compared to \$214 million in the first nine months of 2014. The increase in cash used in operating activities was primarily due to lower cash collections during the first nine months of 2015 compared to the first nine months of 2014 driven by lower sales compared to the first nine months of 2014, partially offset by lower other operating expenses and labor cost as a result of restructuring actions and the absence of the final \$200 million cash payment made in the first quarter of 2014 related to GP's waiver of a portion of our obligations for wafer purchase commitments.

Investing Activities

Net cash provided by investing activities was \$179 million in the first nine months of 2015, which consisted of a net cash inflow of \$235 million from maturities of available-for-sale securities and \$8 million of proceeds from sale of our building in Markham, Canada, partially offset by a cash outflow of \$64 million for purchases of property, plant and equipment.

Net cash used in investing activities was \$55 million in the first nine months of 2014, which consisted of a cash outflow of \$73 million for purchases of property, plant and equipment, offset by a net cash inflow of \$18 million from purchases, sales and maturity of available for sale securities.

Financing Activities

Net cash provided by financing activities was \$61 million in the first nine months of 2015, primarily due to \$100 million net proceeds from our Secured Revolving Line of Credit borrowings, of which \$42 million was used to repay the remaining aggregate principal amount of our 6.00% Notes during the second quarter of 2015.

Net cash provided by financing activities was \$40 million in the first nine months of 2014, primarily due to net proceeds from borrowings pursuant to our 6.75% Senior Notes due 2019 (6.75% Notes) of \$589 million and our 7.00% Senior Notes due 2020 (7.00% Notes) of \$491 million, partially offset by \$518 million in payments to repurchase a portion of our 6.00% Notes, \$522 million in payments to repurchase our 8.125% Senior Notes due 2017 and \$3 million in payments for capital lease obligations. During the first nine months of 2014, we also received \$5 million in net proceeds from U.S. government grants for research and development activities and \$4 million from the exercise of employee stock options.

During the first nine months of 2015 and 2014, we did not realize any excess tax benefit related to stock-based compensation. Therefore, we did not record any effects relating to financing cash flows for these periods.

Contractual Obligations

The following table summarizes our consolidated principal contractual obligations, as of September 26, 2015, and is supplemented by the discussion following the table:

(In millions)	Payments due by period as of September 26, 2015							2020 and thereafter
	Total	Remainder of 2015	2016	2017	2018	2019		
6.75% Notes	\$ 600	\$ —	\$ —	\$ —	\$ —	\$ 600	\$ —	
7.75% Notes	450	—	—	—	—	—	450	
7.50% Notes	475	—	—	—	—	—	475	
7.00% Notes	500	—	—	—	—	—	500	
Secured Revolving Line of Credit	230	230	—	—	—	—	—	
Other long-term liabilities	46	—	2	37	5	—	2	
Aggregate interest obligation ⁽¹⁾	924	37	148	148	148	126	317	
Operating leases	307	13	50	49	44	26	125	
Purchase obligations ⁽²⁾	388	244	126	14	3	1	—	
Obligations to GF ⁽³⁾	488	382	106	—	—	—	—	
Total contractual obligations ⁽⁴⁾	\$ 4,408	\$ 906	\$ 432	\$ 248	\$ 200	\$ 753	\$ 1,869	

⁽¹⁾ Represents estimated aggregate interest obligations for our outstanding debt obligations that are payable in cash, excluding non-cash amortization of debt issuance costs.

⁽²⁾ We have purchase obligations for goods and services where payments are based, in part, on the volume or type of services we acquire. In those cases, we only included the minimum volume of purchase obligations in the table above. Purchase orders for goods and services that are cancelable upon notice and without significant penalties are not included in the amounts above. In addition, we have obligations for software technology and licenses where payments are fixed and non-cancelable which are also included in the table above.

⁽³⁾ Includes our purchase obligations to GF for wafer manufacturing and research and development activities. The obligation for fiscal year 2016 of at least \$106 million represents our current purchase commitments during the first quarter of fiscal year 2016 including, but not limited to, our commitment under the fifth amendment to the WSA. We generally negotiate our purchase commitments with GF on an annual basis and as such we cannot meaningfully quantify or estimate our future purchase obligations to GF other than those set forth in the fifth amendment to the WSA, but we expect that our future purchases from GF will continue to be material.

⁽⁴⁾ Total amount excludes contractual obligations already recorded on our condensed consolidated balance sheets except for debt obligations and other long-term liabilities.

6.00% Convertible Senior Notes Due 2015

On April 27, 2007, we issued \$2.2 billion aggregate principal amount of our 6.00% Notes. During the second quarter of 2015, we paid off the remaining \$42 million in aggregate principal amount of our 6.00% Notes in cash. As of September 26, 2015, we did not have any 6.00% Notes outstanding.

6.75% Senior Notes Due 2019

On February 26, 2014, we issued \$600 million of our 6.75% Notes. Our 6.75% Notes are our general unsecured senior obligations. Interest is payable on March 1 and September 1 of each year beginning September 1, 2014 until the maturity date of March 1, 2019. Our 6.75% Notes are governed by the terms of an indenture (the 6.75% Indenture) dated February 26, 2014 between us and Wells Fargo Bank, N.A., as trustee.

At any time before March 1, 2019, we may redeem some or all of our 6.75% Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and a “make whole” premium (as set forth in the 6.75% Indenture).

As of September 26, 2015, the outstanding aggregate principal amount of our 6.75% Notes was \$600 million.

7.75% Senior Notes Due 2020

On August 4, 2010, we issued \$500 million of our 7.75% Senior Notes due 2020 (7.75% Notes). Our 7.75% Notes are our general unsecured senior obligations. Interest is payable on February 1 and August 1 of each year beginning February 1, 2011 until the maturity date of August 1, 2020. Our 7.75% Notes are governed by the terms of an indenture (the 7.75% Indenture) dated August 4, 2010 between us and Wells Fargo Bank, N.A., as trustee.

At any time before August 1, 2015, we may redeem some or all of our 7.75% Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and a “make whole” premium (as set forth in the 7.75% Indenture).

Starting August 1, 2015, we may redeem our 7.75% Notes for cash at the following specified prices plus accrued and unpaid interest:

Period	Price as Percentage of Principal Amount
Beginning on August 1, 2015 through July 31, 2016	103.875%
Beginning on August 1, 2016 through July 31, 2017	102.583%
Beginning on August 1, 2017 through July 31, 2018	101.292%
On August 1, 2018 and thereafter	100.000%

As of September 26, 2015, the outstanding aggregate principal amount of our 7.75% Notes was \$450 million.

7.50% Senior Notes Due 2022

On August 15, 2012, we issued \$500 million of our 7.50% Senior Notes due 2022 (7.50% Notes). Our 7.50% Notes are our general unsecured senior obligations. Interest is payable on February 15 and August 15 of each year beginning February 15, 2013 until the maturity date of August 15, 2022. Our 7.50% Notes are governed by the terms of an indenture (the 7.50% Indenture) dated August 15, 2012 between us and Wells Fargo Bank, N.A., as trustee.

At any time before August 15, 2022, we may redeem up to 35% of the aggregate principal amount of our 7.50% Notes within 90 days of the closing of an equity offering with the net proceeds thereof at a redemption price equal to 107.5% of the principal amount thereof, together with accrued and unpaid interest to but excluding the date of redemption. At any time before August 15, 2022, we may redeem some or all of our 7.50% Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and a “make whole” premium (as set forth in the 7.50% Indenture).

As of September 26, 2015, the outstanding aggregate principal amount of our 7.50% Notes was \$475 million.

7.00% Senior Notes Due 2024

On June 16, 2014, we issued \$500 million of 7.00% Notes. The 7.00% Notes are our general unsecured senior obligations. Interest is payable on January 1 and July 1 of each year beginning January 1, 2015 until the maturity date of July 1, 2024. The 7.00% Notes are governed by the terms of an indenture (the 7.00% Indenture) dated June 16, 2014 between us and Wells Fargo Bank, N.A., as trustee.

At any time before July 1, 2017, we may redeem up to 35% of the aggregate principal amount of the 7.00% Notes within 90 days of the closing of an equity offering with the net proceeds thereof at a redemption price equal to 107.000% of the principal amount thereof, together with accrued and unpaid interest to but excluding the date of redemption. Prior to July 1, 2019, we may redeem some or all of the 7.00% Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and a "make whole" premium (as set forth in the 7.00% Indenture).

Starting July 1, 2019, we may redeem our 7.00% Notes for cash at the following specified prices plus accrued and unpaid interest:

Period	Price as Percentage of Principal Amount
Beginning on July 1, 2019 through June 30, 2020	103.500%
Beginning on July 1, 2020 through June 30, 2021	102.333%
Beginning on July 1, 2021 through June 30, 2022	101.167%
On July 1, 2022 and thereafter	100.000%

As of September 26, 2015, the outstanding aggregate principal amount of our 7.00% Notes was \$500 million.

Potential Repurchase of Outstanding Notes

We may elect to purchase or otherwise retire 6.75% Notes, 7.75% Notes, 7.50% Notes and 7.00% Notes with cash, stock or other assets from time to time in open market or privately negotiated transactions, either directly or through intermediaries, or by tender offer when we believe the market conditions are favorable to do so.

Secured Revolving Line of Credit

Loan and Security Agreement

AMD and its subsidiary, AMD International Sales & Service, Ltd. (together, the Borrowers), entered into a loan and security agreement on November 12, 2013, as amended on December 11, 2014, (the Loan Agreement) for a secured revolving line of credit for a principal amount of up to \$500 million (the Secured Revolving Line of Credit), with up to \$75 million available for issuance of letters of credit, with a group of lenders and Bank of America, N.A., acting as agent for the lenders (the Agent). The Secured Revolving Line of Credit matures on November 12, 2018. Borrowings under the Secured Revolving Line of Credit are limited to up to 85% of eligible account receivable minus certain reserves. The borrowings of the Secured Revolving Line of Credit may be used for general corporate purposes, including working capital needs.

Amended and Restated Loan and Security Agreement

On April 14, 2015, the Borrowers and ATI Technologies ULC (together with the Borrowers, the Loan Parties), amended and restated the Loan Agreement (the Amended and Restated Loan Agreement) by and among the Loan Parties, the financial institutions party thereto from time to time as lenders (the Lenders) and the Agent.

The Amended and Restated Loan Agreement provides for a Secured Revolving Line of Credit for a principal amount up to \$500 million with up to \$75 million available for issuance of letters of credit, which remained unchanged from the Loan Agreement. Borrowings under the Secured Revolving Line of Credit are limited to up to 85% of eligible accounts receivable (90% for certain qualified eligible accounts receivable), minus specified reserves. The size of the commitments under the Secured Revolving Line of Credit may be increased by up to an aggregate amount of \$200 million.

The Secured Revolving Line of Credit matures on April 14, 2020 and is secured by a first priority security interest in the Loan Parties' accounts receivable, inventory, deposit accounts maintained with the Agent and other specified assets, including books and records.

The Borrowers may elect a per annum interest rate equal to (a) the London Interbank Offered Rate (LIBOR) plus the applicable margin set forth in the applicable chart below (the “Applicable Margin”) as determined by the average availability under the Secured Revolving Line of Credit and the fixed charge coverage ratio for the most recently ended four-fiscal quarter period; or (b) (i) the greatest of (x) the Agent’s prime rate, (y) the federal funds rate, as published by the Federal Reserve Bank of New York plus 0.50%, and (z) LIBOR for a one-month period plus 1.00%, plus (ii) the Applicable Margin.

Applicable Margin, if average availability is equal to or greater than 66.66% of the total commitment amount and the fixed charge coverage ratio for the most recently ended four-fiscal quarter period is greater than or equal to 1.25 to 1.00, is 0.25% for Base Rate Revolver Loans and 1.25% for LIBOR Revolver Loans. Otherwise, Applicable Margin is determined in accordance with the below table:

Level	Average Availability for Last Fiscal Month	Base Rate Revolver Loans: Applicable Margin	LIBOR Revolver Loans: Applicable Margin
I	greater than or equal to 66.66% of the Revolver Commitment	0.50%	1.50%
II	greater than or equal to 33.33% of the Revolver Commitment, less than 66.66%	0.75%	1.75%
III	less than 33.33% of the Revolver Commitment	1.00%	2.00%

The Secured Revolving Line of Credit may be optionally prepaid or terminated, and unutilized commitments may be reduced at any time, in each case without premium or penalty. In connection with the Secured Revolving Line of Credit, the Borrowers will pay an unused line fee equal to 0.375% per annum, payable monthly on the unused amount of the commitments under the Secured Revolving Line of Credit. The unused line fee decreases to 0.25% per annum when 35% or more of the Secured Revolving Line of Credit is utilized. The Borrowers will pay (i) a monthly fee on all letters of credit outstanding under the Secured Revolving Line of Credit equal to the applicable LIBOR margin and (ii) a fronting fee to the Agent equal to 0.125% of all such letters of credit, payable monthly in arrears.

The Amended and Restated Loan Agreement contains covenants that place certain restrictions on the Loan Parties’ ability to, among other things, allow certain of AMD’s subsidiaries that manufacture or process inventory for the Loan Parties to borrow secured debt or unsecured debt beyond a certain amount, amend or modify certain terms of any debt of \$50 million or more or subordinated debt, create or suffer to exist any liens upon accounts or inventory, sell or transfer any of Loan Parties’ accounts or inventory other than certain ordinary-course transfers, make certain changes to any Loan Party’s name or form or state of organization without notifying the Agent, liquidate, dissolve, merge, amalgamate, combine or consolidate, or become a party to certain agreements restricting the Loan Parties’ ability to incur or repay debt, grant liens, make distributions, or modify loan agreements.

Further restrictions apply when certain payment conditions (the Payment Conditions) are not satisfied with respect to specified transactions, events or payments. The Payment Conditions include that (i) no default or event of default exists and (ii) at all times during the 45 consecutive days immediately prior to such transaction, event or payment and on a pro forma basis after giving effect to such transaction, event or payment and any incurrence or repayment of indebtedness in connection therewith, the Loan Parties’ Excess Cash Availability (as defined in the Amended and Restated Loan Agreement) is greater than the greater of 20% of the total commitment amount and \$100 million. Such restrictions limit the Loan Parties’ ability to, among other things, create any liens upon any of the Loan Parties’ property (other than customary permitted liens and liens on up to \$1.5 billion of secured credit facilities debt (which amount includes the Secured Revolving Line of Credit), declare or make any distributions, create any encumbrance on the ability of a subsidiary to make any upstream payments, make asset dispositions other than certain ordinary course dispositions, make certain loans, make payments with respect to subordinated debt or certain borrowed money prior to its due date or become a party to certain agreements restricting the Loan Parties’ ability to enter into any non-arm’s-length transaction with an affiliate.

The Loan Parties are required to repurchase, redeem, defease, repay, create a segregated account for the repayment of, or request Agent reserve a sufficient available amount under the Secured Revolving Line of Credit for the repayment of, all debt for borrowed money exceeding \$50 million, by no later than 60 days prior to its maturity date (not including the Secured Revolving Line of Credit). Any reserved funds for this purpose would not be included in domestic cash calculations.

In addition, if at any time the Loan Parties’ Excess Cash Availability is less than the greater of 15% of the total commitment amount and \$75 million, the Loan Parties must maintain a minimum fixed charge coverage ratio of 1.00 to 1.00 until (i) no event of default exists and (ii) the Loan Parties’ Excess Cash Availability is greater than the greater of 15% of the total commitment amount and \$75 million for 45 consecutive days.

The events of default under the Amended and Restated Loan Agreement include, among other things, payment defaults, the inaccuracy of representations or warranties, defaults in the performance of affirmative and negative covenants, bankruptcy and insolvency related defaults, a cross-default related to indebtedness in an aggregate amount in excess of \$50 million, judgments entered against a Loan Party in an amount that exceeds cumulatively \$50 million, certain ERISA events and events related to Canadian defined benefits plans and a change of control. When a Payment Condition has not been satisfied, additional events of default include, among other things, a loss, theft damage or destruction with respect to any collateral if the amount not covered by insurance exceeds \$50 million.

First Amendment to Amendment and Restated Loan and Security Agreement

On June 10, 2015, the Loan Parties entered into a First Amendment to the Amended and Restated Loan and Security Agreement (the "First Amendment") by and among the Loan Parties, the Lenders and the Agent, which modifies the Amended and Restated Loan Agreement. Amendments to the Amended and Restated Loan Agreement effected by the First Amendment include the addition of exceptions to the liens and asset sale covenants to permit the Loan Parties to enter into certain supply chain finance arrangements, as well as the addition of certain definitions related thereto.

As of September 26, 2015 and December 27, 2014, our Secured Revolving Line of Credit had an outstanding loan balance of \$230 million and \$130 million, respectively, at an interest rate of 3.75% and 4.25%, respectively. At September 26, 2015, the Secured Revolving Line of Credit also had \$16 million related to outstanding Letters of Credit, and up to \$151 million available for future borrowings. The Company reports its intra-period changes in its revolving credit balance on a net basis in its condensed consolidated statement of cash flows as the Company intends the period of the borrowings to be brief, repaying borrowed amounts within 90 days. As of September 26, 2015, we were in compliance with all required covenants stated in the Loan Agreement.

The agreements governing our 6.75% Notes, 7.75% Notes, 7.50% Notes, 7.00% Notes and our Secured Revolving Line of Credit contain cross-default provisions whereby a default under one agreement would likely result in cross defaults under agreements covering other borrowings. The occurrence of a default under any of these borrowing arrangements would permit the applicable note holders or the lenders under the Secured Revolving Line of Credit to declare all amounts outstanding under those borrowing arrangements to be immediately due and payable.

Other Long-Term Liabilities

Other long-term liabilities in the contractual obligations table above primarily consists of \$44 million of payments due under certain software and technology licenses that will be paid through 2018.

Other long-term liabilities in the contractual obligations table above exclude amounts recorded on our condensed consolidated balance sheet that do not require us to make cash payments, which, as of September 26, 2015, primarily consisted of \$18 million of deferred gains resulting from certain real estate transactions that occurred in Sunnyvale, California in 1998, in Markham, Ontario, Canada in 2015 and 2008 and in Singapore in 2013. Accruals related to facility consolidation and site closure costs under our restructuring plans of \$8 million and deferred rent related to our facilities in Sunnyvale, California of \$6 million are excluded from other long-term liabilities in the contractual obligations table above as they are included in the operating leases obligations. Also excluded from other long-term liabilities in the contractual obligations table above are \$4 million of environmental reserves and \$4 million of non-current unrecognized tax benefits, which represent potential cash payments that could be payable by us upon settlements with the related authorities. We have not included these amounts in the contractual obligations table above because we cannot make reasonably reliable estimates regarding the timing of the settlements with the related authorities, if any.

Capital Lease Obligations

We terminated our capital lease obligations and entered into a non-cancelable operating lease agreement related to one of our facilities in Markham, Ontario, Canada during the third quarter of 2015. As of September 26, 2015, we did not have any capital lease obligations outstanding.

Operating Leases

We lease certain of our facilities and, in some jurisdictions, we lease the land on which our facilities are built under non-cancelable lease agreements that expire at various dates through 2028. We lease certain office equipment for terms ranging from one to five years. Total future non-cancelable lease obligations as of September 26, 2015 were \$307 million, including \$248 million of future lease payments and estimated operating costs related to the real estate transactions that occurred in Austin, Texas, Sunnyvale, California, Markham, Canada, and Singapore.

Purchase Obligations

Our purchase obligations primarily include our obligations to purchase wafers and substrates from third parties, excluding our wafer purchase commitments to GF under the WSA. As of September 26, 2015, total non-cancelable purchase obligations were \$388 million.

Obligations to GF

Obligations to GF included our purchase obligations to GF for wafer manufacturing and research and development activities. As of September 26, 2015, we estimate the remaining contractual obligations to GF will be \$382 million through the end of the fiscal year 2015 and at least \$106 million during the first quarter of fiscal year 2016. We are not able to meaningfully quantify or estimate our future purchase obligations to GF other than those set forth in the fifth amendment to the WSA, but we expect that our future purchases from GF will continue to be material. We are currently in discussions with GF regarding the re-profiling of our wafer commitments under the fifth amendment to the WSA. We are unable to quantify the outcome of our negotiations with GF.

Off-Balance Sheet Arrangements

As of September 26, 2015, we had no off-balance sheet arrangements.

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 year ended December 27, 2014.

There have not been any material changes in market risk since December 27, 2014.

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 the SEC's 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 September 26, 2015, 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 during our third quarter of 2015 that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Securities Class Action

On January 15, 2014, a class action lawsuit captioned *Hatamian v. AMD, et al.*, C.A. No. 3:14-cv-00226 (the “Hatamian Lawsuit”) was filed against us in the United States District Court for the Northern District of California. The complaint purports to assert claims against AMD and certain individual officers for alleged violations of Section 10(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Rule 10b-5 of the Exchange Act. The plaintiffs seek to represent a proposed class of all persons who purchased or otherwise acquired our common stock during the period April 4, 2011 through October 18, 2012. The complaint seeks damages allegedly caused by alleged materially misleading statements and/or material omissions by us and the individual officers regarding our 32nm technology and “Llano” product, which statements and omissions, the plaintiffs claim, allegedly operated to artificially inflate the price paid for our common stock during the period. The complaint seeks unspecified compensatory damages, attorneys’ fees and costs.

On July 7, 2014, we filed a motion to dismiss plaintiffs’ claims. On March 31, 2015, the Court denied the motion to dismiss. On May 14, 2015, we filed our answer to plaintiffs’ corrected amended complaint. The discovery process is ongoing. On September 4, 2015, plaintiffs filed their motion for class certification. A court-ordered mediation is scheduled for January 2016.

Based upon information presently known to management, we believe that the potential liability, if any, will not have a material adverse effect on our financial condition, cash flows or results of operations.

Shareholder Derivative Lawsuits

On March 20, 2014, a purported shareholder derivative lawsuit captioned *Wessels v. Read, et al.*, Case No. 1:14-cv-262486 was filed against us (as a nominal defendant only) and certain of our directors and officers in the Santa Clara County Superior Court of the State of California. The complaint purports to assert claims against us and certain individual directors and officers for breach of fiduciary duty, waste of corporate assets and unjust enrichment. The complaint seeks damages allegedly caused by alleged materially misleading statements and/or material omissions by us and the individual directors and officers regarding our 32nm technology and “Llano” product, which statements and omissions, the plaintiffs claim, allegedly operated to artificially inflate the price paid for our common stock during the period. On April 27, 2015, a similar purported shareholder derivative lawsuit captioned *Christopher Hamilton and David Hamilton v. Barnes, et al.*, Case No. 5:15-cv-01890 was filed against us (as a nominal defendant only) and certain of our directors and officers in the United States District Court for the Northern District of California. The case was transferred to the judge handling the Hatamian Lawsuit and is now Case No. 4:15-cv-01890. The Wessels and Hamilton shareholder derivative lawsuits are currently stayed.

On September 29, 2015, a similar purported shareholder derivative lawsuit captioned *Jake Ha v Caldwell, et al.*, Case No. 3:15-cv-04485 was filed against us (as a nominal defendant only) and certain of our directors and officers in the United States District Court for the Northern District of California. The lawsuit also seeks a court order voiding the shareholder vote on AMD’s 2015 proxy.

Based upon information presently known to management, we believe that the potential liability, if any, will not have a material adverse effect on our financial condition, cash flows or results of operations.

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.

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

Intel Corporation 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 and are likely in the future to result in lower unit sales and a lower average selling price for many of our products and adversely affect 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, motherboards and other components necessary to assemble a computer system. OEMs that purchase microprocessors for computer systems are highly dependent on Intel, less innovative on their own and, to a large extent, are distributors of Intel technology. 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 and channel partners;
- control over industry standards, PC manufacturers and other PC industry participants, including motherboard, memory, chipset and basic input/output system, or 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 manufacture (OEM) customers.

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 maintain its market position and 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. For example, Intel has introduced microprocessors for low-cost notebooks, similar to products that we offer for low-cost notebooks.

Intel could also take actions that place our discrete 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.

Intel's position in the microprocessor market and integrated graphics chipset market, 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 a lower average selling price for our products, which could have a material adverse effect on us.

We rely on GF to manufacture most of our microprocessor and APU products and certain of our GPU and semi-custom products. If GF is not able to satisfy our manufacturing requirements, our business could be adversely impacted.

The WSA governs the terms by which we purchase products manufactured by GF. Pursuant to the WSA, we are required to purchase all of our microprocessor and APU product requirements, and a certain portion of our GPU product requirements, from GF with limited exceptions. If GF is unable to achieve anticipated manufacturing yields, remain competitive using or

implementing advanced leading-edge process technologies needed to manufacture future generations of our products, manufacture our products on a timely basis at competitive prices or meet our capacity requirements, then we may experience delays in product launches, supply shortages for certain products or increased costs and our business could be materially adversely affected.

On April 16, 2015, we entered into a fifth amendment to the WSA with GF. The primary effect of the fifth amendment was to establish volume purchase commitments and fixed pricing for the 2015 calendar year as well as to modify certain other terms of the WSA applicable to wafers for some of AMD's microprocessor unit, graphics processor unit and semi-custom products to be delivered by GF to us during the 2015 calendar year. If our requirements are less than the number of wafers that we committed to purchase, we could have excess inventory or higher inventory unit costs, both of which will adversely impact our gross margin and our results of operations. We are currently in discussions with GF regarding the re-profiling of our wafer commitments under the fifth amendment to the WSA. We are unable to quantify the outcome of our negotiations with GF. The outcome of such negotiations is uncertain and could have a material adverse effect on our business and financial results.

In addition, GF has relied on Mubadala Technology Investments LLC (Mubadala Tech) for its funding needs. If Mubadala Tech fails to adequately fund GF on a timely basis, or at all, GF's ability to manufacture products for us could be materially adversely affected.

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 rely on third-party wafer foundries to fabricate the silicon wafers for all of our products. We also rely on third-party manufacturers to assemble, test, mark and pack certain of 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 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.

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 assemble, test and package 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 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 and quality assurance, lack of capacity in periods of excess demand, misappropriation of our intellectual property, dependence on several small undercapitalized subcontractors and limited ability to manage inventory and parts. Moreover, if any of our third-party manufacturers 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 or suffer any other disruption or reduction in efficiency, 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 suppliers, we may be unable to secure an alternative supply for any specific product in a short time frame. 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.

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

Semiconductor manufacturing yields are a result of both product design and process technology, which is typically proprietary to the manufacturer, and low yields can result from design failures, process technology failures or a combination of both. Our third-party foundries, including GF, are responsible for the process technologies used to fabricate silicon wafers. If our third-party foundries experience manufacturing inefficiencies or encounter disruptions, errors or difficulties during production, we may fail to achieve acceptable yields or experience product delivery delays. We cannot be certain that our third-party foundries will be able to develop, obtain or successfully implement leading-edge process 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 foundries are implementing new process 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. 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. For example, form factor devices continue to shift from desktop PCs and notebooks to smaller form factor devices. A large portion of our Computing and Graphics revenue is focused on consumer desktop PC and notebook segments, which have and continue to experience a decline driven by the adoption of smaller form factors and increased competition. As consumers adopt new form factors, have new product feature preferences or have different requirements than those consumers in the PC market, PC sales could be negatively impacted, which could negatively impact our business. Our product roadmap includes a new x86 processor core codenamed "Zen" to help drive our re-entry into high-performance and server computing. We cannot assure you that our efforts to execute to our product roadmap and address markets beyond our core PC market 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.

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.

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.

If we cannot generate sufficient revenue and operating cash flow or obtain external financing, 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 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.

We regularly assess markets for external financing opportunities, including debt and equity financing. Additional debt or equity financing may not be available when needed or, if available, may not be available on satisfactory terms. The health of the credit markets may adversely impact our ability to obtain financing when needed. Any downgrades from credit rating agencies such as Moody's or Standard & Poor's may adversely impact our ability to obtain external financing or the terms of such financing. In July 2015, Moody's lowered our corporate credit rating to Caa1 from B3 and our senior unsecured debt rating to Caa2 from Caa1. Furthermore, in October 2015, Standard & Poor's lowered our corporate credit rating to CCC+ from B- and our senior unsecured debt rating to CCC from B-.

Credit agency downgrades or concerns regarding our credit worthiness may impact relationships with our suppliers, who may limit our credit lines. Our inability to obtain needed financing or 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.

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

Collectively, our top five customers accounted for approximately 71% of our net revenue in the third quarter of 2015. On a segment basis, during the third quarter of 2015, five customers accounted for approximately 52% of the net revenue of our Computing and Graphics segment and five customers accounted for approximately 97% of the net revenue of our Enterprise, Embedded and Semi-Custom segment. We expect that a small number of customers will continue to account for a substantial part of revenue of our businesses in the future. If one of our key customers decides to stop buying our products, or if one of these customers materially reduces or reorganizes its operations or its demand for our products, our business would be materially adversely affected.

Global economic 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 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.

We may not be able to generate sufficient cash to service our debt obligations or meet our working capital requirements.

Our ability to make payments on and to refinance our debt will depend on our financial and operating performance, which may fluctuate significantly from quarter to quarter, and is subject to prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We cannot assure you that we will be able to generate cash flow or that we will be able to borrow funds, including under our secured revolving line of credit for a principal amount up to \$500 million (our Secured Revolving Line of Credit), in amounts sufficient to enable us to service our debt or to meet our working capital requirements. If we are not able to generate sufficient cash flow from operations or to borrow sufficient funds to service our debt, we may be required to sell assets or equity, reduce expenditures, refinance all or a portion of our existing debt or obtain additional financing. We cannot assure you that we will be able to refinance our debt, sell assets or equity, borrow funds under our Secured Revolving Line of Credit or borrow more funds on terms acceptable to us, if at all.

We have a substantial amount of indebtedness which could adversely affect our financial position and prevent us from implementing our strategy or fulfilling our contractual obligations.

Our total debt as of September 26, 2015 was \$2.26 billion. Our substantial 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 enter into interest rate swap agreements from time to time to manage our exposure to interest rate risk. These swap agreements involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements, the risk that these arrangements may not be effective in reducing our exposure to changes in interest rates and the risk that our exposure to interest rates may increase if interest rates increase.

The agreements governing our notes and our Secured Revolving Line of Credit impose restrictions on us that may adversely affect our ability to operate our business.

The indentures governing our 7.75% Senior Notes due 2020 (7.75% Notes), 7.50% Senior Notes due 2022 (7.50% Notes), 7.00% Senior Notes due 2024 (7.00% Notes) and 6.75% Senior Notes due 2019 (6.75% Notes) contain various covenants which limit our ability to, among other things:

- incur additional indebtedness;
- pay dividends and make other restricted payments;
- make certain investments, including investments in our unrestricted subsidiaries;
- create or permit certain liens;
- create or permit restrictions on the ability of certain restricted subsidiaries to pay dividends or make other distributions to us;
- use the proceeds from sales of assets;
- enter into certain types of transactions with affiliates; and
- consolidate or merge or sell our assets as an entirety or substantially as an entirety.

Our Secured Revolving Line of Credit also contains various covenants which limit our ability to, among other things, make certain investments, merge or consolidate with other entities and permit certain subsidiaries from incurring indebtedness. In addition, further restrictions apply when certain payment conditions (the Payment Conditions) are not satisfied with respect to specified transactions, events or payments. The Payment Conditions include that (i) no default or event of default exists and (ii) at all times during the 45 consecutive days immediately prior to such transaction, event or payment and on a pro forma basis after giving effect to such transaction, event or payment and any incurrence or repayment of indebtedness in connection therewith, the Loan Parties' Excess Cash Availability (as defined in the First Amended and Restated Loan Agreement) available cash is greater than the greater of 20% of the total commitment amount and \$100 million. If Payment Conditions are not satisfied under certain circumstances, we will become subject to various additional covenants which limit our ability to, among other things:

- allow certain subsidiaries that manufacture or process inventory for us, AMD International Sales & Service, Ltd. or ATI Technologies ULC (collectively, the Loan Parties) to borrow secured debt or unsecured debt beyond a certain amount;
- create any liens upon any of the Loan Parties' property (other than customary permitted liens and liens on up to \$1.5 billion of secured credit facilities debt (which amount includes our Secured Revolving Line of Credit));
- declare or make any distributions;
- create any encumbrance on the ability of a subsidiary to make any upstream payments;
- make asset dispositions other than certain ordinary course dispositions;
- make certain loans, make payments with respect to subordinated debt or certain borrowed money prior to its due date;
- become a party to certain agreements restricting the Loan Parties' ability to incur or repay debt, grant liens, make distributions; and
- become party to certain agreements restricting the Loan Parties' ability to enter into any non-arm's-length transaction with an affiliate.

The agreements governing our notes and our Secured Revolving Line of Credit contain cross-default provisions whereby a default under one agreement would likely result in cross defaults under agreements covering other borrowings. For example, the occurrence of a default with respect to any indebtedness or any failure to repay debt when due in an amount in excess of \$50 million would cause a cross default under the indentures governing our 7.75% Notes, 7.50% Notes, 7.00% Notes and 6.75% Notes, as well as under our Secured Revolving Line of Credit. The occurrence of a default under any of these borrowing arrangements would permit the applicable note holders or the lenders under our Secured Revolving Line of Credit to declare all amounts outstanding under those borrowing arrangements to be immediately due and payable. If the note holders or the trustee under the indentures governing our 7.75% Notes, 7.50% Notes, 7.00% Notes, 6.75% Notes or the lenders under our Secured Revolving Line of Credit accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay those borrowings.

The completion and impact of the 2015 Restructuring Plan, our transformation initiatives and any future restructuring actions could adversely affect us.

In October 2015, we implemented a restructuring plan (the 2015 Restructuring Plan) designed to improve operating efficiencies. The 2015 Restructuring Plan involved a reduction of global headcount by approximately 5% and an alignment of our real estate footprint with the reduced headcount. The Company expects the 2015 Restructuring Plan to be largely completed by the end of the first quarter of 2016. These restructuring actions and any future restructuring actions could have an adverse impact on our business as a result of decreases in employee morale and the failure to meet operational targets due to the loss of employees. We cannot be sure that we will realize operational savings or any other anticipated benefits from the 2015 Restructuring Plan or any future restructuring actions. Any operating savings are subject to assumptions, estimates and significant economic, competitive and other uncertainties, some of which are beyond our control. If these estimates and assumptions are incorrect, if we experience delays or if other unforeseen events occur, our business and financial results could be adversely affected.

Any transformation initiatives or future restructuring actions we undertake may fail to achieve the anticipated results and may materially adversely affect our business and financial results.

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 (including enabling state-of-the-art visual experience), power consumption (including 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 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 may include additional features that render our products uncompetitive. We may also face aggressive pricing by competitors, especially during challenging economic times. Some competitors may have greater access or rights to companion technologies, including interface, processor and memory technical information. With the introduction of 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. In addition, our competitors have significant marketing and sales resources which could increase the competitive environment in such a declining market leading to lower prices and margins. 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, 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 assure you 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. We may face delays or disruptions in research and development efforts, or we may be required to significantly invest greater resources in research and development than anticipated.

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.

PC and consumer 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.

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 taking aggressive pricing actions.

For example, in the third quarter of 2015, we recorded an inventory write-down of \$65 million consisting primarily of older generation APUs, which adversely impacted our operating results. Since market conditions are uncertain, these and other factors could materially adversely affect our business.

Our receipt of revenue from our semi-custom SoC products is dependent upon our technology being designed into third-party 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 customer's 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.

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 our Computing and Graphics revenue is focused on the consumer desktop PC and notebook segments, which have and continue to experience a decline driven by the adoption of smaller form factors and increased competition. 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[®]4 and Microsoft Xbox One game console systems worldwide.

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 products and product enhancements, we rely on third-party intellectual property such as software development tools and hardware testing tools. Furthermore, certain product features may rely on intellectual property acquired from third parties. The design requirements necessary to meet consumer demand for more features and greater functionality from semiconductor products may exceed the capabilities of the third-party intellectual property or development tools available to us. If the third-party intellectual property that we use becomes unavailable, is not available in the time frame 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 and other computer platform components to support our business.

We depend on third-party companies for the design, manufacture and supply of motherboards, software (e.g. BIOS, operating systems) and other components that our customers utilize to support our microprocessor, GPU and APU offerings. We also rely on AIBs to support our GPU and APU 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, software and other components decrease their support for our product offerings, 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 sold 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.

We may incur future impairments of goodwill.

We perform our annual goodwill impairment analysis as of the first day of the fourth quarter of each year. Based on the annual goodwill impairment analysis that we conducted during the fourth quarter of 2014, we concluded that the carrying amount of goodwill assigned to our Computing and Graphics reporting unit exceeded its estimated fair value, and accordingly, we recorded a goodwill impairment charge of \$233 million, which represented the entire goodwill balance within this reporting unit. 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 goodwill impairment. The occurrence of any of these events may require us to record goodwill impairment charges in the future.

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 AIBs to offer our competitors' products. We are dependent on our distributors and AIBs to supplement our direct marketing and sales efforts. If any significant distributor or AIB or a substantial number of our distributors or AIBs 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. 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 AIBs 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 and that is not more than 12 months older than the manufacturing code date. Some agreements with our distributors also contain standard stock rotation provisions permitting limited levels of product returns. Our agreements with AIBs protect their inventory of our products against price reductions. We defer the gross margins on our sales to distributors and AIBs, resulting from both our deferral of revenue and related product costs, until the applicable products are re-sold by the distributors or the AIBs. However, 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 inability to continue to attract and retain qualified personnel may hinder our product development programs.

Much of our future success depends upon the continued service of numerous qualified engineering, marketing, sales and executive personnel. If we are not able to continue to attract, train and retain qualified personnel 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 qualified personnel, 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 personnel could be weakened, which could harm our results of operations. In addition, our current and any future restructuring plans may adversely impact our ability to attract and retain key employees.

In the event of a change of control, we may not be able to repurchase our outstanding debt as required by the applicable indentures and our Secured Revolving Line of Credit, which would result in a default under the indentures and our Secured Revolving Line of Credit.

Upon a change of control, we will be required to offer to repurchase all of our 7.75% Notes, 7.50% Notes, 7.00% Notes and 6.75% Notes then outstanding at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, up to, but excluding, the repurchase date. In addition, a change of control would be an event of default under our Secured Revolving Line of Credit. As of September 26, 2015, \$230 million was outstanding under our Secured Revolving Line of Credit and \$2.0 billion was outstanding under our notes. Future debt agreements may contain similar provisions. We may not have the financial resources to repurchase our outstanding notes and prepay all of our outstanding obligations under our Secured Revolving Line of Credit.

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. For example, form factor devices continue to shift from desktop PCs and notebooks to smaller form factor devices. A large portion of our Computing and Graphics revenue is focused on consumer desktop PC and notebook segments, which have and continue to experience a decline driven by the adoption of smaller form factors and increased competition.

Global economic uncertainty and weakness have also 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 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.

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

In the ordinary course of our business, we maintain sensitive data on our networks, including our intellectual property and proprietary or confidential business information relating to our business and that of our customers and business partners. The secure maintenance of this information is critical to our business and reputation. We believe that companies have been increasingly subject to a wide variety of security incidents, cyber-attacks, hacking and phishing attacks, and other attempts to gain unauthorized access. These threats can come from a variety of sources, all ranging in sophistication from an individual hacker to a state-sponsored attack. Cyber threats may be generic, or they may be custom-crafted against our information systems. Over the past year, cyber-attacks have become more prevalent and much harder to detect and defend against. Our network and storage applications 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. These data breaches and any unauthorized access or disclosure of our information or intellectual property could compromise our intellectual property and expose sensitive business information. Cyber-attacks 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. In addition, we could be subject to potential claims for damages resulting from loss of data from alleged vulnerabilities in the security of our processors. We also maintain confidential and personally identifiable information about our workers. The integrity and protection of our worker data is critical to our business and our workers have a high expectation that we will adequately protect their personal information. We anticipate an increase in costs related to:

- implementing new data security procedures, including costs related to upgrading computer and network security;
- training workers to maintain and monitor our security measures;
- remediating any data security breach and addressing the related litigation; and
- mitigating reputational harm.

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. However, 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 may be improperly accessed, used or disclosed. A breach of data privacy is likely to 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 and data breaches could materially adversely affect our financial condition, our competitive position and operating results.

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

A substantial 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. For example, historically, first quarter PC product sales are generally lower than fourth quarter sales. In addition, with respect to our semi-custom SoC products for game consoles, we expect sales patterns to follow the seasonal trends of a consumer business with sales in the first half of the year being lower than sales in the second half of the year. Many of the factors that create and affect quarterly and seasonal trends are beyond our control.

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

We purchase equipment and materials for our internal back-end manufacturing operations 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 sources. Because some of the equipment and materials that we and our third-party manufacturing suppliers purchase are complex, it is sometimes difficult to substitute one 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 foundries or manufacturing suppliers are unable to procure materials for manufacturing our products, 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, delay in recognition or 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 property damage or personal injury and damage to our reputation in the industry 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. 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 manufacturing suppliers 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.

Acquisitions, divestitures and/or joint ventures could disrupt our business, harm our financial condition and operating results 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 divestitures or joint ventures 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. 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 a 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 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 the 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, as well as incur debt, assume contingent liabilities or have amortization expenses and write-downs of acquired assets, which could adversely affect our results of operations. Acquisitions and joint ventures may also reduce our cash available for operations and other uses, which could harm our business.

In October 2015, we announced a proposed joint venture (JV) with Nantong Fujitsu Microelectronics, Co., Ltd. (NFME) of our assembly, test, mark and pack (ATMP) facilities. The transaction is expected to close in the first half of 2016 and is expected to simplify our business model while strengthening our balance sheet. The transaction requires numerous international regulatory approvals in order to close. It is possible that we may not receive the approvals necessary to close the transaction in a timely manner or the approvals may result in additional unanticipated costs. The long duration between entering into a definitive agreement and the proposed closing in the first half of 2016 could result in loss of employee morale and result in loss of key employees affecting the success of the JV. While we expect the transaction to be cost neutral with reduced capital expenditures, the transaction could potentially increase our cost for ATMP services with little to no measurable reduction in our capital expenditures. Additionally, we may not realize the expected benefits from the transaction including the JVs' expected future performance; the expected results of operations and financial guidance; the JVs' future financial condition, operating results, strategy and plans; financial projections and estimates and their underlying assumptions. We may not achieve the objectives and expectations with respect to future operations, products and services.

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 and Asia. We rely on third-party wafer foundries in Europe and Asia. Nearly all product assembly and final testing of our products is performed at manufacturing facilities, operated by us as well as third-party manufacturing facilities, in China, Malaysia and Taiwan. We also have international sales operations. International sales, as a percent of net revenue, were 75% in the third quarter of 2015. 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;
- 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;
- disruption in air transportation between the United States and our overseas facilities;
- loss or modification of exemptions for taxes and tariffs; and
- compliance with U.S. laws and regulations related to international operations, including export control and economic sanctions laws and regulations and the Foreign Corrupt Practices Act.

In addition, our worldwide operations (or those of our business partners) could be subject to natural disasters such as earthquakes, tsunamis, flooding, typhoons and volcanic eruptions that disrupt manufacturing or other operations. For example, our Sunnyvale operations are located near major earthquake fault lines in California. Any conflict or uncertainty in the countries in which we operate, including public health issues (for example, an outbreak of a contagious disease such as 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, could have a material adverse effect on our business. Any of the above risks, should they occur, could result in an increase in the cost of components, production delays, general business interruptions, delays from difficulties in obtaining export licenses for certain technology, 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.

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.

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.

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 impact 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.

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 or circumvented or rights granted there under may not provide a competitive advantage to us.

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.

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. For example, on January 15, 2014, March 20, 2014, April 27, 2015 and September 29, 2015 complaints were filed against us seeking damages for alleged securities law violations which are described in Note 9 of our unaudited condensed consolidated financial statements. We also sell products to consumers, which could increase our exposure to consumer actions such as product liability 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. Any claim that is successfully asserted against us, including claims filed in January 15, 2014, March 20, 2014, April 27, 2015 and September 29, 2015 may 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.

Our business is subject to potential tax liabilities.

We are subject to income taxes in the United States, Canada and other foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, we cannot assure you that the final determination of any tax audits and litigation will not be materially different from that which is reflected in historical income 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, income tax provision and net income in the period or periods for which that determination is made.

A variety of environmental laws that we are subject to could result in additional costs and liabilities.

Our operations and properties have in the past and continue to be subject to various United States and foreign environmental 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 us to obtain permits for our operations, including the discharge of air pollutants and wastewater. Although our management systems are designed to maintain compliance, we cannot assure you that we have been or will be at all times in complete compliance with such laws, regulations and permits. If we 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. 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 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.

Certain environmental laws, including the U.S. 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.

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 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.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Securities and Exchange Commission ("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. Also, since our supply chain is complex, 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 are certified as "conflict free." If we cannot satisfy these customers, they may choose a competitor's products.

Higher health care costs and labor costs could adversely affect our business.

With the passage in 2010 of the U.S. Patient Protection and Affordable Care Act (the ACA), we are required to provide affordable coverage, as defined in the ACA, to all employees, or otherwise be subject to a payment per employee based on the affordability criteria in the ACA. Although many of these requirements will be phased in over a period of time, the majority of the most impactful provisions were implemented in our first quarter of fiscal year 2015. Additionally, some states and localities have passed state and local laws mandating the provision of certain levels of health benefits by some employers. Increased health care and insurance costs could have a material adverse effect on our business. In addition, changes in federal or state workplace regulations could adversely affect our ability to meet our financial targets.

ITEM 6. EXHIBITS

- 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.
- 10.1 Form of Stock Option Agreement for Senior Vice Presidents and Above under the 2004 Equity Incentive Plan.

- 10.2 Form of Restricted Stock Unit Agreement for Senior Vice Presidents and Above under the 2004 Equity Incentive Plan.
- 10.3 Form of Performance-Based Restricted Stock Unit Agreement for Senior Vice Presidents and Above under the 2004 Equity Incentive Plan.

- 10.4 Equity Interest Purchase Agreement by and between AMD and Nantong Fujitsu Microelectronics Co. Ltd.⁽¹⁾
- 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.

(1) Incorporated by reference to AMD's Current Report on Form 8-K filed with the SEC on October 15, 2015.

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.

November 3, 2015

ADVANCED MICRO DEVICES, INC.

By: /s/ Devinder Kumar

Name: Devinder Kumar

Title: Senior Vice President, Chief Financial Officer and Treasurer

Signing on behalf of the Registrant and as the Principal Financial and Accounting Officer

**FORM OF STOCK OPTION AGREEMENT
FOR SENIOR VICE PRESIDENTS AND ABOVE
ADVANCED MICRO DEVICES, INC. 2004 EQUITY INCENTIVE PLAN**

**STOCK OPTION GRANT NOTICE
ADVANCED MICRO DEVICES, INC. 2004 EQUITY INCENTIVE PLAN**

Advanced Micro Devices, Inc., a Delaware corporation (the “*Company*”), pursuant to its 2004 Equity Incentive Plan (as amended and restated, the “*Plan*”), hereby grants to the holder listed below (“*Participant*”) an option to purchase the number of Shares (as defined in the Plan) set forth below (the “*Option*”). The Option is subject to all of the terms and conditions set forth herein, in the Terms and Conditions to the Option (the “*Terms and Conditions*”), in any terms and conditions for Participant’s country set forth in the appendix thereto, as applicable (the “*Appendix*”) and in the Plan, each of which are incorporated herein by reference.

Participant:

Grant Date:

Exercise Price per Share:

\$ _____

Total Exercise Price:

\$ _____

Total Number of Shares Subject to the Option:

_____ shares

Expiration Date:

Type of Option:

Incentive Stock Option Non-Qualified Stock Option

Vesting Schedule:

[To be specified in individual agreements]

By his or her signature, Participant agrees to be bound by the terms and conditions of the Plan, the Terms and Conditions, the Appendix and this Stock Option Grant Notice. Participant has reviewed the Plan, the Terms and Conditions, the Appendix and this Stock Option Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Stock Option Grant Notice and fully understands all provisions of the Plan, the Terms and Conditions, the Appendix and this Stock Option Grant Notice. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator (as defined in the Plan) upon any questions arising under the Plan, the Terms and Conditions, the Appendix or this Stock Option Grant Notice.

ADVANCED MICRO DEVICES, INC.

PARTICIPANT

By: _____
Print Name: _____
Title: _____
Address: _____

By: _____
Print Name: _____
Address: _____

**TERMS AND CONDITIONS
STOCK OPTION AWARD
ADVANCED MICRO DEVICES, INC. 2004 EQUITY INCENTIVE PLAN**

These Terms and Conditions (these “*Terms and Conditions*”), collectively with the Stock Option Grant Notice (the “*Grant Notice*”) and any terms and conditions for your country contained in the Appendix hereto, as applicable (the “*Appendix*”), comprise your agreement (the “*Agreement*”) with Advanced Micro Devices, Inc., a Delaware corporation (the “*Company*”), regarding the grant of stock options (the “*Options*”) to purchase the number of shares of the Company’s common stock (the “*Shares*”), as set forth in the Grant Notice, at the exercise price per share set forth in the Grant Notice (the “*Exercise Price*”), awarded under the Advanced Micro Devices, Inc. 2004 Equity Incentive Plan (as amended and restated, the “*Plan*”). Capitalized terms not specifically defined herein have the same meanings assigned to them in the Plan.

1. **Vesting of Options.** The Options will vest on the date(s) shown on the Grant Notice provided that you continue to be an active Service Provider through each vesting date.

2. **Exercise of Options.**

(a) **Right to Exercise.** The Options are exercisable during their term in accordance with the vesting schedule set out in the Grant Notice and the applicable provisions of the Plan and the Agreement. The Options may only be exercised for whole Shares.

(b) **Method of Exercise.** Unless otherwise determined by the Administrator, the Options are exercisable during your lifetime only by you, and after your death only by your legal representative. The Options may only be exercised by the delivery to the Company of a properly completed written notice, in the form specified by the Administrator or its designee, which notice must specify the number of Shares to be purchased and the aggregate Exercise Price for such Shares, together with payment in full of such aggregate Exercise Price and all applicable Tax-Related Items (as defined in Section 7). In the event the Options or a portion thereof are exercised by any person or persons other than you, the Options may only be exercised by the delivery to the Company of appropriate proof of the right of such person or persons to exercise the Options. Payment must be made in a manner permitted in Section 3 below or as authorized by the Administrator pursuant to the Plan and/or as specified in the Appendix. The Options may not be exercised unless you agree to be bound by such documents as the Administrator may reasonably require, including all Award Documentation.

(c) **Exercise Price.** The Exercise Price shall be as set forth in the Grant Notice, without commission or other charge; *provided, however*, that the price per Share subject to the Options shall not be less than 100% of the Fair Market Value of a Share on the Grant Date. Notwithstanding the foregoing, if these Options are designated as Incentive Stock Options and you own (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or any “subsidiary corporation” of the Company or any “parent corporation” of the Company (each within the meaning of Section 424 of the Code), the price per Share subject to the Options shall not be less than 110% of the Fair Market Value of a Share on the Grant Date.

The Administrator may deny any exercise permitted hereunder if the Administrator determines, in its discretion, that such exercise could result in a violation of U.S. federal, state or foreign securities laws.

3. **Method of Payment.** Payment of the aggregate Exercise Price must be by any of the following, or a combination thereof, unless provided otherwise in the Appendix:

- (a) cash;
 - (b) check; or
-

(c) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan, including without limitation, to the extent permitted by Applicable Laws, (i) other Shares which (A) in the case of Shares acquired upon exercise of a stock option, have been owned by you for such period of time as may be required by the Administrator in order to avoid accounting consequences and (B) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option shall be exercised or (ii) broker-assisted cashless exercise.

4. **Nontransferability of Options.** The Options may not be pledged, assigned, sold or otherwise transferred other than by will or by the laws of descent and distribution, unless and until the Shares underlying the Options have been issued, and all restrictions applicable to such Shares have lapsed. Neither the Options nor any interest or right therein shall be liable for the debts, contracts or engagements of you or your successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence. The terms of the Plan and the Agreement will be binding upon your executors, administrators, heirs, successors and assigns.

5. **Term of Option.** The Options may be exercised only within the term set out in the Grant Notice, which shall in no event be more than seven years from the Grant Date, and may be exercised during such term only in accordance with the Plan and the terms of the Agreement. If these Options are designated as Incentive Stock Options and you owned (within the meaning of Section 424(d) of the Code), at the time the Options were granted, more than 10% of the total combined voting power of all classes of stock of the Company or any "subsidiary corporation" of the Company or any "parent corporation" of the Company (each within the meaning of Section 424 of the Code), the term shall be in no event more than five years from the Grant Date.

6. **Termination as a Service Provider.**

(a) **Termination Generally.** If your status as an active Service Provider terminates for any reason, other than death or Disability or for Misconduct, and you have not been serving as a vice president or Officer for at least ninety (90) days (or not at all), vested Options may be exercised at any time before the expiration date set forth in the Grant Notice or the expiration of three months after the date of termination, whichever is the shorter period, but only to the extent you were entitled to exercise the Options at the date of termination, as described in Sections 1 and 2 hereof and in the Grant Notice. If you have been serving as a vice president or Officer for at least ninety (90) days and your status as an active Service Provider terminates for any reason (as further described in Section 9(n) below), other than death or Disability or for Misconduct, vested Options may be exercised at any time before the expiration date set forth in the Grant Notice or the expiration of twelve (12) months after the date of termination, whichever is the shorter period, but only to the extent you were entitled to exercise the Options at the date of termination, as described in Sections 1 and 2 hereof and in the Grant Notice.

You may have a longer period to exercise Options under the circumstances described below:

- (i) If you have not been a vice president or Officer for at least ninety (90) days (or not at all) and are age fifty (50) or more when your status as an active Service Provider terminates for any reason, other than death, Disability or Misconduct, and you have at least fifteen (15) years of service but less than twenty (20) years of service, you will have fifteen (15) months to exercise vested Options after termination as a Service Provider.
 - (ii) If you have not been a vice president or Officer for at least ninety (90) days (or not at all) and are age fifty (50) or more when your status as an active Service Provider terminates for any reason, other than death, Disability or Misconduct, and you have twenty (20) years or more of service, you will have twenty-seven (27) months to exercise vested Options after termination as a Service Provider.
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- (iii) If you have been a vice president or Officer for at least ninety (90) days and are age fifty (50) or more when your status as an active Service Provider terminates for any reason, other than death, Disability or Misconduct, and you have at least fifteen (15) years of service but less than twenty (20) years of service, you will have twenty-four (24) months to exercise vested Options after termination as a Service Provider.
- (iv) If you are have been a vice president or Officer for at least ninety (90) days and are age fifty (50) or more when your status as an active Service Provider terminates for any reason, other than death, Disability or Misconduct, and you have twenty (20) years or more of service, you will have thirty-six (36) months to exercise vested Options after termination as a Service Provider.

If you terminate your status as an active Service Provider to work for a competitor of the Company, the post-termination exercise period extensions described in Sections 6(a)(i) – (iv) will not apply, and you will have three months to exercise your vested Options, unless you have been serving as a vice president or Officer for at least ninety (90) days, in which case you will have twelve (12) months to exercise your vested Options. In no case will the post-termination exercise periods extend beyond the term limit for the Options as set out in the Grant Notice.

(b) **Termination Due to Death or Disability.** If your status as an active Service Provider terminates due to your death or Disability (as defined in the Plan) and you were a Service Provider for at least fifteen (15) years, your Options will vest as follows:

- (i) if you are on an unapproved leave of absence, any Options that would have vested in the calendar year in which your leave began are immediately vested; or
- (ii) if you are *not* on an unapproved leave of absence (*i.e.*, you are on an approved leave of absence or you are serving as an active Service Provider), any Options that would have vested in the calendar year of your death or Disability are immediately vested.

You (or your heirs, as applicable) will generally have twelve (12) months from the date your status as a Service Provider is terminated due to death or Disability to exercise any vested Options. However, if you are aged fifty (50) or more and have at least fifteen (15) years of service but less than twenty (20) years of service when your status as a Service Provider is terminated due to death or Disability, you (or your heirs) will have twenty-four (24) months from the date your status as a Service Provider is terminated to exercise any vested Options (provided that you do not go to work for a competitor of the Company, in which case you (or your heirs) will have twelve (12) months from the date your status as a Service Provider is terminated to exercise any vested Options). If you are aged fifty (50) or more and have at least twenty (20) years of service when your status as a Service Provider is terminated due to death or Disability, you (or your heirs) will have thirty-six (36) months from the date your status as a Service Provider is terminated to exercise any vested Options (provided that you do not go to work for a competitor of the Company, in which case you (or your heirs) will have twelve (12) months from the date your status as a Service Provider is terminated to exercise any vested Options). In no case will the post-termination exercise periods extend beyond the term limit for the Options as set out in the Grant Notice.

(c) If the Company determines that the post-termination exercise period extensions described in Sections 6(a) or Section 6(b) could be deemed unlawful as discriminatory, then the Company will not apply the extensions and the Options will be treated as they would under the remaining provisions of this Section 6.

(d) **Termination due to Misconduct.** If your status as an active Service Provider is terminated due to Misconduct (as defined in the Plan), the Company reserves the right to cancel all of your Options, whether vested or unvested.

7. **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, 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 (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Options, including, but not limited to, the grant, vesting or exercise of the Options, the issuance of Shares upon exercise of the Options, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Options 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. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their 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 paid to you by the Company and/or the Employer;
- (b) withholding from proceeds of the sale of Shares acquired upon exercise of the Options either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent);
- (c) withholding in Shares to be issued upon exercise of the Options; or
- (d) payment in cash, check or wire transfer of the Tax-Related Items at the time of exercise.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the exercise, 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.

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 honor the exercise 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.

8. **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 and exercise of the Options, you acknowledge and agree to the terms and conditions of the Agreement and the terms and provisions of the Plan.

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

(c) 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.

(d) Change of Control. If your employment is terminated by the Company or the Employer for any reason other than for Misconduct or, if applicable, by you as a result of a Constructive Termination, within one year after a Change of Control, then the Options will become fully vested upon the date of termination.

(e) Declination of Options. If you wish to decline your Options, 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 any other benefits or compensation as replacement for the declined Options.

(f) Recovery in the Event of a Financial Restatement. In the event the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under applicable securities laws, the Administrator will review all equity-based compensation (including the Options) awarded to employees at the Senior Vice President level and above. If the Administrator (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 Administrator may, to the extent permitted by governing law and as appropriate under the circumstances, 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 Administrator 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 Administrator may take into account any considerations it deems appropriate, including Applicable Law and whether the assertion of a recovery claim may prejudice the interests of the Company in any related proceeding or investigation.

(g) Incentive Stock Options. The following provision applies to you only if you are a U.S. taxpayer and your Options are designated as Incentive Stock Options:

You acknowledge that, to the extent that the aggregate Fair Market Value (determined as of the time the Options are granted) of all Shares with respect to which Incentive Stock Options, including the Options (if applicable), are exercisable for the first time by you in any calendar year exceeds \$100,000, the Options and such other options shall be Non-Qualified Stock Options to the extent necessary to comply with the limitations imposed by Section 422(d) of the Code. You further acknowledge that the rule set forth in the preceding sentence shall be applied by taking the Options and other “incentive stock options” into account in the order in which they were granted, as determined under Section 422(d) of the Code and the Treasury Regulations thereunder. You acknowledge that an Incentive Stock Option exercised more than three months after your termination of employment, other than by reason of death or Disability, will be taxed as a Non-Qualified Stock Option.

9. Nature of Grant. In accepting the grant, 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 Options is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if Options have been granted in the past;

(c) all decisions with respect to future Option grants, if any, will be at the sole discretion of the Company;

- (d) your participation in the Plan will not create a right to further employment with the Company or the Employer and will not interfere with the ability of the Company or the Employer to terminate your employment relationship at any time;
- (e) you are voluntarily participating in the Plan;
- (f) the Options and the Shares subject to the Options, and the value of income of such Options and Shares, are not intended to replace any pension rights or compensation;
- (g) the Options and the Shares subject to the Options, and the value of income of such Options 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;
- (h) the Option 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 of their respective Parents, Subsidiaries or Affiliates;
- (i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- (j) if the underlying Shares do not increase in value, the Options will have no value;
- (k) if you exercise the Options and obtain Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the Exercise Price;
- (l) no claim or entitlement to compensation or damages will arise from forfeiture of the Options 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 Options to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, the Employer, any Parent or any of their respective Parents, Subsidiaries or Affiliates, waive your ability, if any, to bring such claim against the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates, and release the Company, the Employer and any of their respective Parents, Subsidiaries or Affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you will be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary, or reasonably requested by the Company, to request dismissal or withdrawal of such claims;
- (m) in the event of termination of your status as a Service Provider (for any reason whatsoever and whether or not in breach of Applicable Laws), your right to vest in the Options under the Plan, if any, will terminate effective as of the date that you are no longer actively employed or providing services and will not be extended by any notice period mandated under applicable local laws (*e.g.*, active employment or service would not include a period of “garden leave” or similar period pursuant to Applicable Laws); the Administrator will have the exclusive discretion to determine when you are no longer actively employed or providing services for purposes of your Options (including whether you may still be considered to be providing services while on a leave of absence);
- (n) the Options 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
- (o) the following provisions apply only if you are providing services outside the United States:
- (1) the Options and the Shares subject to the Options, and the value and income of same, are not part of normal or expected compensation or salary for any purpose; and
 - (2) none of the Company, the Employer, or any of their respective Parents, Subsidiaries or Affiliates will be liable for any foreign exchange rate fluctuation between any local currency and the United States
-

Dollar that may affect the value of the Options, any amounts due to you pursuant to the exercise of the Options or the subsequent sale of any Shares acquired upon exercise.

10. **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.

11. **Data Privacy.** *You 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, the Employer, the Company, and their respective Parents, Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

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

You understand that Data may 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. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize 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 the 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 if you reside outside the United States, you may, at any time, view Data, request additional 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 your local human resources representative. 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 your consent, your employment status or service and career with the Company or Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Options or other equity awards 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 your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

12. **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 Company's Common Stock 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 purchased upon the exercise of the Options or portion thereof prior to fulfillment 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 Administrator 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 Administrator shall, in its absolute discretion, determine to be necessary or advisable; and (d) the lapse of such

reasonable period of time following the exercise of the Option as the Administrator may from time to time establish for reasons of administrative convenience. The Shares deliverable upon the exercise of the Options 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 Applicable Laws.

13. **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, administrators, legal representatives, successors and assigns.

14. **Administrator Authority.** The Administrator 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 Shares subject to the Options have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon you, the Company and all other interested persons. The Administrator will not be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Agreement.

15. **Governing Law; Jurisdiction; Severability.** The Agreement is to be governed by and construed in accordance with the internal laws of the State of California as such laws are applied to agreements between California residents entered into and to be performed entirely within California, 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 parties evidenced by any grant of Options or the Agreement, the Company and you hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation will be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, 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.

16. **Further Instruments.** The parties 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.

17. **Language.** 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.

18. **Electronic Delivery.** 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.

19. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on your participation in the Plan, on the Options 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.

20. **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.

21. **Appendix.** Notwithstanding any provisions in the Award Documentation, the Options grant will be subject to any special 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 special 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 Appendix constitutes part of the Agreement.
22. **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.
23. **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.
24. **Insider Trading Restrictions/Market Abuse Laws.** You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). 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 are advised to speak to your personal advisor on this matter.
25. **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 address reflected on the Company’s records. By a notice given pursuant to this Section 25, 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 the person entitled to exercise the Option by written notice under this Section 25. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (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.
26. **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 Option 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 Law, the Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.
27. **Section 409A.** The Options 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 Administrator determines that the Options (or any portion thereof) may be subject to Section 409A, the Administrator 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 Administrator determines are necessary or appropriate either for the Options to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.
28. **Limitation on Your 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
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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 Options, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to options, as and when exercised pursuant to the terms hereof.

29. **Notification of Disposition.** If these Options are designated as Incentive Stock Options, you shall give prompt notice to the Company of any disposition or other transfer of any Shares acquired under the Agreement if such disposition or transfer is made (a) within two years from the Grant Date with respect to such Shares or (b) within one year after the transfer of such Shares to you. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by you in such disposition or other transfer.

30. **Termination, Rescission and Recapture.** The Options 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 will terminate any outstanding, unexercised, unexpired or unpaid Options (“Termination”), rescind any exercise, payment or delivery pursuant to the Options (“Rescission”) or recapture any cash or any Common Stock or proceeds from your sale of Common Stock acquired pursuant to the Options (“Recapture”), as more fully described below and to the extent permitted by applicable law. For purposes of this Section 30, 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 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, 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 Committee of the Board, 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 months (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..

The activities described in this Section 30(b) are collectively referred to as ‘Activities Against the Company’s Interest.’

(c) If the Company determines, in its sole and absolute discretion, that: (i) you have violated any of the requirements set forth in Section 30(a) 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 Options or the proceeds you received therefrom, provided, that such Termination, Rescission and/or Recapture shall not apply to the Options to the extent that such Options was exercised 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 Option, you shall deliver to the Company the Shares acquired pursuant to the Option, or, if you have sold such Common Stock, the gain realized, or payment received as a result of the rescinded exercise, payment, or delivery; provided, that if you return Common Stock that you purchased pursuant to the exercise of the Option (or the gains realized from the sale of such Common Stock), the Company shall promptly refund the exercise price, without earnings, that you paid for the Common Stock. Any payment by you to the Company pursuant to this Section 30(c) shall be made either in cash or by returning to the Company the number of shares of Common Stock that you received in connection with the rescinded exercise, 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 an organization or business in competition with the Business of the Company, so long as (i) such stock or other securities are listed upon a recognized securities exchange or traded over-the-counter, and (ii) such investment does not represent more than a five percent equity interest in the organization or business.

(d) Upon exercise of the Option or payment or delivery of Common Stock pursuant to the Option, the Participant 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-five-percent equity interest.

(e) Notwithstanding the foregoing provisions of this Section 30, 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 Options 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 stock options or awards.

(f) Nothing in this Section 30 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 30(f) shall not limit or supersede any other agreement between you and the Company concerning restrictive covenants.

(g) All administrative and discretionary authority given to the Company under this Section 30 shall be exercised by the Compensation Committee of the Board, or an executive officer of the Company as such Compensation Committee may designate from time to time.

(h) Notwithstanding any provision of this Section 30, if any provision of this Section 30 is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, 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 law. Furthermore, if any provision of this Section 30 is illegal under any applicable law, such provision shall be null and void to the extent necessary to comply with applicable law.

(i) Notwithstanding the foregoing, this Section 30 shall not be applicable to you from and after your termination of employment if such termination of employment occurs after a Change of Control.

By signing the Grant Notice or otherwise accepting the Option grant and any Shares acquired at exercise of the Options, you agree to be bound by terms of the Agreement and the Plan.

APPENDIX

**Terms and Conditions
Stock Option Award
Advanced Micro Devices, Inc. 2004 Equity Incentive Plan**

Capitalized terms not specifically defined in this Appendix (this “*Appendix*”) have the same meaning assigned to them in the Advanced Micro Devices, Inc. 2004 Equity Incentive Plan (as amended, 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 Options 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 to another country after the grant but prior to the vesting and/or exercise of the Options 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 June 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you 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 or exercise of the Options or the subsequent sale of the Shares or receipt of any dividends.

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 are advised to 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 employment to another country after the Options are granted to you or are considered a resident of another country for local law purposes, the information contained herein may not be applicable to you.

ARGENTINA*Notifications*

Securities Law Information. Neither the Options nor the Shares underlying the Options are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. Due to exchange control restrictions in Argentina, you understand that you are not permitted to remit funds out of Argentina to pay the Exercise Price. Therefore, you must either use funds maintained outside of Argentina to pay the Exercise Price or use a method of exercise which does not require the remittance of funds. Following the sale of Shares, you may be subject to certain restrictions in bringing such funds back into Argentina. The Argentine bank handling the transaction may request certain documentation in connection with the request to transfer sale proceeds into Argentina (*e.g.*, evidence of the sale, proof of the source of the funds used to purchase the shares, etc.) and under certain circumstances may require that 30% of the amount transferred into Argentina be placed in a non-interest bearing dollar deposit account for a holding period of 365 days.

You are solely responsible for complying with the exchange control rules that may apply to you in connection with your participation in the Plan. Prior to exercising the Options or transferring sale proceeds into Argentina, you are strongly advised to consult your local bank and/or personal legal advisor to confirm the applicable requirements. You should note that the interpretations of the applicable Argentine Central Bank regulations vary by bank and that exchange control rules and regulations are subject to change without notice.

Foreign Asset/Account Reporting Information. You must report any Shares acquired and held by you on December 31 of each year on your annual tax return for that year.

BELGIUM

Terms and Conditions

Taxation of Option. The Options must be accepted in writing either (i) within 60 days of the offer date (*i.e.*, the date the written grant terms are communicated to you) (for tax at offer), or (ii) after 60 days following the offer date (for tax at exercise). You have received a separate offer letter and undertaking form in addition to the Agreement and should refer to the offer letter for a more detailed description of the tax consequences corresponding with when you accept the Options. You should consult with your personal tax advisor regarding taxation of the Options and completion of the additional forms.

Notifications

Foreign Asset/Account Reporting Information. If you are a resident of Belgium, you are required to report any securities (*e.g.*, Shares acquired under the Plan) or bank accounts (including brokerage accounts) opened and maintained outside of Belgium, on your annual tax return.

BRAZIL

Terms and Conditions

Compliance with Laws. By accepting the Options, you agree that you will comply with Brazilian law when you exercise the Options and sell Shares. You also agree to report and pay any and all taxes associated with the exercise of the Options, the receipt of any dividends and the sale of Shares.

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. The assets and rights that must be reported include Shares. Please note that the US\$100,000 threshold may be changed annually.

CANADA

Terms and Conditions

Method of Payment. The following provision supplements Section 3 of the Terms and Conditions:

Due to regulatory requirements you understand that you are prohibited from surrendering Shares that you already own to pay the Exercise Price or any Tax-Related Items in connection with exercise of the Options. The Company reserves the right to permit this method of payment depending upon the development of local law.

Termination of Service. The following provision replaces Section 9(m) of the Terms and Conditions:

In the event of the termination of your status as Service Provider for any reason (whether or not in breach of Applicable Laws), except as otherwise set forth in the Agreement, your right to vest in the Options under the Plan will terminate effective as of the date that is the earlier of (1) the date your status as a Service Provider is terminated, (2) the date you receive notice of termination from the Employer, or (3) the date you are no longer actively

providing service, regardless of any notice period or period of pay in lieu of such notice required under Applicable Laws (including, but not limited to statutory law, regulatory law and/or common law); the Company has the exclusive discretion to determine when you are no longer actively providing service for purposes of the Options (including whether you may still be considered to be providing service while on a leave of absence).

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 provision supplements Section 11 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 of their respective Parents, Subsidiaries and Affiliates and the Administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company, the Employer and any of their respective Parents, Subsidiaries and Affiliates 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 exercise of the Options 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.

Foreign Asset/Account Reporting Information. If the total value of your foreign property (including cash held outside of Canada or Shares) exceeds C\$100,000 at any time during the year, you must report all of your foreign property on Form T1135 (Foreign Income Verification Statement) by April 30 of the following year. Foreign property may also include your vested and unvested Options. You should consult with your personal tax advisor to determine your reporting requirements.

CHINA

The following terms and conditions will apply if you are subject to exchange control restrictions and regulations in China, as determined by the Company in its sole discretion.

Terms and Conditions

Method of Payment and Sale of Shares. The following provision supplements Section 3 of the Terms and Conditions:

Due to local regulatory requirements, you understand that you will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, you understand that you must instruct the designated broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance in cash to you. You will not be permitted to hold Shares after exercise. Depending upon the development of laws and your status as a national of a country other than the People's Republic of China, the Company reserves the right to modify the methods of exercising the Options and in its sole discretion, to permit cash exercises, cashless sell-to-cover exercises or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

Exchange Control Requirements. You understand and agree that, pursuant to local exchange control requirements, you will be required to exercise any outstanding Options (using the cashless sell-all exercise) within a certain period of time after termination of your status as Service Provider, as determined by the Company in its discretion. If you do not exercise the Options within this period, you acknowledge that the Company will instruct the designated broker to exercise the Options on your behalf pursuant to this authorization. You acknowledge that the broker is not required to sell the Shares subject to the Options at any particular price and that the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates, as well as the broker, cannot be held responsible for any loss of Option proceeds due to the forced exercise/sale.

Furthermore, you acknowledge and agree that you will be required to repatriate the cash proceeds from the immediate sale of the Shares upon exercise of the Options 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 of their respective Parents, Subsidiaries or Affiliates, and you hereby consent and agree that any proceeds from the sale of any Shares you acquire may 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.

FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

French Language Provision. By accepting the Options, 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 les Options, 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 Options are not intended to be French tax-qualified Awards.

Foreign Asset/Account Reporting Information. If you hold Shares outside of France or maintain a foreign bank or brokerage account, you are required to report such to the French tax authorities when filing your annual tax return.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If you receive a cross-border payment in excess of €12,500 in connection with the exercise of the Options or 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 made or

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

Warning: *The Options and Shares issued at exercise do not constitute a public offering of securities under Hong Kong law and are available only to Service Providers of the Company, the Employer or their respective Parents, Subsidiaries or 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 Options are intended only for the personal use of each eligible Service Provider 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.*

Sale of Shares. The following provision supplements Section 2 of the Terms and Conditions:

In the event your Options vest and are exercised within six months of the date of grant, you agree that you will not dispose of any Shares acquired prior to the six-month anniversary of the date of grant.

Notifications

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

INDIA

Terms and Conditions

Method of Payment. The following provision supplements Section 3 of the Terms and Conditions:

Due to regulatory requirements you understand that you may not pay the Exercise Price by a sell-to-cover exercise (*i.e.*, where enough Shares subject to the Options will be sold immediately upon exercise and the proceeds from the sale will be remitted to the Company to cover the Exercise Price for the purchased shares and any Tax-Related Items withholding). The Company reserves the right to permit this method of payment depending upon the development of local law.

Notifications

Exchange Control Information. You understand that you must repatriate any proceeds from the sale of Shares acquired under the Plan to India and convert the proceeds into local currency within a certain period after receipt. You will receive a foreign inward remittance certificate (the "**FIRC**") from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of fund 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.

Foreign Asset/Account Reporting Information. You are required to declare your foreign bank accounts and any foreign financial assets (including Shares held outside India) in your annual tax return. It is your responsibility to comply with this reporting obligation and you should consult with your personal tax advisor in this regard.

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 Options, which were made under the capital gains trustee track of Section 102 of the Israeli Income Tax Ordinance.

Israeli Subplan. By accepting the Options, you understand and agree that the Options are offered subject to and in accordance with the Advanced Micro Devices, Inc. 2004 Equity Incentive Plan Israeli Subplan (the “*Israeli Subplan*”) and the Options 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 Options, and you acknowledge that you will not be entitled to damages of any nature whatsoever if the Options 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 Options or any future awards granted under the Israeli Subplan. If you fail to comply with such request, the Options may not qualify as a 102 Capital Gains Track Grant.

Trust Arrangement. You acknowledge and agree that any Shares issued upon exercise of the Options 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 Options 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 law. 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 7 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 Options 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 Options and the Options do not qualify as Section 102 capital gains trustee track grants:

Cashless Exercise Restriction. Unless otherwise determined by the Administrator, you will be required to exercise the Options using the cashless sell-all exercise method whereby all Shares subject to the exercised Options will be sold immediately upon exercise and the proceeds of sale, less the Exercise Price, any Tax-Related Items and broker’s fees or commissions, will be remitted to you in accordance with any applicable exchange control laws and regulations. You will not be permitted to hold Shares after exercise. The Company reserves the right to provide additional methods of exercise to you depending on the development of local law.

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 U.S. Securities and Exchange Commission are available free of charge upon request with your local human resources representative.

ITALY*Terms and Conditions*

Method of Payment. The following provision supplements Section 3 of the Terms and Conditions:

Due to local regulatory requirements, you understand that you will be restricted to the cashless sell-all method of exercise. To complete a cashless sell-all exercise, you understand that you must instruct the Plan broker to: (i) sell all of the Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax-Related Items; and (iii) remit the balance in cash to you. You will not be permitted to hold Shares after exercise. Depending upon the development of laws and your status as a national of a country other than Italy, the Company reserves the right to modify the methods of exercising the Options and, in its sole discretion, to permit cash exercises, cashless sell-to-cover exercises or any other method of exercise and payment of Tax-Related Items permitted under the Plan.

Data Privacy. The following provision replaces in its entirety Section 11 of the Terms and Conditions:

You understand that the Employer and/or the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Shares held and the details of all Options or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding (the "Data") for the purpose of implementing, administering and managing your participation in the Plan. You are aware that providing the Company with your Data is necessary for the performance of the Agreement and that your refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. The controller of personal data processing is Advanced Micro Devices, Inc., One AMD Place, Sunnyvale, California 94088, USA, and, pursuant to D.lgs 196/2003, its representative in Italy is: Advanced Micro Devices, Spa. Via Polidoro da Caravaggio 6, 20156, Milano, Italy. You understand that the Data may be transferred to the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates, or to any third parties assisting in the implementation, administration and management of the Plan, including any transfer required to a broker or other third party with whom Shares acquired pursuant to the vesting of the Options or cash from the sale of such Shares may be deposited. Furthermore, the recipients that may receive, possess, use, retain and transfer such Data for the above mentioned purposes may be located in Italy or elsewhere, including outside of the European Union and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You hereby acknowledge that the processing activity, including the transfer of your personal data abroad, outside of the European Union, as herein specified and pursuant to Applicable Laws and regulations, does not require your consent because the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. You understand that Data processing relating to the above specified purposes will take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data are collected and with confidentiality and security provisions as set forth by Applicable Laws and regulations, with specific reference to D.lgs. 196/2003.

You understand that Data will be held only as long as is required by Applicable Laws or as necessary to implement, administer and manage your participation in the Plan. You understand that pursuant to art.7 of D.lgs 196/2003, you have the right, including but not limited to, access, delete, update, request the rectification of your Data and cease, for legitimate reasons, the Data processing. Furthermore, you are aware that your Data will not be used for direct marketing purposes. In addition, the Data provided can be reviewed and questions or complaints can be addressed by contacting a local representative available at the following address: Advanced Micro Devices, Spa. Via Polidoro da Caravaggio 6, 20156, Milano, Italy.

Plan Document Acknowledgment. In accepting the Options, 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 Options, Section 2: Exercise of Options; Section 6: Termination as a Service

Provider; Section 7: Responsibility for Taxes; Section 9: Nature of Grant; and the Data Privacy and Method of Payment provisions above.

Notifications

Foreign Asset/Account Reporting Information. If you hold investments abroad or foreign financial assets (*e.g.*, cash, Shares, the Options) that may generate income taxable in Italy, you are required to report them on your annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to you if you are beneficial owners of the investments, even if you do not directly hold investments abroad or foreign assets.

Foreign Asset Tax Information. The value of the financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. Beginning in 2014, such tax is levied at an annual rate of 0.2%. The taxable amount will be the fair market value of the financial assets (*e.g.*, Shares) assessed at the end of the calendar year.

JAPAN

Notifications

Exchange Control Information. If you acquire Shares valued at more than ¥100 million in a single transaction, you must file a Securities Acquisition Report with the Ministry of Finance (the “*MOF*”) through the Bank of Japan within 20 days of the acquisition.

In addition, if you pay more than ¥30 million in a single transaction for the purchase of Shares when you exercise the Options, you must file a Payment Report with the MOF through the Bank of Japan within 20 days of the date that the payment is made. The precise reporting requirements vary depending on whether or not the relevant payment is made through a bank in Japan. Please note that a Payment Report is required independently from a Securities Acquisition Report. Therefore, you must file both a Payment Report and a Securities Acquisition Report if the total amount that you pay in a single transaction for exercising the Options and purchasing Shares exceeds ¥100 million.

Foreign Asset/Account Reporting Information. Pursuant to a new law, you will be required to report details of any assets held outside of Japan as of December 31 (including Shares acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15 each year. You should consult with your personal tax advisor as to whether the reporting obligation applies to you and whether you will be required to report details of your outstanding Options, as well as Shares, in the report.

KOREA

Notifications

Exchange Control Information. To remit funds out of Korea to exercise the Options by a cash-exercise method, you must obtain a confirmation of the remittance by a foreign exchange bank in Korea. This is an automatic procedure (*i.e.*, the bank does not need to approve the remittance and the process should not take more than a single day). You likely will need to present the bank processing the transaction supporting documentation evidencing the nature of the remittance.

If you realize US\$500,000 or more from the sale of Shares or the receipt of any dividends in a single transaction, Korean exchange control laws require you to repatriate the proceeds to Korea within 18 months of the sale or receipt of such proceeds.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). You should consult with your personal tax advisor to determine your personal reporting obligations.

MALAYSIA

Terms and Conditions

Data Privacy. The following provision replaces in its entirety Section 11 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 any their respective 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.

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, date of birth, social insurance number 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. 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

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.

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, tarikh lahir, nombor insurans sosial atau nombor 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. 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

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 additional 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 a Service Provider and career with the Employer will not be adversely affected; the only adverse 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.

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 faham 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 pemrosesan 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 buruk 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 menjejaskan 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.

Notifications

Director Notification Obligation. If you are a director of the Company's Malaysian Parent, Subsidiary or Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Parent, Subsidiary or 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 upon receiving or disposing of any interest in the Company or any related company.

MEXICO

Terms and Conditions

No Entitlement or Claims for Compensation. The following provisions supplement Sections 8 and 9 of the Terms and Conditions:

Modification. By accepting the Options, 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 Options 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 One AMD Place, Sunnyvale, CA 94088, 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 Options, 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 9 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 any of their respective Parents, Subsidiaries or Affiliates are not responsible for any decrease in the value of the Shares underlying the Options.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates 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 each of their respective Parents, Subsidiaries and 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 8 y 9 de los Términos y Condiciones

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

Declaración de Política. El Otorgamiento de las Opciones que hace 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 One AMD Place, Sunnyvale, CA 94088, 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 Avila 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 Opciones, 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 into Poland in connection with the sale of Shares or the receipt of dividends, the funds must be transferred via a bank account. 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. If you hold Shares acquired under the Plan and/or maintain a bank account abroad, you will have reporting duties to the National Bank of Poland; specifically, if the aggregate value of Shares and cash held in such foreign accounts exceeds PLN7,000,000, you must file reports on the transactions and balances of the accounts on a quarterly basis. You should consult with your personal legal advisor to determine what you must do to fulfill any applicable reporting duties.

RUSSIA*Terms and Conditions*

Method of Payment. The following provision supplements Section 3 of the Terms and Conditions:

Depending on the development of local regulatory requirements, the Company reserves the right to restrict you to the cashless sell-all method of exercise, whereby all Shares subject to the exercised Option will be sold immediately upon exercise and the proceeds of the sale, less the Exercise Price, any Tax-Related Items and broker's fees or commissions, will be remitted to you in accordance with any Applicable Laws and regulations. If the Company restricts you to the cashless sell-all method of exercise, you will not be permitted to acquire and hold Shares after exercise. The Company reserves the right to provide additional methods of exercise to you depending on the development of local law.

Notifications

Exchange Control Information. In order to perform a cash exercise of the Option, you must remit the funds from a foreign currency account at an authorized bank in Russia. This requirement does not apply if you use a cashless method of exercise, such that there is no remittance of funds out of Russia. Upon the sale of Shares acquired under the Plan or the receipt of any cash dividends paid on such Shares, you must repatriate the proceeds back to Russia within a reasonably short time after receipt of the proceeds. You may remit proceeds to your foreign currency account at an authorized bank in Russia or in a foreign bank account opened in accordance with Russian exchange control laws. You are encouraged to contact your personal advisor before remitting your sale proceeds to Russia.

Securities Law Information. You are not permitted to sell Shares directly to other Russian legal entities or residents.

The grant of your Options 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.

Labor Law Information. If you continue to hold Shares acquired at exercise of the Options after an involuntary termination of your service, 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 are strongly advised to consult with your personal legal advisor to determine whether the restriction applies to you.

SINGAPORE*Notifications*

Securities Law Information. The Award of Options is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Cap. 289) (the "**SFA**") for which it is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the Award of Options is subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the Options in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Obligation. If you are a director, associate director or shadow director of the Company's Singapore Parent, Subsidiary or Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company's Singapore Parent, Subsidiary or

Affiliate in writing when you receive an interest (e.g., an Award or Shares) in the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates. In addition, you must notify the Company's Singapore Parent, Subsidiary or Affiliate when you sell Shares or shares of any Parent, Subsidiary or Affiliate (including when you sell Shares issued upon exercise of the Options). These notifications must be made upon acquiring or disposing of any interest in the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates. In addition, a notification of your interests in the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates must be made upon becoming a director.

SWEDEN

There are no country-specific provisions.

TAIWAN

Notifications

Securities Law Information. The Options and the Shares to be issued upon exercise of the Options are available only for certain Service Providers. 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.

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. If the transaction amount is US\$500,000 or more, you may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Please consult your personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

UNITED KINGDOM

Terms & Conditions

Responsibility for Taxes. The following provisions supplement Section 7 of the Terms and Conditions:

You must pay to the Company or the Employer any amount of income tax due that the Company or the Employer may be required to account to Her Majesty's Revenue and Customs (the "HMRC") with respect to the event giving rise to the Tax-Related Items (the "**Taxable Event**") that cannot be satisfied by the means described in this Section 7. If payment or withholding of the income tax is not made within 90 days of the end of the U.K. tax year in which the Taxable Event occurs or such other period as required under U.K. law (the "**Due Date**"), you agree that the amount of any uncollected income tax will (assuming you are not a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended)) constitute a loan owed by you to the Company or the Employer (as applicable), effective on the Due Date. You agree that the loan will bear interest at the then-current HMRC official rate and it will be immediately due and repayable, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in this Section 7. If you fail to comply with your obligations in connection with the income tax due as described in this section, the Company may refuse to deliver the Shares acquired under the Plan.

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you will not be eligible for such a loan to cover the income tax due. In the event that you are a director or executive officer and the income tax due is not collected from or paid by you by the Due Date, the amount of any uncollected tax 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. You acknowledge that the Company or the Employer may recover any such national insurance contributions at any time thereafter by any of the means referred to in this Section 7.

**FORM OF RESTRICTED STOCK UNIT AGREEMENT
FOR SENIOR VICE PRESIDENTS AND ABOVE
ADVANCED MICRO DEVICES, INC. 2004 EQUITY INCENTIVE PLAN**

**RESTRICTED STOCK UNIT GRANT NOTICE
ADVANCED MICRO DEVICES, INC. 2004 EQUITY INCENTIVE PLAN**

Advanced Micro Devices, Inc., a Delaware corporation (the “*Company*”), pursuant to its 2004 Equity Incentive Plan (as amended and restated, the “*Plan*”), hereby grants to the holder listed below (“*Participant*”) this award of restricted stock units set forth below (the “*RSUs*”). This award of RSUs is subject to all of the terms and conditions set forth herein, in the Terms and Conditions to the RSUs (the “*Terms and Conditions*”), in any terms and conditions for Participant’s country set forth in the appendix thereto, as applicable (the “*Appendix*”) and in the Plan, each of which are incorporated herein by reference.

Participant:

Grant Date:

**Total Number of Restricted
Stock Units:** units

Vesting Schedule: [To be specified in individual agreements]

By his or her signature, Participant agrees to be bound by the terms and conditions of the Plan, the Terms and Conditions, the Appendix and this Restricted Stock Unit Grant Notice. Participant has reviewed the Plan, the Terms and Conditions, the Appendix and this Restricted Stock Unit Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Restricted Stock Unit Grant Notice and fully understands all provisions of the Plan, the Terms and Conditions, the Appendix and this Restricted Stock Unit Grant Notice. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator (as defined in the Plan) upon any questions arising under the Plan, the Terms and Conditions, the Appendix or this Restricted Stock Unit Grant Notice.

ADVANCED MICRO DEVICES, INC.

PARTICIPANT

By:

By:

Print Name:

Print Name:

Title:

Address:

Address:



**TERMS AND CONDITIONS
RESTRICTED STOCK UNIT AWARD
ADVANCED MICRO DEVICES, INC. 2004 EQUITY INCENTIVE PLAN**

These Terms and Conditions (these “Terms and Conditions”), collectively with the accompanying Restricted Stock Unit Grant Notice (the “*Grant Notice*”) and any terms and conditions for your country contained in the Appendix hereto, as applicable (the “*Appendix*”), comprise your agreement (the “*Agreement*”) with Advanced Micro Devices, Inc., a Delaware corporation (the “*Company*”), regarding restricted stock units (the “*RSUs*”) awarded under the Advanced Micro Devices, Inc. 2004 Equity Incentive Plan (as amended and restated, the “*Plan*”). Capitalized terms not specifically defined herein have the same meanings assigned to them in 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 a Service Provider through each vesting date.
 2. **Issuance of Shares.** After the RSUs vest, the shares (“*Shares*”) of Company common stock will be issued in your name as soon as practicable after you have satisfied any Tax-Related Items (as defined in Section 5) and subject to any country-specific terms and conditions set forth in the Appendix.
 3. **Nontransferability of Restricted Stock Units.** Unless determined otherwise by the Administrator, the RSUs may not be pledged, assigned, sold or otherwise transferred.
 4. **Forfeiture of Restricted Stock Units.** If your status as a Service Provider terminates for any reason before the vesting date(s) shown on the Grant Notice, your unvested RSUs will be cancelled and you will not have any right to receive Shares pursuant to the RSUs.
 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, 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 (1) 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 (2) 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.
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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. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their 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 paid to you by the Company and/or the Employer;
- (b) withholding from proceeds of the sale of Shares acquired upon vesting/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 further consent); or
- (c) withholding in Shares to be issued upon vesting/settlement of the RSUs.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed 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.

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 the Shares upon vesting, you acknowledge and agree to the terms and conditions of the Agreement and the terms and provisions of the Plan.

(b) **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.

(c) **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.

(d) **Change of Control.** If your employment is terminated by the Company or the Employer for any reason other than for Misconduct or, if applicable, by you as a result of a

Constructive Termination, within one year after a Change of Control, then the RSUs will become fully vested upon the date of termination.

(e) 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 other compensation as replacement for the declined RSUs.

(f) Recovery in the Event of a Financial Restatement. 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 Administrator will review all equity-based compensation (including the RSUs) awarded to employees at the Senior Vice President level and above. If the Administrator (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 Administrator may, to the extent permitted by Applicable Law, 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 Administrator 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 Administrator 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.

7. Nature of Grant. In accepting the grant, 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 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) your participation in the Plan will not create a right to further employment with the Company or the Employer and will not interfere with the ability of the Company or the Employer to terminate your employment relationship at any time;

(e) you are voluntarily participating in the Plan;

(f) the RSUs and the Shares subject to the RSUs, and the value and income of such RSUs and Shares, are not intended to replace any pension rights or compensation;

(g) the RSUs and the Shares subject to the RSUs, and the value and income of 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;

(h) 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 of their respective Parents, Subsidiaries or Affiliates;

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

(j) 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 never to institute any claim against the Company, the Employer, any Parent or any of their respective Parents, Subsidiaries or Affiliates, waive your ability, if any, to bring such claim against the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates, and release the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you will be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary, or reasonably requested by the Company, to request dismissal or withdrawal of such claims;

(k) in the event of termination of your status as a Service Provider (for any reason whatsoever and whether or not in breach of Applicable Laws), your right to vest in the RSUs under the Plan, if any, will terminate effective as of the date that you are no longer actively employed or providing services and will not be extended by any notice period mandated under applicable local laws (*e.g.*, active employment or service would not include a period of “garden leave” or similar period pursuant to Applicable Laws); the Administrator will have the exclusive discretion to determine when you are no longer actively employed or providing services for purposes of your RSU grant (including whether you may still be considered to be providing services while on a leave of absence);

(l) 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

(m) the following provisions apply only if you are providing services outside the United States:

(1) the RSUs and the Shares subject to the RSUs, and the value and income of same, are not part of normal or expected compensation or salary for any purpose; and

(2) none of the Company, the Employer, or any of their respective Parents, Subsidiaries or Affiliates will be liable for any foreign exchange rate fluctuation between any local currency and the United States 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 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, the Employer, the Company and their respective Parents, Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance 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, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

You understand that Data may 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. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize 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 the 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 if you reside outside the United States, you may, at any time, view Data, request additional 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 your local human resources representative. 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 your consent, your employment status or service and career with the Company or Employer will not be adversely

affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you RSUs or other equity awards 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 your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

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 Common Stock 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 Administrator shall, in its absolute discretion, deem necessary or advisable; the obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable; and the lapse of such reasonable period of time following the vesting or settlement as the Administrator 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, administrators, 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 California as such laws are applied to agreements between California residents entered into and to be performed entirely within California, 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 California and agree that such litigation will be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, 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. **Administrator Authority.** The Administrator 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 Shares subject to the RSUs have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon you, the Company and all other interested persons. The Administrator will not be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Agreement.
15. **Language.** 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.** 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 special 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 special 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 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.
22. **Insider Trading Restrictions/Market Abuse Laws.** You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g., RSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). 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 are advised to 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 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 when sent via email or when sent by certified mail (return receipt requested) and deposited (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 Law, 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 Administrator determines that the RSUs (or any portion thereof) may be subject to Section 409A, the Administrator 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 Administrator 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.

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
Advanced Micro Devices, Inc. 2004 Equity Incentive Plan

Capitalized terms not specifically defined in this Appendix (this “*Appendix*”) have the same meaning assigned to them in the Advanced Micro Devices, Inc. 2004 Equity Incentive Plan (as amended and restated, 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 to another country after the grant but prior to the vesting 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 June 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you 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 or the subsequent sale of the Shares or receipt of any dividends or dividend equivalents. 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 are advised to 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 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.

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 subject to the supervision of any Argentine governmental authority.

Exchange Control Information. If you transfer proceeds from the sale of Shares or the receipt of any dividends paid on such Shares into Argentina within ten (10) days of receipt (*i.e.*, the proceeds have not been held in the offshore bank or brokerage account for at least ten (10) days prior to transfer), you must deposit 30% of the proceeds into a non-interest bearing account in Argentina for 365 days. If, however, you have satisfied the ten-day holding obligation, the Argentine bank handling the transaction may still request certain documentation in connection with your request to transfer proceeds into Argentina, including evidence of the sale or dividend payment and proof that no funds were remitted out of Argentina to acquire the Shares. If the bank determines that the ten-day rule or any other rule or regulation promulgated by the Argentine Central Bank has not been satisfied, it will require that 30% of the proceeds be placed in a non-interest bearing dollar denominated mandatory deposit account for a holding period of 365 days.

Please note that exchange control regulations in Argentina are subject to frequent change. You should consult with your personal legal advisor regarding any exchange control obligations you may have in connection with participation in the Plan.

Foreign Asset/Account Reporting Information. You must report any Shares acquired and held by you on December 31 of each year on your annual tax return for that year.

AUSTRALIA

Terms and Conditions

Data Privacy. This following provision supplements Section 9 of the Terms and Conditions:

The Company can be contacted at One AMD Place, Sunnyvale, CA, 94088, 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.

Notifications

Securities Law Information. If you acquire Shares pursuant to the RSUs and you offer the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. You should obtain legal advice on disclosure obligations prior to making any such offer.

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 is involved in the transfer, you will be required to file the report.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. If you are a resident of Belgium, you are required to report any securities (*e.g.*, Shares acquired under the Plan) or bank accounts (including brokerage accounts) opened and maintained outside of Belgium on your annual tax return.

BRAZIL

Terms and Conditions

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 any and all taxes associated with the vesting of the RSUs, the receipt of any dividends and the sale of Shares.

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. The assets and rights that must be reported include Shares. Please note that the US\$100,000 threshold may be changed annually.

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 Section 11(d) of the Plan, RSUs will be settled in Shares only, not cash.

Termination of Service. The following provision replaces Section 7(k) of the Terms and Conditions:

In the event of the termination of your status as Service Provider for any reason (whether or not in breach of Applicable Laws), your right to vest in the RSUs under the Plan, if any, will terminate effective as of the date that is the earlier of (1) the date your status as a Service Provider is terminated, (2) the date that you receive notice of termination from the Employer, or (3) the date you are no longer actively providing service, regardless of any notice period or period of pay in lieu of such notice required under Applicable Laws (including, but not limited to statutory law, regulatory law and/or common law); the Company has the exclusive discretion to determine when you are no longer actively providing service for purposes of the RSUs (including whether you may still be considered to be providing service while on a leave of absence).

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 provision supplements 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 of their respective Parents, Subsidiaries and Affiliates and the Administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company, the Employer and any of their respective Parents, Subsidiaries and Affiliates 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.

Foreign Asset/Account Reporting Information. If the total value of your foreign property (including cash held outside of Canada or Shares) exceeds C\$100,000 at any time during the year, you must report all of your foreign property on Form T1135 (Foreign Income Verification Statement) by April 30 of the following year. Foreign property may also include your unvested RSUs. You should consult with your personal tax advisor to determine your reporting requirements.

CHINA

The following terms and conditions will apply if you are subject to exchange control restrictions and regulations in China, as determined by the Company in its sole discretion.

Terms and Conditions

Settlement of Restricted Stock Units and Sale of Shares. The following provision supplements 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 a Service Provider. 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 a Service Provider 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 a Service Provider. 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 their respective Parents, Subsidiaries or Affiliates, 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.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to 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 sale of Shares to ensure compliance with current regulations. It is your responsibility to comply with Czech exchange control laws, and neither the Company nor the Employer will be liable for any resulting fines or penalties.

FINLAND

There are no country-specific provisions.

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.

Foreign Asset/Account Reporting Information. You must report all foreign accounts, whether open, current or closed (including any brokerage account established for purposes of your participation in the Plan), to the French tax authorities in your annual income tax section.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. 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 5th 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

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 Service Providers of the Company, the Employer or their respective Parents, Subsidiaries or 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 Service Provider 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.*

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

Notwithstanding any discretion contained in Section 11(d) of the Plan, RSUs will be settled in Shares only, not cash.

In the event your RSUs vest and Shares are issued to you within six months of the date of grant, you agree that you will not dispose of any Shares acquired prior to the six-month anniversary of the date of grant.

Notifications

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

INDIA

Notifications

Exchange Control Information. You understand that you must repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of any dividends paid on such Shares to India and convert the proceeds into local currency within a certain period after receipt. You will receive a foreign inward remittance certificate (the “**FIRC**”) from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of fund 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.

Foreign Asset/Account Reporting Information. You are required to declare your foreign bank accounts and any foreign financial assets (including Shares held outside India) in your annual tax return. It is your responsibility to comply with this reporting obligation and you should consult with your personal tax advisor in this regard.

INDONESIA

Notifications

Exchange Control Information. 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.

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 law. 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 Administrator, 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

Data Privacy. The following provision replaces in its entirety Section 9 of the Terms and Conditions:

You understand that the Employer and/or the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Shares held and the details of all RSUs or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding (the “Data”) for the purpose of implementing, administering and managing your participation in the Plan. You are aware that providing the Company with your Data is necessary for the performance of the Agreement and that your refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan.

The controller of personal data processing is Advanced Micro Devices, Inc., One AMD Place, Sunnyvale, California 94088, USA, and, pursuant to D.lgs 196/2003, its representative in Italy is Advanced Micro Devices S.p.a., Via Polidoro da Caravaggio 6, 20156, Milano, Italy. You understand that the Data may be transferred to the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates, or to any third parties assisting in the implementation, administration and management of the Plan, including any transfer required to a broker or other third party with whom Shares acquired pursuant to the vesting of the RSUs or cash from the sale of such Shares may be deposited. Furthermore, the recipients that may receive, possess, use, retain and transfer such Data for the above mentioned purposes may be located in Italy or elsewhere, including outside of the European Union and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You hereby acknowledge that the processing activity, including the transfer of your personal data abroad, outside of the European Union, as herein specified and pursuant to Applicable Laws and regulations, does not require your consent because the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. You understand that Data processing relating to the above specified purposes will take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which

Data are collected and with confidentiality and security provisions as set forth by Applicable Laws and regulations, with specific reference to D.lgs. 196/2003.

You understand that Data will be held only as long as is required by Applicable Laws or as necessary to implement, administer and manage your participation in the Plan. You understand that pursuant to art. 7 of D.lgs 196/2003, you have the right, including but not limited to, access, delete, update, request the rectification of your Data and cease, for legitimate reasons, the Data processing. Furthermore, you are aware that your Data will not be used for direct marketing purposes. In addition, the Data provided can be reviewed and questions or complaints can be addressed by contacting a local representative available at the following address: Advanced Micro Devices S.p.a., Via Polidoro da Caravaggio 6, 20156, Milano, Italy.

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; Section 7: Nature of Grant and the Data Privacy provisions above.

Notifications

Foreign Asset/Account Reporting Information. If you hold investments abroad or foreign financial assets (*e.g.*, cash, Shares, RSUs) that may generate income taxable in Italy, you are required to report them on your annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to you if you are beneficial owners of the investments, even if you do not directly hold investments abroad or foreign assets.

Foreign Asset Tax. The value of the financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. Beginning in 2014, such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (*e.g.*, Shares) assessed at the end of the calendar year.

JAPAN

Notifications

Foreign Asset/Account Reporting Information. Pursuant to a new law, you will be required to report details of any assets held outside of Japan as of December 31 (including Shares acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15 each year. You should consult with your personal

tax advisor as to whether the reporting obligation applies to you and whether you will be required to report details of your outstanding RSUs, as well as Shares, in the report.

KOREA

Notifications

Exchange Control Information. If you realize US\$500,000 or more from the sale of Shares or the receipt of any dividends in a single transaction, Korean exchange control laws require you to repatriate the proceeds to Korea within 18 months of the sale or receipt of such proceeds.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). You should consult with your personal tax advisor to determine your personal reporting obligations.

MALAYSIA

Terms and Conditions

Data Privacy. The following provision replaces 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 any their respective 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.

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, date of birth, social insurance number 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,

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.

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, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa syer

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.

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 additional 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 a Service Provider and career with the Employer will not be adversely affected;

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 diletak hak ataupun bagi faedah anda (“Data”), untuk tujuan yang eksklusif bagi melaksanakan, mentadbir dan menguruskan Pelan tersebut.

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 faham bahawa Data akan dipegang hanya untuk tempoh yang diperlukan untuk melaksanakan, mentadbir dan menguruskan penyertaan anda dalam Pelan tersebut.

the only adverse 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.

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 buruk 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 menjejaskan 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.

Notifications

Director Notification Obligation. If you are a director of the Company's Malaysian Parent, Subsidiary or Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Parent, Subsidiary or 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 upon 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 One AMD Place, Sunnyvale, CA 94088, 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 any of their respective Parents, Subsidiaries and 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 of their respective Parents, Subsidiaries or Affiliates 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 each of their respective Parents, Subsidiaries and 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 detrimento 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 One AMD Place, Sunnyvale, CA 94088, 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 into Poland in connection with the sale of Shares or the receipt of dividends, the funds must be transferred via a bank account. 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. If you hold Shares acquired under the Plan and/or maintain a bank account abroad, you will have reporting duties to the National Bank of Poland; specifically, if the aggregate value of Shares and cash held in such foreign accounts exceeds PLN7,000,000, you must file reports on the transactions and balances of the accounts on a quarterly basis. You should consult with your personal legal advisor to determine what you must do to fulfill any applicable reporting duties.

RUSSIA

Notifications

Exchange Control Information. Upon the sale of Shares acquired under the Plan or the receipt of any cash dividends paid on such Shares, you must repatriate the proceeds back to Russia within a reasonably short time after receipt of the proceeds. You may remit proceeds to your foreign currency account at an authorized bank in Russia or in a foreign bank account opened in accordance with Russian exchange control laws. You are encouraged to contact your personal advisor before remitting your sale proceeds to Russia.

Securities Law Information. You are not permitted to sell Shares directly to other Russian legal entities or residents.

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.

Labor Law Information. If you continue to hold Shares acquired at vesting of the RSUs after an involuntary termination of your service, 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 are strongly advised to consult with your personal legal advisor to determine whether the restriction applies to you.

SINGAPORE

Notifications

Securities Law Information. The Award of RSUs is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Cap. 289) (the “**SFA**”) for which it is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or

registered as a prospectus with the Monetary Authority of Singapore. You should note that the Award of RSUs is subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the RSUs in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Obligation. If you are a director, associate director or shadow director of the Company's Singapore Parent, Subsidiary or Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Company's Singapore Parent, Subsidiary or Affiliate in writing when you receive an interest (*e.g.*, an Award or Shares) in the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates. In addition, you must notify the Company's Singapore Parent, Subsidiary or Affiliate when you sell Shares or shares of any Parent, Subsidiary or Affiliate (including when you sell Shares issued upon vesting and settlement of the RSUs). These notifications must be made upon acquiring or disposing of any interest in the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates. In addition, a notification of your interests in the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates must be made upon becoming a director.

SPAIN

Terms and Conditions

No Entitlement for Claims or Compensation. The following provision supplements 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 individuals who may be Consultants, Directors and 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 of their respective Parents, Subsidiaries or Affiliates 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 of their respective Parents, Subsidiaries or Affiliates) and will 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 Service Provider, such that if your status as a Service Provider terminates for any reason whatsoever, your RSUs cease vesting immediately effective the date of your termination of your status as a Service Provider. This will be the case, for example and without limitation, even if (i) you are considered to be unfairly dismissed without good cause, (ii) you are dismissed for disciplinary or objective reasons or due to a collective dismissal, (iii) you terminate service due to a change of work location, duties or any other employment or contractual condition, (iv) you terminate service due to the Company's, the Employer's or any of their respective Parents', Subsidiaries' or Affiliates' unilateral breach of contract, or (v) your status as a Service Provider terminates for any other reason whatsoever. Consequently, upon termination of your status as a Service Provider for any of the above reasons, you will automatically lose any rights to RSUs granted to you that were unvested on the date of termination of your status as a Service Provider, as described in the Plan or Agreement.

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 derived from the ownership of Shares (*i.e.*, as a result of the sale of the Shares or the receipt of dividends) exceeding €50,000, you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will need to provide the institution with the following information: (i) your name, address, and fiscal identification number, (ii) Company name and corporate domicile, (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.

Foreign Asset/Account Reporting Information. Effective January 1, 2013, to the extent that you hold rights or assets (*e.g.*, Shares or cash held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, Shares, cash, etc.) as of December 31 each year, you will be required to report information on such rights and assets on

your tax return for such year. After such rights and assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by March 31 following the end of the relevant year. It is your responsibility to comply with these reporting obligations, and you should consult with your personal tax and legal advisors in this regard.

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

There are no country-specific provisions.

TAIWAN

Notifications

Securities Law Information. The RSUs and the underlying Shares are available only for certain Service Providers. 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.

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. If the transaction amount is US\$500,000 or more, you may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Please consult your personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Notifications

Exchange Control Information. When you realize US\$50,000 or more in a single transaction from the sale of Shares issued to you at vesting and settlement of the RSUs or you receive a 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. If the

amount of your proceeds is US\$50,000 or more in a single transaction, you must 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. Under Turkish law, you are not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange, 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. Under Turkish law, 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 Service Providers and is in the nature of providing equity incentives to Service Providers residing or working in the United Arab Emirates.

The Plan and the Agreement are intended for distribution only to such Service Providers and must not be delivered to, or relied on by, any other person. 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. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Plan. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the Plan or the Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.

UNITED KINGDOM

Terms & Conditions

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

Notwithstanding any discretion contained in Section 11(d) of 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:

You must pay to the Company or the Employer any amount of income tax due that the Company or the Employer may be required to account to Her Majesty's Revenue and Customs ("**HMRC**") with respect to the event giving rise to the Tax-Related Items (the "**Taxable Event**") that cannot be satisfied by the means described in this Section 5. If payment or withholding of the income tax is not made within 90 days of the end of the U.K. tax year in which the Taxable Event occurs or such other period as required under U.K. law (the "**Due Date**"), you agree that the amount of any uncollected income tax will (assuming you are not a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended)) constitute a loan owed by you to the Company or the Employer (as applicable), effective on the Due Date. You agree that the loan will bear interest at the then-current HMRC official rate and it will be immediately due and repayable, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in this Section 5. If you fail to comply with your obligations in connection with the income tax due as described in this Section 5, the Company may refuse to deliver the Shares acquired under the Plan.

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you will not be eligible for such a loan to cover the income tax due. In the event that you are a director or executive officer and the income tax due is not collected from or paid by you by the Due Date, the amount of any uncollected tax 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. You acknowledge that the Company or the Employer may recover any such national insurance contributions at any time thereafter by any of the means referred to in this Section 5.

**FORM OF PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE
ADVANCED MICRO DEVICES, INC.
2004 EQUITY INCENTIVE PLAN**

Advanced Micro Devices, Inc., a Delaware corporation (the “*Company*”), pursuant to its 2004 Equity Incentive Plan (as amended and restated, the “*Plan*”), hereby grants to the holder listed below (“*Participant*”), this award of performance-based restricted stock units set forth below (the “*PRSU*s”). This award of PRSUs is subject to all of the terms and conditions set forth herein, in the Terms and Conditions to the PRSUs (the “*Terms and Conditions*”), in any terms and conditions for Participant’s country set forth in the appendix thereto, as applicable (the “*Appendix*”) and in the Plan, each of which are incorporated herein by reference.

Participant:

Grant Date:

units

Target Number of PRSUs:

Vesting Schedule and Performance Conditions: [To be specified in individual agreements]

By his or her signature, Participant agrees to be bound by the terms and conditions of the Plan, the Terms and Conditions, the Appendix and this Performance-Based Restricted Stock Unit Grant Notice. Participant has reviewed the Plan, the Terms and Conditions, the Appendix and this Performance-Based Restricted Stock Unit Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Performance-Based Restricted Stock Unit Grant Notice and fully understands all provisions of the Plan, the Terms and Conditions, the Appendix and this Performance-Based Restricted Stock Unit Grant Notice. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator (as defined in the Plan) upon any questions arising under the Plan, the Terms and Conditions, the Appendix or this Performance-Based Restricted Stock Unit Grant Notice.

ADVANCED MICRO DEVICES, INC.

PARTICIPANT

By:

By:

Print Name:

Print Name:

Title:

Address:

Address:



TERMS AND CONDITIONS
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD
ADVANCED MICRO DEVICES, INC. 2004 EQUITY INCENTIVE PLAN

These Terms and Conditions (these “*Terms and Conditions*”), collectively with the accompanying Performance-Based Restricted Stock Unit Grant Notice (the “*Grant Notice*”) and any terms and conditions for your country contained in the Appendix hereto, as applicable (the “*Appendix*”), comprise your agreement (the “*Agreement*”) with Advanced Micro Devices, Inc., a Delaware corporation (the “*Company*”), regarding performance-based restricted stock units (the “*PRSUs*”) awarded under the Advanced Micro Devices, Inc. 2004 Equity Incentive Plan (as amended and restated, 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.** The PRSUs will vest on the date(s) shown on the Grant Notice provided that (a) the performance conditions for the vesting of such PRSUs have been satisfied and (b) you continue to be a Service Provider through each 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.
 2. **Issuance of Shares.** After the PRSUs vest, shares (“*Shares*”) of Company common stock will be issued in your name as soon as practicable after you have satisfied any Tax-Related Items (as defined in Section 5) and subject to any country-specific terms and conditions set forth in the Appendix; provided, however, that, subject to the last sentence of Section 5 of these Terms and Conditions, in no event shall the Company deliver Shares in settlement of your vested PRSUs to you later than March 15 following the calendar year in which the respective portion of the PRSUs vest.
 3. **Nontransferability of PRSUs.** Unless determined otherwise by the Administrator, the PRSUs may not be pledged, assigned, sold or otherwise transferred.
 4. **Forfeiture of PRSUs.** Except as otherwise provided in Section 6(d) 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 you will not have any right to receive Shares pursuant to the PRSUs.
 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, 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 (1) 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 (2) 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
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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. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their 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 paid to you by the Company and/or the Employer;
- (b) withholding from proceeds of the sale of Shares acquired upon vesting/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 further consent); or
- (c) withholding in Shares to be issued upon vesting/settlement of the PRSUs.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed 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.

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 the Shares upon vesting, you acknowledge and agree to the terms and conditions of the Agreement and the terms and provisions of the Plan.

(b) **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.

(c) **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.

(d) Change of Control. Notwithstanding anything to the contrary herein, in the event that the Company experiences a Change of Control (as defined in the Plan), then the following provisions will apply:

(i) Any PRSUs that were earned prior to the occurrence of the Change of Control (other than any PRSUs you are deemed to earn pursuant to subparagraph (ii) below) (the “*Pre-CIC Earned PRSUs*”), will remain subject to their respective service-based vesting schedule, as provided in Exhibit A, attached hereto.

(ii) With respect to any outstanding PRSUs that have not been earned as of the date of the Change of Control, you will be deemed to have earned the number of PRSUs (the “*CIC Earned PRSUs*”) that would have been earned based on the actual achievement of the Performance Level determined as of the date of the Change of Control, in the Compensation Committee’s sole discretion, and any remaining unearned PRSUs will be automatically forfeited without further consideration. At the time of such Change of Control, the CIC Earned PRSUs (if any) will convert automatically into an equal number of time-based restricted stock units (the “*CIC RSUs*”) that will vest as follows:

(A) if the Change of Control occurs before the first anniversary of the Grant Date, the CIC RSUs will vest in three (3) equal annual installments beginning on the first anniversary of the Grant Date;

(B) if the Change of Control occurs on or after the first anniversary of the Grant Date but before the second anniversary of the Grant Date, one-third of the CIC RSUs will be fully vested on the date of the Change of Control, and the remaining two-thirds will vest in two equal installments on the second and third anniversaries of the Grant Date; and

(C) if the Change of Control occurs on or after the second anniversary of the Grant Date but before the third anniversary of the Grant Date, two-thirds of the CIC RSUs will be fully vested on the date of the Change of Control, and the remaining one-third will vest on the third anniversary of the Grant Date;

provided, in each case, that you remain a Service Provider with the Company, the Employer (or each of their successors) through each applicable vesting date.

(iii) Notwithstanding the foregoing, if, upon or any time during the three (3) year period following the Change of Control, your employment or service is terminated by the Company, the Employer (or each of their successors) other than for Misconduct or you terminate your employment or service with the Company, the Employer (or each of their successors) in a Constructive Termination, then any unvested Pre-CIC Earned PRSUs and CIC RSUs will immediately and fully vest and be distributed as of your date of termination.

(e) 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 by the deadline for such declination. Your declination is non-revocable, and you will not receive a grant of stock options or other compensation as replacement for the declined PRSUs.

(f) 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 Administrator will review all equity-based compensation (including the PRSUs) awarded to employees at the Senior Vice President level and above. If the Administrator (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 Administrator may, to the extent permitted by Applicable Law, 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 Administrator 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 Administrator 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 PRSUs (including any proceeds, gains or other economic benefit actually or constructively received by you upon any receipt of the PRSUs or upon the receipt or resale of any Company’s common stock underlying the PRSUs) 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 law, 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 the grant, 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 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) your participation in the Plan will not create a right to further employment with the Company or the Employer and will not interfere with the ability of the Company or the Employer to terminate your employment relationship at any time;

(e) you are voluntarily participating in the Plan;

(f) the PRSUs and the Shares subject to the PRSUs, and the value and income of such PRSUs and Shares, are not intended to replace any pension rights or compensation;

(g) the PRSUs and the Shares subject to the PRSUs, and the value and income of 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;

(h) 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 of their respective Parents, Subsidiaries or Affiliates;

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

(j) 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 never to institute any claim against the Company, the Employer, any Parent or any of their respective Parents, Subsidiaries or Affiliates, waive your ability, if any, to bring such claim against the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates, and release the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you will be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary, or reasonably requested by the Company, to request dismissal or withdrawal of such claims;

(k) in the event of termination of your status as a Service Provider (for any reason whatsoever and whether or not in breach of Applicable Laws), your right to vest in the PRSUs under the Plan, if any, will terminate effective as of the date that you are no longer actively employed or providing services and will not be extended by any notice period mandated under applicable local laws (e.g., active employment or service would not include a period of "garden leave" or similar period pursuant to Applicable Laws); the Administrator will have the exclusive discretion to determine when you are no longer actively employed or providing services for purposes of your PRSU grant (including whether you may still be considered to be providing services while on a leave of absence);

(l) 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

(m) the following provisions apply only if you are providing services outside the United States:

(1) the PRSUs and the Shares subject to the PRSUs, and the value and income of same, are not part of normal or expected compensation or salary for any purpose; and

(2) none of the Company, the Employer, or any of their respective Parents, Subsidiaries or Affiliates will be liable for any foreign exchange rate fluctuation between any local currency and the United States 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 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, the Employer, the Company and their respective Parents, Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.*

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance 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, for the exclusive purpose of implementing, administering and managing the Plan (“Data”).

You understand that Data may 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. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize 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 the 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 if you reside outside the United States, you may, at any time, view Data, request additional 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 your local human resources representative. 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 your consent, your employment status or service and career with the Company or Employer will not be adversely

affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you PRSUs or other equity awards 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 your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

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 Common Stock 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 Administrator shall, in its absolute discretion, deem necessary or advisable; the obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable; and the lapse of such reasonable period of time following the vesting or settlement as the Administrator 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, administrators, 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 California as such laws are applied to agreements between California residents entered into and to be performed entirely within California, 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 California and agree that such litigation will be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, 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. **Administrator Authority.** The Administrator 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 Shares subject to the PRSUs have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon you, the Company and all other interested persons. The Administrator will not be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Agreement.
15. **Language.** 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.** 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 special 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 special 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 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 Exhibit A 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.

22. **Insider Trading Restrictions/Market Abuse Laws.** You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g., PRSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). 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 are advised to 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 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 when sent via email or when sent by certified mail (return receipt requested) and deposited (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 Law, 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 Administrator determines that the PRSUs (or any portion thereof) may be subject to Section 409A, the Administrator 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 Administrator 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. **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 will terminate any outstanding, unexpired or unpaid PRSUs ("Termination"), rescind any payment or delivery pursuant to the PRSUs ("Rescission") or recapture any cash or any Common Stock or proceeds from your sale of Common Stock acquired pursuant to the PRSUs ("Recapture"), as more fully described below and to the extent permitted by applicable law. For purposes of this Section 27, 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 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, 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 Committee of the Board, 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 months (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.

The activities described in this Section 27(b) are collectively referred to as 'Activities Against the Company's Interest.'

(c) If the Company determines, in its sole and absolute discretion, that: (i) you have violated any of the requirements set forth in Section 27(a) 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 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 PRSUs 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 PRSUs, or, if you have sold such Common Stock, 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 27(c) shall be made either in cash or by returning to the Company the number of shares of Common Stock 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 (i) such stock or other securities are listed upon a recognized securities exchange or traded over-the-counter, and (ii) such investment does not represent more than a five percent equity interest in the organization or business.

(d) Upon payment or delivery of Common Stock 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-five-percent equity interest.

(e) Notwithstanding the foregoing provisions of this Section 27, 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.

(f) Nothing in this Section 27 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 27(f) shall not limit or supersede any other agreement between you and the Company concerning restrictive covenants.

(g) All administrative and discretionary authority given to the Company under this Section 27 shall be exercised by the Compensation Committee of the Board, or an executive officer of the Company as such Compensation Committee may designate from time to time.

(h) Notwithstanding any provision of this Section 27, if any provision of this Section 27 is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, 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 law. Furthermore, if any provision of this Section 27 is illegal under any applicable law, such provision shall be null and void to the extent necessary to comply with applicable law.

(i) Notwithstanding the foregoing, this Section 27 shall not be applicable to you from and after your termination of employment if such termination of employment occurs after a Change of Control.

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.

APPENDIX**Terms and Conditions
Performance-Based Restricted Stock Unit Award
Advanced Micro Devices, Inc. 2004 Equity Incentive Plan**

Capitalized terms not specifically defined in this Appendix (this “*Appendix*”) have the same meaning assigned to them in the Advanced Micro Devices, Inc. 2004 Equity Incentive Plan (as amended and restated, 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 to another country after the grant but prior to the vesting 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 June 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you 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 or the subsequent sale of the Shares or receipt of any dividends or dividend equivalents. 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 are advised to 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 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.

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 subject to the supervision of any Argentine governmental authority.

Exchange Control Information. If you transfer proceeds from the sale of Shares or the receipt of any dividends paid on such Shares into Argentina within ten (10) days of receipt (*i.e.*, the proceeds have not been held in the offshore bank or brokerage account for at least ten (10) days prior to transfer), you must deposit 30% of the proceeds into a non-interest bearing account in Argentina for 365 days. If, however, you have satisfied the ten-day holding obligation, the Argentine bank handling the transaction may still request certain documentation in connection with your request to transfer proceeds into Argentina, including evidence of the sale or dividend payment and proof that no funds were remitted out of Argentina to acquire the Shares. If the bank determines that the ten-day rule or any other rule or regulation promulgated by the Argentine Central Bank has not been satisfied, it will require that 30% of the proceeds be placed in a non-interest bearing dollar denominated mandatory deposit account for a holding period of 365 days.

Please note that exchange control regulations in Argentina are subject to frequent change. You should consult with your personal legal advisor regarding any exchange control obligations you may have in connection with participation in the Plan.

Foreign Asset/Account Reporting Information. You must report any Shares acquired and held by you on December 31 of each year on your annual tax return for that year.

AUSTRALIA

Terms and Conditions

Data Privacy. This following provision supplements Section 9 of the Terms and Conditions:

The Company can be contacted at One AMD Place, Sunnyvale, CA, 94088, 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.

Notifications

Securities Law Information. If you acquire Shares pursuant to the PRSUs and you offer the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. You should obtain legal advice on disclosure obligations prior to making any such offer.

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

Foreign Asset/Account Reporting Information. If you are a resident of Belgium, you are required to report any securities (*e.g.*, Shares acquired under the Plan) or bank accounts (including brokerage accounts) opened and maintained outside of Belgium on your annual tax return.

BRAZIL

Terms and Conditions

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 any and all taxes associated with the vesting of the PRSUs, the receipt of any dividends and the sale of Shares.

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. The assets and rights that must be reported include Shares. Please note that the US\$100,000 threshold may be changed annually.

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 Section 11(d) of the Plan, PRSUs will be settled in Shares only, not cash.

Termination of Service. The following provision replaces Section 7(k) of the Terms and Conditions:

In the event of the termination of your status as Service Provider for any reason (whether or not in breach of Applicable Laws), your right to vest in the PRSUs under the Plan, if any, will terminate effective as of the date that is the earlier of (1) the date your status as a Service Provider is terminated, (2) the date that you receive notice of termination from the Employer, or (3) the date you are no longer actively providing service, regardless of any notice period or period of pay in lieu of such notice required under Applicable Laws (including, but not limited to statutory law, regulatory law and/or common law); the Company has the exclusive discretion to determine when you are no longer actively providing service for purposes of the PRSUs (including whether you may still be considered to be providing service while on a leave of absence).

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 provision supplements 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 of their respective Parents, Subsidiaries and Affiliates and the Administrator of the Plan to disclose and discuss the Plan with their advisors. You further authorize the Company, the Employer and any of their respective Parents, Subsidiaries and Affiliates 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.

Foreign Asset/Account Reporting Information. If the total value of your foreign property (including cash held outside of Canada or Shares) exceeds C\$100,000 at any time during the year, you must report all of your foreign property on Form T1135 (Foreign Income Verification Statement) by April 30 of the following year. Foreign property may also include your unvested PRSUs. You should consult with your personal tax advisor to determine your reporting requirements.

CHINA

The following terms and conditions will apply if you are subject to exchange control restrictions and regulations in China, as determined by the Company in its sole discretion.

Terms and Conditions

Settlement of Performance-Based Restricted Stock Units and Sale of Shares. The following provision supplements 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 a Service Provider. 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 a Service Provider 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 a Service Provider. 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 their respective Parents, Subsidiaries or Affiliates, 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.

CZECH REPUBLIC

Notifications

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to 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 sale of Shares to ensure compliance with current regulations. It is your responsibility to comply with Czech exchange control laws, and neither the Company nor the Employer will be liable for any resulting fines or penalties.

FINLAND

There are no country-specific provisions.

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.

Foreign Asset/Account Reporting Information. You must report all foreign accounts, whether open, current or closed (including any brokerage account established for purposes of your participation in the Plan), to the French tax authorities in your annual income tax section.

GERMANY

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. 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 5th 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

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 Service Providers of the Company, the Employer or their respective Parents, Subsidiaries or 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 Service Provider 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.*

Settlement of PRSUs and Sale of Shares. The following provision supplements Section 2 of the Terms and Conditions:

Notwithstanding any discretion contained in Section 11(d) of the Plan, PRSUs will be settled in Shares only, not cash.

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

Notifications

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

INDIA

Notifications

Exchange Control Information. You understand that you must repatriate any proceeds from the sale of Shares acquired under the Plan or the receipt of any dividends paid on such Shares to India and convert the proceeds into local currency within a certain period after receipt. You will receive a foreign inward remittance certificate (the “**FIRC**”) from the bank where you deposit the foreign currency. You should maintain the FIRC as evidence of the repatriation of fund 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.

Foreign Asset/Account Reporting Information. You are required to declare your foreign bank accounts and any foreign financial assets (including Shares held outside India) in your annual tax return. It is your responsibility to comply with this reporting obligation and you should consult with your personal tax advisor in this regard.

INDONESIA

Notifications

Exchange Control Information. 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.

ISRAEL

Terms and Conditions

Settlement of Performance-Based Restricted Stock Units and Sale of Shares. Unless otherwise determined by the Administrator, 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

Data Privacy. The following provision replaces in its entirety Section 9 of the Terms and Conditions:

You understand that the Employer and/or the Company may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of Shares held and the details of all PRSUs or any other entitlement to Shares awarded, cancelled, exercised, vested, unvested or outstanding (the “Data”) for the purpose of implementing, administering and managing your participation in the Plan. You are aware that providing the Company with your Data is necessary for the performance of the Agreement and that your refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan.

The controller of personal data processing is Advanced Micro Devices, Inc., One AMD Place, Sunnyvale, California 94088, USA, and, pursuant to D.lgs 196/2003, its representative in Italy is Advanced Micro Devices S.p.a., Via Polidoro da Caravaggio 6, 20156, Milano, Italy. You understand that the Data may be transferred to the Company, the Employer or any of their respective Parents, Subsidiaries or Affiliates, or to any third parties assisting in the implementation, administration and management of the Plan, including any transfer required to a broker or other third party with whom Shares acquired pursuant to the vesting of the PRSUs or cash from the sale of such Shares may be deposited. Furthermore, the recipients that may receive, possess, use, retain and transfer such Data for the above mentioned purposes may be located in Italy or elsewhere, including outside of the European Union and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. You hereby acknowledge that the processing activity, including the transfer of your personal data abroad, outside of the European Union, as herein specified and pursuant to Applicable Laws and regulations, does not require your consent because the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. You understand that Data processing relating to the above specified purposes will take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which

Data are collected and with confidentiality and security provisions as set forth by Applicable Laws and regulations, with specific reference to D.lgs. 196/2003.

You understand that Data will be held only as long as is required by Applicable Laws or as necessary to implement, administer and manage your participation in the Plan. You understand that pursuant to art. 7 of D.lgs 196/2003, you have the right, including but not limited to, access, delete, update, request the rectification of your Data and cease, for legitimate reasons, the Data processing. Furthermore, you are aware that your Data will not be used for direct marketing purposes. In addition, the Data provided can be reviewed and questions or complaints can be addressed by contacting a local representative available at the following address: Advanced Micro Devices S.p.a., Via Polidoro da Caravaggio 6, 20156, Milano, Italy.

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 PRSUs; Section 2: Issuance of Shares; Section 4: Forfeiture of PRSUs; Section 5: Responsibility for Taxes; Section 7: Nature of Grant and the Data Privacy provisions above.

Notifications

Foreign Asset/Account Reporting Information. If you hold investments abroad or foreign financial assets (e.g., cash, Shares, PRSUs) that may generate income taxable in Italy, you are required to report them on your annual tax returns (UNICO Form, RW Schedule) or on a special form if no tax return is due, irrespective of their value. The same reporting duties apply to you if you are beneficial owners of the investments, even if you do not directly hold investments abroad or foreign assets.

Foreign Asset Tax. The value of the financial assets held outside of Italy by individuals resident of Italy is subject to a foreign asset tax. Beginning in 2014, such tax is levied at an annual rate of 2 per thousand (0.2%). The taxable amount will be the fair market value of the financial assets (e.g., Shares) assessed at the end of the calendar year.

JAPAN

Notifications

Foreign Asset/Account Reporting Information. Pursuant to a new law, you will be required to report details of any assets held outside of Japan as of December 31 (including Shares acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15 each year. You should consult with your personal

tax advisor as to whether the reporting obligation applies to you and whether you will be required to report details of your outstanding PRSUs, as well as Shares, in the report.

KOREA

Notifications

Exchange Control Information. If you realize US\$500,000 or more from the sale of Shares or the receipt of any dividends in a single transaction, Korean exchange control laws require you to repatriate the proceeds to Korea within 18 months of the sale or receipt of such proceeds.

Foreign Asset/Account Reporting Information. Korean residents must declare all foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). You should consult with your personal tax advisor to determine your personal reporting obligations.

MALAYSIA

Terms and Conditions

Data Privacy. The following provision replaces 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 any their respective 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.

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, date of birth, social insurance number or other identification number, salary, nationality,

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.

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

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.

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 additional 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

telefon, tarikh lahir, nombor insurans sosial atau nombor 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. 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 menandatangani 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 faham 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-

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 a Service Provider and career with the Employer will not be adversely affected; the only adverse 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.

-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 buruk 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 menjejaskan 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.

Notifications

Director Notification Obligation. If you are a director of the Company's Malaysian Parent, Subsidiary or Affiliate, you are subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Parent, Subsidiary or 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 upon 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 One AMD Place, Sunnyvale, CA 94088, 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 any of their respective Parents, Subsidiaries and 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 of their respective Parents, Subsidiaries or Affiliates 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 each of their respective Parents, Subsidiaries and 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 detrimento 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 One AMD Place, Sunnyvale, CA 94088, 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 into Poland in connection with the sale of Shares or the receipt of dividends, the funds must be transferred via a bank account. 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. If you hold Shares acquired under the Plan and/or maintain a bank account abroad, you will have reporting duties to the National Bank of Poland; specifically, if the aggregate value of Shares and cash held in such foreign accounts exceeds PLN7,000,000, you must file reports on the transactions and balances of the accounts on a quarterly basis. You should consult with your personal legal advisor to determine what you must do to fulfill any applicable reporting duties.

RUSSIA

Notifications

Exchange Control Information. Upon the sale of Shares acquired under the Plan or the receipt of any cash dividends paid on such Shares, you must repatriate the proceeds back to Russia within a reasonably short time after receipt of the proceeds. You may remit proceeds to your foreign currency account at an authorized bank in Russia or in a foreign bank account opened in accordance with Russian exchange control laws. You are encouraged to contact your personal advisor before remitting your sale proceeds to Russia.

Securities Law Information. You are not permitted to sell Shares directly to other Russian legal entities or residents.

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.

Labor Law Information. If you continue to hold Shares acquired at vesting of the PRSUs after an involuntary termination of your service, 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 are strongly advised to consult with your personal legal advisor to determine whether the restriction applies to you.

SINGAPORE

Notifications

Securities Law Information. The Award of PRSUs is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Cap. 289) (the “*SFA*”) for which it is exempt from the prospectus and registration requirements under the SFA. The Plan has not been lodged or

registered as a prospectus with the Monetary Authority of Singapore. You should note that the Award of PRSUs is subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of Shares in Singapore or (ii) any offer of such subsequent sale of Shares subject to the PRSUs in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

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

SPAIN

Terms and Conditions

No Entitlement for Claims or Compensation. The following provision supplements 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 individuals who may be Consultants, Directors and 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 of their respective Parents, Subsidiaries or Affiliates 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 of their respective Parents, Subsidiaries or Affiliates) and will 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 Service Provider, such that if your status as a Service Provider terminates for any reason whatsoever, your PRSUs cease vesting immediately effective the date of your termination of your status as a Service Provider. This will be the case, for example and without limitation, even if (i) you are considered to be unfairly dismissed without good cause, (ii) you are dismissed for disciplinary or objective reasons or due to a collective dismissal, (iii) you terminate service due to a change of work location, duties or any other employment or contractual condition, (iv) you terminate service due to the Company's, the Employer's or any of their respective Parents', Subsidiaries' or Affiliates' unilateral breach of contract, or (v) your status as a Service Provider terminates for any other reason whatsoever. Consequently, upon termination of your status as a Service Provider for any of the above reasons, you will automatically lose any rights to PRSUs granted to you that were unvested on the date of termination of your status as a Service Provider, as described in the Plan or Agreement.

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 derived from the ownership of Shares (*i.e.*, as a result of the sale of the Shares or the receipt of dividends) exceeding €50,000, you must inform the financial institution receiving the payment of the basis upon which such payment is made. You will need to provide the institution with the following information: (i) your name, address, and fiscal identification number, (ii) Company name and corporate domicile, (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.

Foreign Asset/Account Reporting Information. Effective January 1, 2013, to the extent that you hold rights or assets (*e.g.*, Shares or cash held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, Shares, cash, etc.) as of December 31 each year, you will be required to report information on such rights and assets on

your tax return for such year. After such rights and assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by March 31 following the end of the relevant year. It is your responsibility to comply with these reporting obligations, and you should consult with your personal tax and legal advisors in this regard.

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

There are no country-specific provisions.

TAIWAN

Notifications

Securities Law Information. The PRSUs and the underlying Shares are available only for certain Service Providers. 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.

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. If the transaction amount is US\$500,000 or more, you may be required to provide additional supporting documentation to the satisfaction of the remitting bank. Please consult your personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

THAILAND

Notifications

Exchange Control Information. When you realize US\$50,000 or more in a single transaction from the sale of Shares issued to you at vesting and settlement of the PRSUs or you receive a 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.

If the amount of your proceeds is US\$50,000 or more in a single transaction, you must 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. Under Turkish law, you are not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange, 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. Under Turkish law, 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 Service Providers and is in the nature of providing equity incentives to Service Providers residing or working in the United Arab Emirates.

The Plan and the Agreement are intended for distribution only to such Service Providers and must not be delivered to, or relied on by, any other person. 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. The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any documents in connection with the Plan. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the Plan or the Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.

UNITED KINGDOM

Terms & Conditions

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

Notwithstanding any discretion contained in Section 11(d) of 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:

You must pay to the Company or the Employer any amount of income tax due that the Company or the Employer may be required to account to Her Majesty's Revenue and Customs ("**HMRC**") with respect to the event giving rise to the Tax-Related Items (the "**Taxable Event**") that cannot be satisfied by the means described in this Section 5. If payment or withholding of the income tax is not made within 90 days of the end of the U.K. tax year in which the Taxable Event occurs or such other period as required under U.K. law (the "**Due Date**"), you agree that the amount of any uncollected income tax will (assuming you are not a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended)) constitute a loan owed by you to the Company or the Employer (as applicable), effective on the Due Date. You agree that the loan will bear interest at the then-current HMRC official rate and it will be immediately due and repayable, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in this Section 5. If you fail to comply with your obligations in connection with the income tax due as described in this Section 5, the Company may refuse to deliver the Shares acquired under the Plan.

Notwithstanding the foregoing, if you are a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), you will not be eligible for such a loan to cover the income tax due. In the event that you are a director or executive officer and the income tax due is not collected from or paid by you by the Due Date, the amount of any uncollected tax 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. You acknowledge that the Company or the Employer may recover any such national insurance contributions at any time thereafter by any of the means referred to in this Section 5.

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.;
 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: November 3, 2015

/s/ Lisa T. Su

Lisa T. Su
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.;
 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: November 3, 2015

/s/ Devinder Kumar

Devinder Kumar
Senior 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 created by 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 quarterly period ended September 26, 2015 (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: November 3, 2015

/s/ Lisa T. Su

Lisa T. Su
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 created by 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 quarterly period ended September 26, 2015 (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: November 3, 2015

/s/ Devinder Kumar

Devinder Kumar
Senior Vice President,
Chief Financial Officer and Treasurer
(Principal Financial Officer)