

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
	☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ an amended return/report ☐ the final return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ special extension (enter description) ☐ automatic extension ☐ the DFVC program
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan <u>TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN</u>
1b	Three-digit plan number (PN) ▶ <u>001</u>
1c	Effective date of plan <u>05/01/2002</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>TOWER SEMICONDUCTOR NEWPORT BEACH INC.</u> <u>4321 JAMBOREE ROAD, M/S H01 110</u> <u>NEWPORT BEACH, CA 92660</u>
2b	Employer Identification Number (EIN) <u>75-3005127</u>
2c	Plan Sponsor's telephone number <u>949-435-8327</u>
2d	Business code (see instructions) <u>334410</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/17/2022	CRAIG ROWE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

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v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	1101
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	959
a(2) Total number of active participants at the end of the plan year		6a(2)	1065
b Retired or separated participants receiving benefits.....		6b	4
c Other retired or separated participants entitled to future benefits		6c	153
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	1222
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	1
f Total. Add lines 6d and 6e		6f	1223
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	886
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 3H 2E 2F 2G 2J 2K 2T 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 TOWER SEMICONDUCTOR NEWPORT BEACH INC.	D Employer Identification Number (EIN) 75-3005127	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	92907	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

STRATEGIC ADVISORS, INC.

04-2654524

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	30829	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

DBBMCKENNON

20-3685188

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	ACCOUNTANT/AUDITOR	13200	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
MFS MID CAP GRTH R4 - MFS SERVICE 04-2865649	0.15%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>		
A Name of plan <u>TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TOWER SEMICONDUCTOR NEWPORT BEACH INC.</u>	D Employer Identification Number (EIN) <u>75-3005127</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash.....	1a	0	0
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	0	0
	(2) Participant contributions.....	1b(2)	0	0
	(3) Other	1b(3)	0	0
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
	(2) U.S. Government securities	1c(2)	0	0
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)	0	0
	(B) All other	1c(3)(B)	0	0
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)	0	0
	(B) Common	1c(4)(B)	0	0
	(5) Partnership/joint venture interests	1c(5)	0	0
	(6) Real estate (other than employer real property)	1c(6)	0	0
	(7) Loans (other than to participants)	1c(7)	0	0
	(8) Participant loans	1c(8)	1573307	1504094
	(9) Value of interest in common/collective trusts	1c(9)	10560044	12303413
	(10) Value of interest in pooled separate accounts	1c(10)	0	0
	(11) Value of interest in master trust investment accounts	1c(11)	0	0
	(12) Value of interest in 103-12 investment entities	1c(12)	0	0
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	114664055	136680508
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
	(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	126797406	150488015

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	126797406	150488015
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2280942	
(B) Participants	2a(1)(B)	6986657	
(C) Others (including rollovers).....	2a(1)(C)	314450	
(2) Noncash contributions.....	2a(2)	0	9582049
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	0	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans.....	2b(1)(E)	97101	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		97101
(2) Dividends: (A) Preferred stock.....	2b(2)(A)	0	4514921
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	4514921	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		4514921
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	0
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	0
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		-119136
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		16985598
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		31060533
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	7567868	
(2) To insurance carriers for the provision of benefits.....	2e(2)	0	
(3) Other.....	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		7567868
f Corrective distributions (see instructions).....	2f		135568
g Certain deemed distributions of participant loans (see instructions).....	2g		3943
h Interest expense.....	2h		0
i Administrative expenses: (1) Professional fees.....	2i(1)	0	
(2) Contract administrator fees.....	2i(2)	0	
(3) Investment advisory and management fees.....	2i(3)	30829	
(4) Other.....	2i(4)	107807	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		138636
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		7846015
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		23214518
l Transfers of assets:			
(1) To this plan.....	2l(1)		476091
(2) From this plan.....	2l(2)		0

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **DBBMCKENNON**

(2) EIN: **20-3685188**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		3000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	
4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TOWER SEMICONDUCTOR NEWPORT BEACH INC.</u>	D Employer Identification Number (EIN) <u>75-3005127</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2021
v. 201209

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____



October 17, 2022

The Employee Benefits Plan Committee
Tower Semiconductor Newport Beach, Inc.

Dear Directors and Members:

We have conducted DOL limited-scope audits of the financial statements of the Tower Semiconductor Newport Beach Hourly Savings Plan and the Tower Semiconductor Newport Beach Retirement Savings Plan (the "Plans") for the years ended December 31, 2021 and 2020, and have issued our report thereon dated October 17, 2022. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information in those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedules as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to those in charge of governance the following information related to our audit.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plans are described in Note 2 to the financial statements. We noted no transactions entered into by the Plans during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates made by management in the Plan years 2021.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. A corrected misstatement is attached to this communication in Exhibit A.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 17, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plans' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We communicated in our engagement letter dated July 13, 2022 that the most significant risks related to delinquent participant contributions and loan repayments, and non-compliance with the Rules and Regulations of ERISA and DOL. We did not encounter any late remittances of participant contributions and loan repayments withheld nor any material non-compliance with ERISA and DOL regulations

Auditor Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plans' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Employee Benefit Plan Committee, Board of Directors, and management of the Tower Semiconductor Newport Beach Hourly Savings Plan and Tower Semiconductor Newport Beach Retirement Savings Plan, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Exhibit A

AJE#	Description	Debit	Credit	Disposition
Salary PAJE 1	Contributions - participants	193,456		Book
	Contributions - employer	71,207		
	Contributions receivable - participants		193,456	
	Contributions receivable - employer		71,207	
	<i>To reverse prior year contributions receivable</i>			
Salary PAJE 2	Contributions receivable - participants	153,416		Book
	Contributions receivable - employer	50,128		
	Contributions - participants		153,416	
	Contributions - employer		50,128	
	<i>To record contributions withheld in 2021, but remitted to the Plan in 2022</i>			

AJE#	Description	Debit	Credit	Disposition
Hourly PAJE 1	Contributions - participants	39,888		Book
	Contributions - employer	2,015		
	Contributions receivable - participants		39,888	
	Contributions receivable - employer		2,015	
	<i>To reverse prior year contributions receivable</i>			
Hourly PAJE 2	Contributions receivable - participants	47,041		Book
	Contributions receivable - employer	2,748		
	Contributions - participants		47,041	
	Contributions - employer		2,748	
	<i>To record contributions withheld in 2021, but remitted to the Plan in 2022</i>			

**TOWER SEMICONDUCTOR
NEWPORT BEACH
RETIREMENT SAVINGS PLAN**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

December 31, 2021 and 2020

Together with

Independent Auditors' Report

**TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
INDEX TO FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

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Statements of Net Assets Available for Plan Benefits as of December 31, 2021 and 2020	4
Statements of Changes in Net Assets Available for Plan Benefits for the years ended December 31, 2021 and 2020.....	5
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Supplemental Schedule*:	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2021.....	14

* Other supplemental schedules have been omitted as they do not apply

INDEPENDENT AUDITORS' REPORT

The Trustees and Participants
Tower Semiconductor Newport Beach Retirement Savings Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements Tower Semiconductor Newport Beach Retirement Savings Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2021 and 2020, and for the years then ended, stating that the certified investment information, as described in Note 1 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tower Semiconductor Newport Beach Retirement Savings Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Plan's ability to continue as a going concern for a period of one year.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter — Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Part IV, Line 4(i)—Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Newport Beach, California
October 17, 2022

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
AS OF DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments*:		
Mutual funds, at fair value	\$ 136,680,508	\$ 114,664,055
Interest in collective trust, at contract value	<u>12,194,884</u>	<u>10,202,702</u>
Total Investments	148,875,392	124,866,757
Plan receivables:		
Notes receivable from participants	1,534,896	1,598,996
Contribution receivable – participant	153,416	193,456
Contribution receivable – employer	<u>50,128</u>	<u>71,207</u>
Total Plan receivables	1,738,440	1,863,659
TOTAL ASSETS	\$ 150,613,832	\$ 126,730,416
LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$ 150,613,832</u>	<u>\$ 126,730,416</u>

* Investments are all participant directed

See Accompanying Notes to Financial Statements

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS		
Investment income:		
Net appreciation in fair value of investments	\$ 16,985,597	\$ 17,341,402
Interest and dividends	4,644,371	3,783,655
Transfer and adjustment	485,017	20,425
Total investment income	<u>22,114,985</u>	<u>21,145,482</u>
Contributions:		
Participant deferral	6,946,617	6,517,566
Employer deferral	2,259,863	1,097,836
Participant rollover	314,450	269,296
Total contributions	<u>9,520,930</u>	<u>7,884,698</u>
Interest on notes receivable from participants	<u>98,272</u>	<u>106,538</u>
TOTAL ADDITIONS	<u>31,734,187</u>	<u>28,972,873</u>
DEDUCTIONS		
Benefit payments	7,712,135	7,185,583
Administrative fees	138,636	42,992
TOTAL DEDUCTIONS	<u>7,842,072</u>	<u>7,228,575</u>
NET INCREASE IN NET ASSETS AVAILABLE FOR PLAN BENEFITS:	<u>23,883,416</u>	<u>21,908,143</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS, BEGINNING OF YEAR	<u>126,730,416</u>	<u>104,822,273</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	<u>\$ 150,613,832</u>	<u>\$ 126,730,416</u>

See Accompanying Notes to Financial Statements

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 – PLAN DESCRIPTION

General

The Tower Semiconductor Newport Beach Retirement Savings Plan, formally the Jazz Semiconductor, Inc. Savings Plan (the “Plan”) was established on May 1, 2002 (“Inception”). Tower Semiconductor Newport Beach, Inc., formally Jazz Semiconductor, Inc. (the “Company” or “Employer”) is the Plan’s sponsor. All nonunion employees of the Company and nonunion employees of other adopting businesses of the controlled group are eligible to participate in this Plan. The Plan is a defined contribution benefit plan which is intended to qualify under Section 401(a) of the Internal Revenue Code (the “IRC”) of 1954, as amended. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have caused significant economic uncertainty and volatility in financial markets, and this could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Additionally, as a result of the COVID-19 outbreak, on March 27, 2020, U.S. Congress passed the Coronavirus, Aid, Relief, and Economic Security Act (“CARES Act”), which was intended to provide economic relief to retirement plan sponsors and participants in the midst of the global COVID-19 pandemic. The CARES Act, among other things, included several relief provisions available to tax qualified retirement plans and their participants. The relief provisions made available to Participants include:

- Participants were allowed to withdraw “coronavirus-related distributions” of up to \$100,000 without penalty throughout the remainder of the 2020 calendar year. Such distributions may be repayable to the Plan within three years.
- Repayments by certain COVID-19 affected Participants on preexisting Participants loans with payment dates between March 27, 2020 and December 31, 2020 were suspended until December 31, 2020. Following the period of suspension, loans with suspended payments were re-amortized and payments recommenced.
- Required minimum distributions for Participants were waived for the 2020 calendar year.

Investments

Investments, and the investment earnings related thereto, in the accompanying financial statements were certified as complete and accurate by the custodian, Fidelity Management Trust Company (the “Trustee” of the Plan).

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and Plan earnings, and each participant's account is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled to is limited to the participant's vested account.

Employee Contributions

In general, all salaried employees of the Company and its subsidiaries, are eligible to participate in this Plan and may begin participating at any time after beginning employment. Participants may contribute up to the lesser of 60% or \$19,500 and \$19,500, respectively, plus a catch-up contribution of \$6,500 and \$6,500 if 50 years of age or older (2021 and 2020 Plan years) of their annual wages before bonuses and overtime, pretax to the Plan. However, the combined pre-tax and after-tax contribution for a participant may not exceed 60% of annual base wages for 2021 and 2020. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers 28 funds and one collective trust as investment options for participants.

Employer Contributions and Vesting

Employer contributions to the Plan are made based on the participants' eligible compensation contributed to the Plan each payroll period. Participants are eligible for matching contributions only if they make employee pre-tax and/or after-tax contributions to the Plan. Each Plan year, the Employer may make a discretionary matching contribution. The maximum the Employer will match is 100% of first 3% of the employee's eligible compensation and 50% of the next 2% of the employee's eligible compensation. Participants are immediately fully vested in any rollover, employer, and employee contributions, along with any earnings thereon. No Employer matching contributions were made during the period June 5, 2020 through December 17, 2020. Employer matching contribution were resumed on December 18, 2020.

Rollovers

Participants may at any time elect to rollover amounts from other qualified plans or individual retirement accounts into the Plan.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates which commensurate with local prevailing rates as determined quarterly by the Plan Administrator. Principal and interest is paid ratably through monthly payroll deductions. Loans must be paid back within five years; however, this period may be extended to fifteen years if the loan is used for the acquisition of a principal residence. As permitted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted in March 2020, participants were allowed to apply for loans from the Plan up to a maximum equal to the lesser of 100% of their vested account balances or \$100,000 between April 21, 2020 and December 29, 2020. Further, as permitted by the CARES Act, qualified participants were permitted to delay certain plan loan payments until December 31, 2020. The ability to request to defer loan repayments under the CARES Act ceased as of December 31, 2020.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Distributions

Participants may receive distributions from their accounts upon attainment of age 65, retirement as a result of disability, financial hardship (as defined by the Plan), termination of their employment with the Company, death, or termination of the Plan. As permitted by the CARES Act, participants were allowed to take special coronavirus-related distributions in an amount up to \$100,000 of the participant's vested balance without incurring early withdrawal tax penalties between April 21, 2020 and December 29, 2020 with the participant self-certifying the eligibility for the disbursement. The ability to request special coronavirus-related distributions under the CARES Act ceased as of December 29, 2020. Additionally, the Plan allows for a pre-retirement distribution upon 100% vesting, attainment of age 59½ and with consent of the Plan administrator, based on a nondiscriminatory policy. Required minimum distributions for Participants were waived for the 2020 calendar year under the CARES Act. In the event the Plan is terminated, participants become fully vested in their accounts.

Expenses

Certain expenses such as loan fees and transaction costs are paid directly out of individual participant funds. All other expenses including administrative fees, audit fees, and the option to have post-tax deferral are paid by the Company. Administrative expenses charged to the Plan are reflected in the accompanying Statements of Changes in Net Assets Available for Plan Benefits.

Forfeitures

If the participant terminates their employment and is not 100% vested in the Employer account, forfeiture of the non-vested portion may occur. The forfeiture will occur: (a) in the Plan year in which the former Participant incurs five consecutive one-year breaks in service, or (b) in the Plan year the participant receives the entire distribution of their vested account. Forfeitures will remain in the Plan and first be used to pay any administrative expenses. Any remaining amounts will be used to reduce Employer contributions payable. The balances in the forfeitures account for plan years ended December 31, 2021 and 2020 were \$6,730 and \$203, respectively. During the year ended December 31, 2021 and 2020, \$8,560 and \$432 was contributed in forfeitures, respectively. During the years ended December 31, 2021 and 2020, \$16,577 and \$1,232 was used in forfeitures to pay Plan administration fees, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Plan have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires administrators to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. During the years ended December 31, 2021 and 2020, the Plan administrator did not perform significant estimates.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

The Plan utilizes various investment instruments including fixed-income securities and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the financial statements.

In March 2020, the World Health Organization categorized the rapid spread of the novel coronavirus (“COVID-19”) as a global pandemic. As uncertainty regarding the long-term economic impacts of the pandemic remains, the effect on the Plan’s financial statements cannot be reasonably estimated. However, volatility in the financial markets could negatively impact Plan assets to the extent it leads to declines in the market value of the Plan’s investments.

Investments

Mutual Funds

The Plan’s investments in registered investment companies (mutual funds) are stated at fair value. The Plan’s investments are valued at their quoted market price from national securities exchanges.

Interest in Collective Trust

The Plan has guaranteed investment contracts held by the Fidelity Managed Income Portfolio Fund (the “Fund”) which are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. Contract value, as reported to the collective trust by the manager of the Fund, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Since the investments are reported at contract value, these investments are removed the fair value hierarchy as disclosed in Note 4.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded as earned.

Notes Receivable from Participants

Notes receivable from participants are recorded and measured at their unpaid principal balance plus any accrued but unpaid interest in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 962 “*Plan Accounting – Defined Contribution Pension Plans*”. These loans are secured by the balance in the participant’s account and bear interest at rates which commensurate with local prevailing rates as determined quarterly by the Plan Administrator. Principal and interest is paid ratably through monthly payroll deductions. Upon termination of employment, these notes are repaid through investments in the participant’s account. Repayments by certain COVID-19 affected

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Participants on preexisting Participants loans with payment dates between March 27, 2020 and December 31, 2020 could be suspended until December 31, 2020. Following the period of suspension, loans with suspended payments will be re-amortized and payments recommenced. Notes which are in default are considered due and payable, together with interest, until such time the participant's account balance becomes insufficient to repay the note. In the event a participant note is in default and the account is insufficient to repay the note, the amount is recorded as a deemed distribution in the Plan's financial statements.

Payment of Benefits

Benefits are recorded when paid. There are no outstanding payments allocated to the accounts of persons who have elected to withdraw from the Plan as of December 31, 2021 and 2020.

Excess Contributions Payable

The Plan is required to return contributions received during the Plan year in excess of the IRC limits. There were no such distributions for the years ended December 31, 2021 and 2020.

NOTE 3 – INVESTMENTS

Investments, and the investment earnings related thereto, in the accompanying financial statements were certified as complete and accurate by the custodian, Fidelity Management Trust Company.

Funds

The Plan currently offers 28 mutual funds as investment options for participants. The Plan also offers one collective trust funds-see below.

Interest in Collective Trust

The Fund holds investments in underlying assets (typically fixed-income securities or bond funds and may include derivative instruments such as futures contracts and swap agreements) and enters into "wrapper" contracts issued by third parties. A wrapper contract (or wrap or synthetic wrap) is an agreement by another party, such as a bank or insurer, to make payments to the Fund in certain circumstances. Wrap contracts are designed to allow a stable value fund to maintain a constant net asset value and to protect the Fund in extreme circumstances.

NOTE 4 – FAIR VALUE MEASUREMENTS

The Company follows the accounting guidance under FASB ASC 820-10 - *Fair Value Measurements*, as well as certain related FASB staff positions. This guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that marketplace participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

The guidance also establishes a fair value hierarchy for measurements of fair value as follows:

- Level 1 – quoted market prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2021:

	<u>Level 1</u>	<u>Total</u>
Investments at fair value - Mutual Funds	\$ 136,680,508	\$ 136,680,508

The following table set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2020:

	<u>Level 1</u>	<u>Total</u>
Investments at fair value - Mutual Funds	\$ 114,664,055	\$ 114,664,055

Investments in registered investment companies are valued using quoted market prices, as all have active markets.

NOTE 5 – INVESTMENT CONTRACTS

The Fund is an investment in a collective trust, which has entered into benefit-responsive guaranteed investment contracts and wrapper contracts with various financial institutions. The financial institutions maintain the contributions in general accounts. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

Since the guaranteed investment contracts held by the Fund are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. Contract value, as reported to the collective trust by the manager of the Fidelity Managed Income Portfolio fund, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 5 – INVESTMENT CONTRACTS (CONTINUED)

The Fidelity Managed Income Portfolio fund has purchased wrapper contracts from financial institutions. The wrapper contracts amortize the realized and unrealized gains and losses on the underlying fixed income investments, typically over the duration of the investments; through adjustments to the future interest crediting rate (which is the rate earned by participants in the fund for underlying investments). The issuers of the wrapper contracts provide assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero.

Certain events limit the ability of the Plan to transact at contract value with the issuer. These events include termination of the Plan, a material adverse change to the provisions of the Plan, if the Fidelity Managed Income Portfolio fund elects to withdraw from a wrapper contract in order to switch to a different investment provider, or if the terms of a successor plan (in the event of the spin-off or sale of a division) do not meet the wrapper contract issuer's underwriting criteria for issuance of a clone wrapper contract. The events described above that could result in the payment of benefits at market value rather than contract value, are not probable of occurring in the foreseeable future. It is the policy of the Fund to use its best efforts to maintain a stable net asset value of \$1.00 per unit; although, there is no guarantee that the Fund will be able to maintain this value.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

NOTE 7 - INCOME TAXES

The Plan obtained its latest determination letter dated March 31, 2008, and an advisory letter in April 2014 in which the Internal Revenue Service ("IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the advisory letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. The Plan's Form 5500 for the years ended December 31, 2016 through 2021 remain subject to examination by the IRS and Department of Labor.

Additionally, Generally Accepted Accounting Principles requires Plan management to evaluate the tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain tax position that is more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 8 – RECONCILIATION TO FORM 5500

Form 5500 does not include employee loans in default for 5500 filing purposes. For financial reporting purposes, defaulted loans are considered outstanding until deemed distributed as benefit payments as discussed in Note 2. The effect of the adjustment from fair value to contract value for fully benefit-responsive investment contracts is also a reconciling item.

The following is a reconciliation of net assets available for Plan benefits per the financial statements at December 31, 2021 to Form 5500:

Net assets available for Plan benefits per the financial statements	\$ 150,613,832
Loans deemed distributed with no post default payments	(30,802)
Change in interest in collective trust	108,529
Adjustment for employer and employee contributions receivable	(203,544)
Net assets available for Plan benefits per Form 5500	<u>\$ 150,488,015</u>

The following is a reconciliation of the net increase in net assets available for Plan benefits per the financial statements for the year ended December 31, 2021 to Form 5500:

Net increase in assets available for Plan benefits per the financial statements	\$ 23,883,416
Change from adjustment from fair value to contract value for fully benefit responsive investment contracts, net	(248,585)
Change in loans deemed distributed with no post-default payments	(5,341)
Change in employer and employee contributions receivable	61,119
Net increase in net assets available for Plan benefits per Form 5500	<u>\$ 23,690,609</u>

NOTE 9 – EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Parties-in-Interest are certain entities defined under Department of Labor regulations and other parties that provide services to the Plan, such as the trustees, custodians, auditors, and investment managers. Transactions qualifying as party-in-interest transactions include audit services performed by *dbbmckennon* and certain Plan investments as shares of mutual funds are managed by the Trustee. Such transactions are exempt from the prohibited transaction rules. Certain administrative fees have been paid by the Plan and amounted to \$138,636 and \$42,992 for the years ended December 31, 2021 and 2020, respectively.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events that occurred after December 31, 2021 and through October 17, 2022, the issuance date of these financial statements. There have been no other events or transactions during this time which would have a material effect on the financial statements

SUPPLEMENTAL SCHEDULE
TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
Employer Identification Number 75-3005127, Plan 001
Schedule H, line 4i—Schedule of Assets (Held at End of Year)
As of December 31, 2021
(Unaudited)

(a)	(b)	(c)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of investment (shares), including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
*	FID 500 INDEX	129,955 shares	\$ 21,484,176
*	FID EXTD MKT IDX	29,117 shares	\$ 2,539,335
*	FID FDM IDX 2015 IPR	43,653 shares	\$ 681,430
*	FID FDM IDX 2020 IPR	203,897 shares	\$ 3,519,270
*	FID FDM IDX 2025 IPR	197,386 shares	\$ 3,864,815
*	FID FDM IDX 2030 IPR	394,443 shares	\$ 8,161,035
*	FID FDM IDX 2035 IPR	185,238 shares	\$ 4,293,810
*	FID FDM IDX 2040 IPR	131,503 shares	\$ 3,111,354
*	FID FDM IDX 2045 IPR	43,934 shares	\$ 1,079,450
*	FID FDM IDX 2050 IPR	111,177 shares	\$ 2,736,073
*	FID FDM IDX 2055 INV	47,049 shares	\$ \$952,274
*	FID FDM IDX 2060 IPR	14,924 shares	\$ 255,790
*	FID FDM IDX 2065 IPR	745 shares	\$ 10,318
*	FID FDM IDX INC IPR	48,434 shares	\$ 613,659
*	FID GROWTH CO K6	948,993 shares	\$ 21,712,967
*	FID INTL CAP APPR K6	354,267 shares	\$ 5,809,976
*	FID INTL INDEX	68,203 shares	\$ 3,361,741
*	FID INVST GR BD	511,659 shares	\$ 4,282,582
*	FID LOW PRICED STK K	139,000 shares	\$ 7,467,091
*	FID MID CAP STOCK K6	479,345 shares	\$ 6,950,509
*	FID OTC K6	784,974 shares	\$ 16,319,614
*	FID REAL ESTATE INVS	40,716 shares	\$ 2,199,462
*	FID SM CAP IDX	112,988 shares	\$ 3,113,948
*	FID US BOND IDX	371,437 shares	\$ 4,449,813
	JPM EQUITY INCOME R6	184,125 shares	\$ 4,391,386
	MFS MID CAP GRTH R4	28,243 shares	\$ \$914,520
	MIP CL 2	12,194,884 shares	\$ 12,194,884
	VANG MDCPVAL IDX ADM	17,923 shares	\$ 1,395,146
	WA CORE BOND IS	76,961 shares	\$ 1,008,965
	Notes receivable from participants	Interest rates, 4.25% to 7.50%, maturing 2022 to 2031	
*	Identified as a party-in-interest to the Plan.		\$ 1,534,896
	The cost of participant-directed investments is not required disclosure to be disclosed.		<u>\$ 150,410,289</u>



October 17, 2022

The Employee Benefits Plan Committee
Tower Semiconductor Newport Beach, Inc.

Dear Directors and Members:

We have conducted DOL limited-scope audits of the financial statements of the Tower Semiconductor Newport Beach Hourly Savings Plan and the Tower Semiconductor Newport Beach Retirement Savings Plan (the “Plans”) for the years ended December 31, 2021 and 2020, and have issued our report thereon dated October 17, 2022. As permitted by 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information in those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedules as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to those in charge of governance the following information related to our audit.

Significant Audit Findings

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plans are described in Note 2 to the financial statements. We noted no transactions entered into by the Plans during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates made by management in the Plan years 2021.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. A corrected misstatement is attached to this communication in Exhibit A.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 17, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plans' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We communicated in our engagement letter dated July 13, 2022 that the most significant risks related to delinquent participant contributions and loan repayments, and non-compliance with the Rules and Regulations of ERISA and DOL. We did not encounter any late remittances of participant contributions and loan repayments withheld nor any material non-compliance with ERISA and DOL regulations

Auditor Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plans' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Employee Benefit Plan Committee, Board of Directors, and management of the Tower Semiconductor Newport Beach Hourly Savings Plan and Tower Semiconductor Newport Beach Retirement Savings Plan, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Exhibit A

AJE#	Description	Debit	Credit	Disposition
Salary PAJE 1	Contributions - participants	193,456		Book
	Contributions - employer	71,207		
	Contributions receivable - participants		193,456	
	Contributions receivable - employer		71,207	
	<i>To reverse prior year contributions receivable</i>			
Salary PAJE 2	Contributions receivable - participants	153,416		Book
	Contributions receivable - employer	50,128		
	Contributions - participants		153,416	
	Contributions - employer		50,128	
	<i>To record contributions withheld in 2021, but remitted to the Plan in 2022</i>			

AJE#	Description	Debit	Credit	Disposition
Hourly PAJE 1	Contributions - participants	39,888		Book
	Contributions - employer	2,015		
	Contributions receivable - participants		39,888	
	Contributions receivable - employer		2,015	
	<i>To reverse prior year contributions receivable</i>			
Hourly PAJE 2	Contributions receivable - participants	47,041		Book
	Contributions receivable - employer	2,748		
	Contributions - participants		47,041	
	Contributions - employer		2,748	
	<i>To record contributions withheld in 2021, but remitted to the Plan in 2022</i>			

**TOWER SEMICONDUCTOR
NEWPORT BEACH
RETIREMENT SAVINGS PLAN**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

December 31, 2021 and 2020

Together with

Independent Auditors' Report

**TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
INDEX TO FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

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* Other supplemental schedules have been omitted as they do not apply

INDEPENDENT AUDITORS' REPORT

The Trustees and Participants
Tower Semiconductor Newport Beach Retirement Savings Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements Tower Semiconductor Newport Beach Retirement Savings Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2021 and 2020, and for the years then ended, stating that the certified investment information, as described in Note 1 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tower Semiconductor Newport Beach Retirement Savings Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Plan's ability to continue as a going concern for a period of one year.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter — Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Part IV, Line 4(i)—Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).



Newport Beach, California
October 17, 2022

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
AS OF DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Investments*:		
Mutual funds, at fair value	\$ 136,680,508	\$ 114,664,055
Interest in collective trust, at contract value	<u>12,194,884</u>	<u>10,202,702</u>
Total Investments	148,875,392	124,866,757
Plan receivables:		
Notes receivable from participants	1,534,896	1,598,996
Contribution receivable – participant	153,416	193,456
Contribution receivable – employer	<u>50,128</u>	<u>71,207</u>
Total Plan receivables	1,738,440	1,863,659
TOTAL ASSETS	\$ 150,613,832	\$ 126,730,416
LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$ 150,613,832</u>	<u>\$ 126,730,416</u>

* Investments are all participant directed

See Accompanying Notes to Financial Statements

**TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ADDITIONS		
Investment income:		
Net appreciation in fair value of investments	\$ 16,985,597	\$ 17,341,402
Interest and dividends	4,644,371	3,783,655
Transfer and adjustment	485,017	20,425
Total investment income	<u>22,114,985</u>	<u>21,145,482</u>
Contributions:		
Participant deferral	6,946,617	6,517,566
Employer deferral	2,259,863	1,097,836
Participant rollover	314,450	269,296
Total contributions	<u>9,520,930</u>	<u>7,884,698</u>
Interest on notes receivable from participants	<u>98,272</u>	<u>106,538</u>
TOTAL ADDITIONS	<u>31,734,187</u>	<u>28,972,873</u>
DEDUCTIONS		
Benefit payments	7,712,135	7,185,583
Administrative fees	138,636	42,992
TOTAL DEDUCTIONS	<u>7,842,072</u>	<u>7,228,575</u>
NET INCREASE IN NET ASSETS AVAILABLE FOR PLAN BENEFITS:	<u>23,883,416</u>	<u>21,908,143</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS, BEGINNING OF YEAR	<u>126,730,416</u>	<u>104,822,273</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	<u>\$ 150,613,832</u>	<u>\$ 126,730,416</u>

See Accompanying Notes to Financial Statements

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 – PLAN DESCRIPTION

General

The Tower Semiconductor Newport Beach Retirement Savings Plan, formally the Jazz Semiconductor, Inc. Savings Plan (the “Plan”) was established on May 1, 2002 (“Inception”). Tower Semiconductor Newport Beach, Inc., formally Jazz Semiconductor, Inc. (the “Company” or “Employer”) is the Plan’s sponsor. All nonunion employees of the Company and nonunion employees of other adopting businesses of the controlled group are eligible to participate in this Plan. The Plan is a defined contribution benefit plan which is intended to qualify under Section 401(a) of the Internal Revenue Code (the “IRC”) of 1954, as amended. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have caused significant economic uncertainty and volatility in financial markets, and this could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Additionally, as a result of the COVID-19 outbreak, on March 27, 2020, U.S. Congress passed the Coronavirus, Aid, Relief, and Economic Security Act (“CARES Act”), which was intended to provide economic relief to retirement plan sponsors and participants in the midst of the global COVID-19 pandemic. The CARES Act, among other things, included several relief provisions available to tax qualified retirement plans and their participants. The relief provisions made available to Participants include:

- Participants were allowed to withdraw “coronavirus-related distributions” of up to \$100,000 without penalty throughout the remainder of the 2020 calendar year. Such distributions may be repayable to the Plan within three years.
- Repayments by certain COVID-19 affected Participants on preexisting Participants loans with payment dates between March 27, 2020 and December 31, 2020 were suspended until December 31, 2020. Following the period of suspension, loans with suspended payments were re-amortized and payments recommenced.
- Required minimum distributions for Participants were waived for the 2020 calendar year.

Investments

Investments, and the investment earnings related thereto, in the accompanying financial statements were certified as complete and accurate by the custodian, Fidelity Management Trust Company (the “Trustee” of the Plan).

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Company's contribution and Plan earnings, and each participant's account is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled to is limited to the participant's vested account.

Employee Contributions

In general, all salaried employees of the Company and its subsidiaries, are eligible to participate in this Plan and may begin participating at any time after beginning employment. Participants may contribute up to the lesser of 60% or \$19,500 and \$19,500, respectively, plus a catch-up contribution of \$6,500 and \$6,500 if 50 years of age or older (2021 and 2020 Plan years) of their annual wages before bonuses and overtime, pretax to the Plan. However, the combined pre-tax and after-tax contribution for a participant may not exceed 60% of annual base wages for 2021 and 2020. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers 28 funds and one collective trust as investment options for participants.

Employer Contributions and Vesting

Employer contributions to the Plan are made based on the participants' eligible compensation contributed to the Plan each payroll period. Participants are eligible for matching contributions only if they make employee pre-tax and/or after-tax contributions to the Plan. Each Plan year, the Employer may make a discretionary matching contribution. The maximum the Employer will match is 100% of first 3% of the employee's eligible compensation and 50% of the next 2% of the employee's eligible compensation. Participants are immediately fully vested in any rollover, employer, and employee contributions, along with any earnings thereon. No Employer matching contributions were made during the period June 5, 2020 through December 17, 2020. Employer matching contribution were resumed on December 18, 2020.

Rollovers

Participants may at any time elect to rollover amounts from other qualified plans or individual retirement accounts into the Plan.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates which commensurate with local prevailing rates as determined quarterly by the Plan Administrator. Principal and interest is paid ratably through monthly payroll deductions. Loans must be paid back within five years; however, this period may be extended to fifteen years if the loan is used for the acquisition of a principal residence. As permitted by the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted in March 2020, participants were allowed to apply for loans from the Plan up to a maximum equal to the lesser of 100% of their vested account balances or \$100,000 between April 21, 2020 and December 29, 2020. Further, as permitted by the CARES Act, qualified participants were permitted to delay certain plan loan payments until December 31, 2020. The ability to request to defer loan repayments under the CARES Act ceased as of December 31, 2020.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 – PLAN DESCRIPTION (CONTINUED)

Distributions

Participants may receive distributions from their accounts upon attainment of age 65, retirement as a result of disability, financial hardship (as defined by the Plan), termination of their employment with the Company, death, or termination of the Plan. As permitted by the CARES Act, participants were allowed to take special coronavirus-related distributions in an amount up to \$100,000 of the participant's vested balance without incurring early withdrawal tax penalties between April 21, 2020 and December 29, 2020 with the participant self-certifying the eligibility for the disbursement. The ability to request special coronavirus-related distributions under the CARES Act ceased as of December 29, 2020. Additionally, the Plan allows for a pre-retirement distribution upon 100% vesting, attainment of age 59½ and with consent of the Plan administrator, based on a nondiscriminatory policy. Required minimum distributions for Participants were waived for the 2020 calendar year under the CARES Act. In the event the Plan is terminated, participants become fully vested in their accounts.

Expenses

Certain expenses such as loan fees and transaction costs are paid directly out of individual participant funds. All other expenses including administrative fees, audit fees, and the option to have post-tax deferral are paid by the Company. Administrative expenses charged to the Plan are reflected in the accompanying Statements of Changes in Net Assets Available for Plan Benefits.

Forfeitures

If the participant terminates their employment and is not 100% vested in the Employer account, forfeiture of the non-vested portion may occur. The forfeiture will occur: (a) in the Plan year in which the former Participant incurs five consecutive one-year breaks in service, or (b) in the Plan year the participant receives the entire distribution of their vested account. Forfeitures will remain in the Plan and first be used to pay any administrative expenses. Any remaining amounts will be used to reduce Employer contributions payable. The balances in the forfeitures account for plan years ended December 31, 2021 and 2020 were \$6,730 and \$203, respectively. During the year ended December 31, 2021 and 2020, \$8,560 and \$432 was contributed in forfeitures, respectively. During the years ended December 31, 2021 and 2020, \$16,577 and \$1,232 was used in forfeitures to pay Plan administration fees, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Plan have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires administrators to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. During the years ended December 31, 2021 and 2020, the Plan administrator did not perform significant estimates.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

The Plan utilizes various investment instruments including fixed-income securities and mutual funds. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the financial statements.

In March 2020, the World Health Organization categorized the rapid spread of the novel coronavirus ("COVID-19") as a global pandemic. As uncertainty regarding the long-term economic impacts of the pandemic remains, the effect on the Plan's financial statements cannot be reasonably estimated. However, volatility in the financial markets could negatively impact Plan assets to the extent it leads to declines in the market value of the Plan's investments.

Investments

Mutual Funds

The Plan's investments in registered investment companies (mutual funds) are stated at fair value. The Plan's investments are valued at their quoted market price from national securities exchanges.

Interest in Collective Trust

The Plan has guaranteed investment contracts held by the Fidelity Managed Income Portfolio Fund (the "Fund") which are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. Contract value, as reported to the collective trust by the manager of the Fund, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Since the investments are reported at contract value, these investments are removed the fair value hierarchy as disclosed in Note 4.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded as earned.

Notes Receivable from Participants

Notes receivable from participants are recorded and measured at their unpaid principal balance plus any accrued but unpaid interest in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 962 "Plan Accounting – Defined Contribution Pension Plans". These loans are secured by the balance in the participant's account and bear interest at rates which commensurate with local prevailing rates as determined quarterly by the Plan Administrator. Principal and interest is paid ratably through monthly payroll deductions. Upon termination of employment, these notes are repaid through investments in the participant's account. Repayments by certain COVID-19 affected

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Participants on preexisting Participants loans with payment dates between March 27, 2020 and December 31, 2020 could be suspended until December 31, 2020. Following the period of suspension, loans with suspended payments will be re-amortized and payments recommenced. Notes which are in default are considered due and payable, together with interest, until such time the participant's account balance becomes insufficient to repay the note. In the event a participant note is in default and the account is insufficient to repay the note, the amount is recorded as a deemed distribution in the Plan's financial statements.

Payment of Benefits

Benefits are recorded when paid. There are no outstanding payments allocated to the accounts of persons who have elected to withdraw from the Plan as of December 31, 2021 and 2020.

Excess Contributions Payable

The Plan is required to return contributions received during the Plan year in excess of the IRC limits. There were no such distributions for the years ended December 31, 2021 and 2020.

NOTE 3 – INVESTMENTS

Investments, and the investment earnings related thereto, in the accompanying financial statements were certified as complete and accurate by the custodian, Fidelity Management Trust Company.

Funds

The Plan currently offers 28 mutual funds as investment options for participants. The Plan also offers one collective trust funds-see below.

Interest in Collective Trust

The Fund holds investments in underlying assets (typically fixed-income securities or bond funds and may include derivative instruments such as futures contracts and swap agreements) and enters into "wrapper" contracts issued by third parties. A wrapper contract (or wrap or synthetic wrap) is an agreement by another party, such as a bank or insurer, to make payments to the Fund in certain circumstances. Wrap contracts are designed to allow a stable value fund to maintain a constant net asset value and to protect the Fund in extreme circumstances.

NOTE 4 – FAIR VALUE MEASUREMENTS

The Company follows the accounting guidance under FASB ASC 820-10 - *Fair Value Measurements*, as well as certain related FASB staff positions. This guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that marketplace participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

The guidance also establishes a fair value hierarchy for measurements of fair value as follows:

- Level 1 – quoted market prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2021:

	<u>Level 1</u>	<u>Total</u>
Investments at fair value - Mutual Funds	\$ 136,680,508	\$ 136,680,508

The following table set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2020:

	<u>Level 1</u>	<u>Total</u>
Investments at fair value - Mutual Funds	\$ 114,664,055	\$ 114,664,055

Investments in registered investment companies are valued using quoted market prices, as all have active markets.

NOTE 5 – INVESTMENT CONTRACTS

The Fund is an investment in a collective trust, which has entered into benefit-responsive guaranteed investment contracts and wrapper contracts with various financial institutions. The financial institutions maintain the contributions in general accounts. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

Since the guaranteed investment contracts held by the Fund are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. Contract value, as reported to the collective trust by the manager of the Fidelity Managed Income Portfolio fund, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 5 – INVESTMENT CONTRACTS (CONTINUED)

The Fidelity Managed Income Portfolio fund has purchased wrapper contracts from financial institutions. The wrapper contracts amortize the realized and unrealized gains and losses on the underlying fixed income investments, typically over the duration of the investments; through adjustments to the future interest crediting rate (which is the rate earned by participants in the fund for underlying investments). The issuers of the wrapper contracts provide assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero.

Certain events limit the ability of the Plan to transact at contract value with the issuer. These events include termination of the Plan, a material adverse change to the provisions of the Plan, if the Fidelity Managed Income Portfolio fund elects to withdraw from a wrapper contract in order to switch to a different investment provider, or if the terms of a successor plan (in the event of the spin-off or sale of a division) do not meet the wrapper contract issuer's underwriting criteria for issuance of a clone wrapper contract. The events described above that could result in the payment of benefits at market value rather than contract value, are not probable of occurring in the foreseeable future. It is the policy of the Fund to use its best efforts to maintain a stable net asset value of \$1.00 per unit; although, there is no guarantee that the Fund will be able to maintain this value.

NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participant accounts and distributed in such a manner as the Company may determine.

NOTE 7 - INCOME TAXES

The Plan obtained its latest determination letter dated March 31, 2008, and an advisory letter in April 2014 in which the Internal Revenue Service ("IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the advisory letter. However, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. The Plan's Form 5500 for the years ended December 31, 2016 through 2021 remain subject to examination by the IRS and Department of Labor.

Additionally, Generally Accepted Accounting Principles requires Plan management to evaluate the tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain tax position that is more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2021 and 2020, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 8 – RECONCILIATION TO FORM 5500

Form 5500 does not include employee loans in default for 5500 filing purposes. For financial reporting purposes, defaulted loans are considered outstanding until deemed distributed as benefit payments as discussed in Note 2. The effect of the adjustment from fair value to contract value for fully benefit-responsive investment contracts is also a reconciling item.

The following is a reconciliation of net assets available for Plan benefits per the financial statements at December 31, 2021 to Form 5500:

Net assets available for Plan benefits per the financial statements	\$ 150,613,832
Loans deemed distributed with no post default payments	(30,802)
Change in interest in collective trust	108,529
Adjustment for employer and employee contributions receivable	(203,544)
Net assets available for Plan benefits per Form 5500	<u>\$ 150,488,015</u>

The following is a reconciliation of the net increase in net assets available for Plan benefits per the financial statements for the year ended December 31, 2021 to Form 5500:

Net increase in assets available for Plan benefits per the financial statements	\$ 23,883,416
Change from adjustment from fair value to contract value for fully benefit responsive investment contracts, net	(248,585)
Change in loans deemed distributed with no post-default payments	(5,341)
Change in employer and employee contributions receivable	61,119
Net increase in net assets available for Plan benefits per Form 5500	<u>\$ 23,690,609</u>

NOTE 9 – EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Parties-in-Interest are certain entities defined under Department of Labor regulations and other parties that provide services to the Plan, such as the trustees, custodians, auditors, and investment managers. Transactions qualifying as party-in-interest transactions include audit services performed by *dbbmckennon* and certain Plan investments as shares of mutual funds are managed by the Trustee. Such transactions are exempt from the prohibited transaction rules. Certain administrative fees have been paid by the Plan and amounted to \$138,636 and \$42,992 for the years ended December 31, 2021 and 2020, respectively.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
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NOTE 10 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events that occurred after December 31, 2021 and through October 17, 2022, the issuance date of these financial statements. There have been no other events or transactions during this time which would have a material effect on the financial statements

SUPPLEMENTAL SCHEDULE
TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
Employer Identification Number 75-3005127, Plan 001
Schedule H, line 4i—Schedule of Assets (Held at End of Year)
As of December 31, 2021
(Unaudited)

(a)	(b)	(c)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of investment (shares), including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
*	FID 500 INDEX	129,955 shares	\$ 21,484,176
*	FID EXTD MKT IDX	29,117 shares	\$ 2,539,335
*	FID FDM IDX 2015 IPR	43,653 shares	\$ 681,430
*	FID FDM IDX 2020 IPR	203,897 shares	\$ 3,519,270
*	FID FDM IDX 2025 IPR	197,386 shares	\$ 3,864,815
*	FID FDM IDX 2030 IPR	394,443 shares	\$ 8,161,035
*	FID FDM IDX 2035 IPR	185,238 shares	\$ 4,293,810
*	FID FDM IDX 2040 IPR	131,503 shares	\$ 3,111,354
*	FID FDM IDX 2045 IPR	43,934 shares	\$ 1,079,450
*	FID FDM IDX 2050 IPR	111,177 shares	\$ 2,736,073
*	FID FDM IDX 2055 INV	47,049 shares	\$ \$952,274
*	FID FDM IDX 2060 IPR	14,924 shares	\$ 255,790
*	FID FDM IDX 2065 IPR	745 shares	\$ 10,318
*	FID FDM IDX INC IPR	48,434 shares	\$ 613,659
*	FID GROWTH CO K6	948,993 shares	\$ 21,712,967
*	FID INTL CAP APPR K6	354,267 shares	\$ 5,809,976
*	FID INTL INDEX	68,203 shares	\$ 3,361,741
*	FID INVST GR BD	511,659 shares	\$ 4,282,582
*	FID LOW PRICED STK K	139,000 shares	\$ 7,467,091
*	FID MID CAP STOCK K6	479,345 shares	\$ 6,950,509
*	FID OTC K6	784,974 shares	\$ 16,319,614
*	FID REAL ESTATE INVS	40,716 shares	\$ 2,199,462
*	FID SM CAP IDX	112,988 shares	\$ 3,113,948
*	FID US BOND IDX	371,437 shares	\$ 4,449,813
	JPM EQUITY INCOME R6	184,125 shares	\$ 4,391,386
	MFS MID CAP GRTH R4	28,243 shares	\$ \$914,520
	MIP CL 2	12,194,884 shares	\$ 12,194,884
	VANG MDCPVAL IDX ADM	17,923 shares	\$ 1,395,146
	WA CORE BOND IS	76,961 shares	\$ 1,008,965
	Notes receivable from participants	Interest rates, 4.25% to 7.50%, maturing 2022 to 2031	
*	Identified as a party-in-interest to the Plan.		\$ 1,534,896
	The cost of participant-directed investments is not required disclosure to be disclosed.		\$ 150,410,289