

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 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
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 ☐ the final return/report ☒ an amended 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 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
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 TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN	1b	Three-digit plan number (PN) ▶ 001
		1c	Effective date of plan 05/01/2002
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) TOWER SEMICONDUCTOR NEWPORT BEACH INC. 4321 JAMBOREE ROAD, M/S H01 110 NEWPORT BEACH, CA 92660	2b	Employer Identification Number (EIN) 75-3005127
		2c	Plan Sponsor's telephone number 949-435-8327
		2d	Business code (see instructions) 334410

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.	05/09/2024	ALYSSA YAN
	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

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 1223
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) 1065
a(2) Total number of active participants at the end of the plan year		6a(2) 1142
b Retired or separated participants receiving benefits		6b 5
c Other retired or separated participants entitled to future benefits.....		6c 191
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 1338
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 1
f Total. Add lines 6d and 6e		6f 1339
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 941
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: 2G 2J 2K 2T 3D 2E 2F		
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) ☐ 0 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
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	63634	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	36471	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	PLAN ADMINISTRATOR	6000	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:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan 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 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE 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	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: MIP CL 2		
b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY		
c EIN-PN 04-3022712-024	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11806676
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 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 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 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
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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)**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

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 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</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			
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) Beginning of Year	(b) End of Year
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)	1504094	1433626
(9) Value of interest in common/collective trusts.....	1c(9)	12303413	11806676
(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)	136680508	111797698
(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	150488015	125038000

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	150488015	125038000
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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)	2406787	
(B) Participants	2a(1)(B)	7245068	
(C) Others (including rollovers)	2a(1)(C)	377768	
(2) Noncash contributions	2a(2)	0	10029623
(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)	83492	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		83492
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	2448031
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2448031	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2448031
(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)		-804655
(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)		-30272275
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		-18515784
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6943466	
(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)		6943466
f Corrective distributions (see instructions)	2f		17090
g Certain deemed distributions of participant loans (see instructions)	2g		13
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)	36471	
(4) Other	2i(4)	69634	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		106105
j Total expenses. Add all expense amounts in column (b) and enter total	2j		7066674
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-25582458
l Transfers of assets:			
(1) To this plan	2l(1)		132443
(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		9926833

	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?			
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?			
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.)			
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?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
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.			
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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
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	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): 04-6568107		
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) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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:	14a		
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).....		14b	
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)			14c
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)			
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:	15a		
a The corresponding number for the plan year immediately preceding the current plan year.....		15b	
b The corresponding number for the second preceding plan year.....			
16 Information with respect to any employers who withdrew from the plan during the preceding plan year:	16a		
a Enter the number of employers who withdrew during the preceding plan year		16b	
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.....			
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 13, 2023

dbbmckennon

20321 SW Birch Street, Suite 200

Newport Beach, California 92660

This representation letter is provided in connection with your audits of the financial statements and supplemental schedule of the Tower Semiconductor Newport Beach Hourly Savings Plan and Tower Semiconductor Newport Beach Retirement Savings Plan (the "Plans"), which comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and whether the supplemental schedule are fairly stated in all material respects in relation to the financial statements as a whole. As permitted by Regulation 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), we have instructed you not to perform any auditing procedures with respect to information prepared and certified to by Fidelity, the trustee, in accordance with DOL Regulation 2520.103-5, except for comparing the information with the related information included in the financial statements and supplemental schedule. Because of the significance of the information which you did not audit, we understand that you will not express an opinion on the financial statements and supplemental schedule as a whole. We understand that the form and content of the information in the financial statements and supplemental schedule, other than that derived from the information certified by Fidelity, has been audited by you in accordance with auditing standards generally accepted in the United States of America, and was subjected to tests of our accounting records and other procedures you considered necessary to enable you to express an opinion as to whether they are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 13, 2023, the following representations made to you during your audits.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 19, 2023, including our responsibility for the preparation and fair presentation of the financial statements and note disclosures.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP, the notes include all disclosures required by laws and regulations to which the Plan is subject, including the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, and the supplemental schedule referred to above are fairly presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related-party relationships and transactions and relationships and transactions with parties-in-interest, as defined in ERISA Section 3(14) and regulations thereunder, have been appropriately accounted for and disclosed in accordance with U.S. GAAP and ERISA Section 3(14) and regulations thereunder.
- 7) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A corrected misstatement is attached to the representation letter in Exhibit A.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Other matters (e.g., breach of fiduciary responsibilities, nonexempt transactions, loans or leases in default, events reportable to the PBGC, or events that may jeopardize the tax status) that legal counsel have advised us that must be disclosed have been properly disclosed.
- 10) Significant estimates and material concentrations have been properly disclosed in accordance with U.S. GAAP.
- 11) Financial instruments with concentrations of credit risk have been properly recorded or disclosed in the financial statements.
- 12) Guarantees, whether written or oral, under which the Plan is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- 13) The supplemental schedule or financial statements disclose the following:
 - a) All non-exempt party-in-interest transactions as defined in ERISA Section 3(14) and regulations thereunder.
 - b) Investments or loans in default or considered to be uncollectible.
 - c) Reportable transactions as defined in ERISA Section 103(b)(3)(H) and regulations thereunder.

Information Provided

- 14) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence.
 - d) Plan instruments, trust agreements, insurance contracts, or investment contracts and amendments to such documents entered into during the year, including amendments to comply with applicable laws.
- 15) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 16) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 17) We have no knowledge of any fraud or suspected fraud that affects the Plan and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 18) We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan's financial statements communicated by employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.

- 19) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations (including ERISA, DOL, and IRS regulations) whose effects should be considered when preparing financial statements.
- 20) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 21) We have disclosed to you the names of all of the Plan's related parties and parties in interest and all the related-party and party-in-interest relationships and transactions, including any side agreements.
- 22) The Plan has satisfactory title to all owned assets, which are recorded at fair value, and all liens, encumbrances, or security interests requiring disclosure in the financial statements have been properly disclosed.
- 23) We have no:
 - a) Plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 - b) Intentions to terminate the Plan. Furthermore, no reportable events have occurred that could result in the Pension Benefit Guaranty Corporation having the authority to initiate proceedings to terminate the Plan.
- 24) Amendments to the Plan instrument, if any, have been properly recorded or disclosed in the financial statements.
- 25) All required amendments to and filings of Plan documents with the appropriate agencies have been made. We intend to formally amend the Plan to incorporate the following provisions under which the Plan is currently operating, that were adopted to comply with new laws or regulations.
- 26) The Plan is qualified under the appropriate section of the Internal Revenue Code and we intend to continue them as a qualified plan. The Plan sponsor has operated the Plan in a manner that did not jeopardize this tax status. Required nondiscrimination testing related to Code Section 401(k) and 401(m) arrangements, as applicable, has been completed for the Plan, and any excess deferrals or contributions have been disposed of in accordance with regulations.
- 27) The Plan has complied with the DOL's regulations concerning the timely remittance of participant contributions to trusts containing assets for the Plan.
- 28) During the year ended December 31, 2022, forfeitures were not significant.
- 29) The Plan has complied with the fidelity bonding requirements of ERISA.
- 30) We have apprised you of all communications, whether written or oral, with regulatory agencies concerning the operation of the Plan.
- 31) We have obtained appropriate fee disclosures from covered service providers and have concluded the fees are reasonable. The Plan is in compliance with DOL regulations regarding ERISA Section 408(b)(2).
- 32) We acknowledge our responsibility for presenting the Schedule of Investments, in accordance with U.S. GAAP and in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and we believe this supplemental schedule, including their form and content, are fairly presented in accordance with U.S. GAAP and in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. The methods of measurement and presentation of the supplemental schedule have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplemental schedule.

- 33) We have provided disclosures of subsequent events affecting the Plan through the date of this letter. There are no additional disclosures requiring adjustment to, or disclosure in, the financial statements.

Sincerely,

Ronit Vardi

Ms. Ronit Vardi
Chief Financial Officer

I. Diaz

Ms. Isis Diaz Linares
Manager, Compensation and Benefits

Exhibit A

AJE#	Description	Debit	Credit	Disposition
Hourly PAJE 1	Contributions - participants	47,041		Book
	Contributions - employer	2,748		
	Contributions receivable - participants		47,041	
	Contributions receivable - employer		2,748	
	<i>To reverse prior year contributions receivable</i>			
Hourly PAJE 2	Contributions receivable - participants	39,841		Book
	Contributions payable - employer		25,193	
	Contributions - participants		39,841	
	Contributions - employer	25,193		
	<i>To record contributions withheld in 2022, but remitted to the Plan in 2023</i>			

AJE#	Description	Debit	Credit	Disposition
Salary PAJE 1	Contributions - participants	153,416		Book
	Contributions - employer	50,128		
	Contributions receivable - participants		153,416	
	Contributions receivable - employer		50,128	
	<i>To reverse prior year contributions receivable</i>			
Salary PAJE 2	Contributions receivable - participants	234,131		Book
	Contributions receivable - employer	84,882		
	Contributions - participants		234,131	
	Contributions - employer		84,882	
	<i>To record contributions withheld in 2022, but remitted to the Plan in 2023</i>			

**TOWER SEMICONDUCTOR
NEWPORT BEACH
RETIREMENT SAVINGS PLAN**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

December 31, 2022 and 2021

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, 2022 and 2021	4
Statements of Changes in Net Assets Available for Plan Benefits for the year ended December 31, 2022.....	5
Notes to Financial Statements	6-13
Supplemental Schedule*:	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2022	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, 2022 and 2021, and the statement of changes in net assets available for benefits for the year ended December 31, 2022, 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, 2022 and 2021, 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 13, 2023

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments*:		
Mutual funds, at fair value	\$ 111,797,698	\$ 136,680,508
Interest in collective trust, at contract value	<u>12,661,382</u>	<u>12,194,884</u>
Total Investments	124,459,080	148,875,392
Plan receivables:		
Notes receivable from participants	1,476,290	1,534,896
Contribution receivable – participant	234,131	153,416
Contribution receivable – employer	<u>84,882</u>	<u>50,128</u>
Total Plan receivables	1,795,303	1,738,440
TOTAL ASSETS	\$ 126,254,383	\$ 150,613,832
LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$ 126,254,383</u>	<u>\$ 150,613,832</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 YEAR ENDED DECEMBER 31, 2022**

NET ADDITIONS

Investment Income (Loss):

Net depreciation in fair value of investments	\$ (30,272,271)
Interest and dividends	2,600,311
Transfer and adjustment	<u>149,025</u>
Total investment loss	<u>(27,522,935)</u>

Contributions:

Participant deferral	7,648,936
Employer deferral	2,441,541
Participant rollover	<u>54,614</u>
Total contributions	<u>10,145,091</u>

Interest income on notes receivable from participants	85,058
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Total net reductions	<u>(17,292,786)</u>
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DEDUCTIONS

Benefits payments	6,960,557
Administrative fees	<u>106,106</u>
Total deductions	<u>7,066,663</u>

NET DECREASE	(24,359,449)
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NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>150,613,832</u>
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NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u><u>\$ 126,254,383</u></u>
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See Accompanying Notes to Financial Statements

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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”).

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.

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 \$20,500, plus a catch-up contribution of \$6,500 if 50 years of age or older (2022 Plan year) 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 2022. 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.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

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. 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. 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 year ended December 31, 2022 were \$1,085. During the year ended December 31, 2022, \$6,730 was contributed in forfeitures. During the year ended December 31, 2022, \$6,793 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

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 year ended December 31, 2022, the Plan administrator did not perform significant estimates.

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.

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.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021.

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, 2022 and 2021.

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.

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.

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.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2022:

	Level 1	Total
Investments at fair value - Mutual Funds	\$ 111,797,698	\$ 111,797,698

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:

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

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.

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.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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, 2019 through 2022 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, 2022 and 2021, 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.

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 to Form 5500 at December 31:

	<u>2022</u>	<u>2021</u>
Net assets available for Plan benefits per the financial statements	\$ 126,254,383	150,613,832
Loans deemed distributed with no post default payments	(42,664)	(30,802)
Employer and employee contributions receivable	(319,013)	(203,544)
Change in interest in collective trust	(854,706)	108,529
Net assets available for Plan benefits per Form 5500	<u>\$ 125,038,000</u>	<u>150,488,015</u>

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

	<u>2022</u>	<u>2021</u>
Net increase in assets available for Plan benefits per the financial statements	\$ (24,359,449)	23,883,416
Change from adjustment from fair value to contract value for fully benefit responsive investment contracts, net	(956,939)	(248,585)
Change in employer and employee contributions receivable	(115,469)	61,119
Change in loans deemed distributed with no post- default payments	(18,158)	(5,341)
Net increase in net assets available for Plan benefits per Form 5500	<u>\$ (25,450,015)</u>	<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 \$106,106 for the year ended December 31, 2022.

NOTE 10 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events that occurred after December 31, 2022 and through October 13, 2023, 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 statement.

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, 2022
(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	142,131 shares	\$ 18,920,494
*	FID EXTD MKT IDX	31,115 shares	1,960,895
*	FID FDM IDX 2015 IPR	49,051 shares	635,220
*	FID FDM IDX 2020 IPR	228,486 shares	3,221,666
*	FID FDM IDX 2025 IPR	208,227 shares	3,312,899
*	FID FDM IDX 2030 IPR	384,252 shares	6,455,436
*	FID FDM IDX 2035 IPR	230,568 shares	4,316,241
*	FID FDM IDX 2040 IPR	134,689 shares	2,553,720
*	FID FDM IDX 2045 IPR	59,469 shares	1,170,951
*	FID FDM IDX 2050 IPR	137,265 shares	2,706,868
*	FID FDM IDX 2055 INV	61,812 shares	1,003,223
*	FID FDM IDX 2060 IPR	20,318 shares	279,170
*	FID FDM IDX 2065 IPR	9,834 shares	109,263
*	FID FDM IDX INC IPR	51,740 shares	565,528
*	FID GROWTH CO K6	937,012 shares	14,420,621
*	FID INTL CAP APPR K6	343,599 shares	4,140,371
*	FID INTL INDEX	76,155 shares	3,136,827
*	FID INVST GR BD	346,064 shares	2,443,212
*	FID LOW PRICED STK K	131,863 shares	6,081,548
*	FID MID CAP STOCK K6	538,428 shares	7,134,177
*	FID OTC K6	745,815 shares	10,486,182
*	FID REAL ESTATE INVS	41,675 shares	1,555,748
*	FID SM CAP IDX	119,707 shares	2,597,643
*	FID US BOND IDX	508,420 shares	5,175,722
	JPM EQUITY INCOME R6	213,936 shares	4,828,556
	MFS MID CAP GRTH R4	27,983 shares	649,228
	MIP CL 1	0.13 shares	0.13
	MIP CL 2	12,661,381 shares	12,661,382
	VANG MDCPVAL IDX ADM	16,872 shares	1,182,423
	WA CORE BOND IS	71,119 shares	753,866
	Notes receivable from participants	Interest rates, 4.25% to 9.0%, maturing 2023 to 2031	1,476,290
			<u>\$ 125,935,370</u>

* Identified as a party in interest to the Plan.

The cost of participant-directed investments is not required to be disclosed.

October 13, 2023

The Investment Committee
Tower Semiconductor Newport Beach, Inc.

We have audited the financial statements of the Tower Semiconductor Newport Beach Retirement Plan for Hourly Employees (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), for the year ended December 31, 2022, and we will issue our report thereon dated October 13, 2023. 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 risks, scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 19, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Plan 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. During the year ended December 31, 2022, there were no sensitive or significant accounting estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was related to the description of the Plan in Note 1 to the financial statements due to the Plan requirements.

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

Form 5500 Procedures

We are required to obtain and read a substantially complete draft of Form 5500 prior to dating our auditor's report. The purpose of this procedure is to identify any material inconsistencies between the draft Form 5500 and the Plan's financial statements. We identified no material inconsistencies in performing and completing our audit.

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. We identified no misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on 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 13, 2023.

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 Plan’s 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 generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan’s 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 ERISA-required supplemental schedule 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 ERISA-required supplemental schedule 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,





4321 Jamboree Rd, Newport Beach, CA 92660

May 9, 2024

dbbmckennon

20321 SW Birch Street, Suite 200
Newport Beach, California 92660

This representation letter is provided in connection with your audits of the financial statements and supplemental schedules of the Tower Semiconductor Newport Beach Retirement Savings Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and whether the supplemental schedule are fairly stated in all material respects in relation to the financial statements as a whole. As permitted by Regulation 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), we have instructed you not to perform any auditing procedures with respect to information prepared and certified to by Fidelity, the trustee, in accordance with DOL Regulation 2520.103-5, except for comparing the information with the related information included in the financial statements and supplemental schedule. Because of the significance of the information which you did not audit, we understand that you will not express an opinion on the financial statements and supplemental schedule as a whole. We understand that the form and content of the information in the financial statements and supplemental schedule, other than that derived from the information certified by Fidelity, has been audited by you in accordance with auditing standards generally accepted in the United States of America, and was subjected to tests of our accounting records and other procedures you considered necessary to enable you to express an opinion as to whether they are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of May 9, 2023, the following representations made to you during your audits.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 19, 2023, including our responsibility for the preparation and fair presentation of the financial statements and note disclosures.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP, the notes include all disclosures required by laws and regulations to which the Plan is subject, including the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, and the supplemental schedule referred to above are fairly presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Tower Semiconductor Newport Beach, Inc.
Page 2

- 3) The Plan experienced late remittances of employee contributions and loan repayments in 2020, 2021 and during the first nine months of 2022. We computed the late amounts for this Plan in 2022 totaling \$5,549,114, of which \$205,154 were corrected outside the correct program. We computed the late amounts for this Plan in 2020 and 2021 totaling \$988,296 and \$3,389,423, respectively, none of which have been corrected through the date of this letter.
- 4) We acknowledge our responsibility 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.
- 5) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 6) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 7) Related-party relationships and transactions and relationships and transactions with parties-in-interest, as defined in ERISA Section 3(14) and regulations thereunder, have been appropriately accounted for and disclosed in accordance with U.S. GAAP and ERISA Section 3(14) and regulations thereunder.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A corrected misstatement is attached to the representation letter in Exhibit A.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Other matters (e.g., breach of fiduciary responsibilities, nonexempt transactions, loans or leases in default, events reportable to the PBGC, or events that may jeopardize the tax status) that legal counsel have advised us that must be disclosed have been properly disclosed.
- 11) Significant estimates and material concentrations have been properly disclosed in accordance with U.S. GAAP.
- 12) Financial instruments with concentrations of credit risk have been properly recorded or disclosed in the financial statements.
- 13) Guarantees, whether written or oral, under which the Plan is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- 14) The supplemental schedules or financial statements disclose the following:
 - a) All non-exempt party-in-interest transactions as defined in ERISA Section 3(14) and regulations thereunder.
 - b) Investments or loans in default or considered to be uncollectible.
 - c) Reportable transactions as defined in ERISA Section 103(b)(3)(H) and regulations thereunder.

Information Provided

- 15) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence.
 - d) Plan instruments, trust agreements, insurance contracts, or investment contracts and amendments to such documents entered into during the year, including amendments to comply with applicable laws.

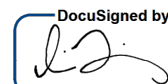
Tower Semiconductor Newport Beach, Inc.
Page 3

- 16) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 17) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 18) We have no knowledge of any fraud or suspected fraud that affects the Plan and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 19) We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan's financial statements communicated by employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.
- 20) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations (including ERISA, DOL, and IRS regulations) whose effects should be considered when preparing financial statements.
- 21) There are no known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 22) We have disclosed to you the names of all of the Plan's related parties and parties in interest and all the related-party and party-in-interest relationships and transactions, including any side agreements.
- 23) The Plan has satisfactory title to all owned assets, which are recorded at fair value, and all liens, encumbrances, or security interests requiring disclosure in the financial statements have been properly disclosed.
- 24) We have no:
 - a) Plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 - b) Intentions to terminate the Plan. Furthermore, no reportable events have occurred that could result in the Pension Benefit Guaranty Corporation having the authority to initiate proceedings to terminate the Plan.
- 25) Amendments to the Plan instrument, if any, have been properly recorded or disclosed in the financial statements.
- 26) All required amendments to and filings of Plan documents with the appropriate agencies have been made. We intend to formally amend the Plan to incorporate the following provisions under which the Plan is currently operating, that were adopted to comply with new laws or regulations.
- 27) The Plan is qualified under the appropriate section of the Internal Revenue Code and we intend to continue them as a qualified plan. The Plan sponsor has operated the Plan in a manner that did not jeopardize this tax status. Required nondiscrimination testing related to Code Section 401(k) and 401(m) arrangements, as applicable, has been completed for the Plan, and any excess deferrals or contributions have been disposed of in accordance with regulations.
- 28) During the year ended December 31, 2022, forfeitures were not significant.
- 29) The Plan has complied with the fidelity bonding requirements of ERISA.
- 30) We have apprised you of all communications, whether written or oral, with regulatory agencies concerning the operation of the Plan.
- 31) We have obtained appropriate fee disclosures from covered service providers and have concluded the fees are reasonable. The Plan is in compliance with DOL regulations regarding ERISA Section 408(b)(2) which enables advisors and other service providers to a plan to receive compensation directly or indirectly from the plan.

Tower Semiconductor Newport Beach, Inc.
Page 4

- 32) We acknowledge our responsibility for presenting the Schedule of Investments, in accordance with U.S. GAAP and in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and we believe this supplemental schedule, including their form and content, are fairly presented in accordance with U.S. GAAP and in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. The methods of measurement and presentation of the supplemental schedule have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplemental schedule.
- 33) We have provided disclosures of subsequent events affecting the Plan through the date of this letter. There are no additional disclosures requiring adjustment to, or disclosure in, the financial statements.

Sincerely,

DocuSigned by:

1DDEEB2A7B3D4E3
Ms. Ronit Vardi
Chief Financial Officer

DocuSigned by:

9B29CBF6024D492
Ms. Isis Diaz Linares
Manager, Compensation and Benefits

Exhibit A

AJE#	Description	Debit	Credit	Disposition
Hourly PAJE 1	Contributions - participants	47,041		Book
	Contributions - employer	2,748		
	Contributions receivable - participants		47,041	
	Contributions receivable - employer		2,748	
	<i>To reverse prior year contributions receivable</i>			
Hourly PAJE 2	Contributions receivable - participants	39,841		Book
	Contributions payable - employer		25,193	
	Contributions - participants		39,841	
	Contributions - employer	25,193		
	<i>To record contributions withheld in 2022, but remitted to the Plan in 2023</i>			

AJE#	Description	Debit	Credit	Disposition
Salary PAJE 1	Contributions - participants	153,416		Book
	Contributions - employer	50,128		
	Contributions receivable - participants		153,416	
	Contributions receivable - employer		50,128	
	<i>To reverse prior year contributions receivable</i>			
Salary PAJE 2	Contributions receivable - participants	234,131		Book
	Contributions receivable - employer	84,882		
	Contributions - participants		234,131	
	Contributions - employer		84,882	
	<i>To record contributions withheld in 2022, but remitted to the Plan in 2023</i>			

**TOWER SEMICONDUCTOR
NEWPORT BEACH
RETIREMENT SAVINGS PLAN**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

December 31, 2022 and 2021

Together with

Independent Auditors' Report

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

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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, 2022 and 2021, and the statement of changes in net assets available for benefits for the year ended December 31, 2022, 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, 2022 and 2021, 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 Schedules Required by ERISA

The supplemental schedules of Schedule H, Line 4(a) – Schedule of Delinquent Participant Contribution Contributions as of December 31, 2022, and Schedule H, Part IV, Line 4(i)—Schedule of Assets (Held at End of Year) are 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 schedules, 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 schedules, we evaluated whether the supplemental schedules, 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 schedules, other than the information in the supplemental schedules 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 schedules 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
May 9, 2024

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Investments*:		
Mutual funds, at fair value	\$ 111,797,698	\$ 136,680,508
Interest in collective trust, at contract value	<u>12,661,382</u>	<u>12,194,884</u>
Total Investments	124,459,080	148,875,392
Plan receivables:		
Notes receivable from participants	1,476,290	1,534,896
Contribution receivable – participant	234,131	153,416
Contribution receivable – employer	<u>84,882</u>	<u>50,128</u>
Total Plan receivables	1,795,303	1,738,440
TOTAL ASSETS	\$ 126,254,383	\$ 150,613,832
LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$ 126,254,383</u>	<u>\$ 150,613,832</u>

* Investments are all participant directed

See Accompanying Notes to Financial Statements

**TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NET ADDITIONS

Investment Income (Loss):

Net depreciation in fair value of investments	\$ (30,272,271)
Interest and dividends	2,600,311
Transfer and adjustment	<u>149,025</u>
Total investment loss	<u>(27,522,935)</u>

Contributions:

Participant deferral	7,648,936
Employer deferral	2,441,541
Participant rollover	<u>54,614</u>
Total contributions	<u>10,145,091</u>

Interest income on notes receivable from participants	85,058
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Total net reductions	<u>(17,292,786)</u>
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DEDUCTIONS

Benefits payments	6,960,557
Administrative fees	<u>106,106</u>
Total deductions	<u>7,066,663</u>

NET DECREASE	(24,359,449)
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NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>150,613,832</u>
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NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u><u>\$ 126,254,383</u></u>
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See Accompanying Notes to Financial Statements

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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”).

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.

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% of eligible compensation or \$20,500, plus a catch-up contribution of \$6,500 if 50 years of age or older (2022 Plan year) 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 2022. Participants direct the investment of their contributions into various investment options offered by the Plan.

During the year ended December 31, 2022, the Company withheld certain employee contributions totaling \$5,549,114 and remitted such contributions late, which is considered four business days and over after the time of withholding. During 2022, the Plan Administrator corrected remittances aggregating \$205,154 and remitted lost earnings to the participant accounts totaling \$6,900. The Plan had \$4,377,719 in late remittances relating to 2021 and 2020. Remaining uncorrected late remittances are expected to be corrected in 2024.

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

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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.

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.

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. 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. 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 Statement 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 year ended December 31, 2022 were \$1,085. During the year ended December 31, 2022, \$6,730 was forfeited by participants for unvested employer matched contributions. During the year ended December 31, 2022, \$6,793 was used in forfeitures to pay Plan administration fees.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 year ended December 31, 2022, the Plan administrator did not perform significant estimates.

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.

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*

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
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DECEMBER 31, 2022 AND 2021

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.

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, 2022 and 2021.

NOTE 3 – INVESTMENTS

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

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.

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, 2022:

	<u>Level 1</u>	<u>Total</u>
Investments at fair value - Mutual Funds	\$ 111,797,698	\$ 111,797,698

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

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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.

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

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operated in compliance with the applicable requirements of the Internal Revenue Code. The Plan's Form 5500 for the years ended December 31, 2019 through 2022 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, 2022 and 2021, 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.

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 to Form 5500 at December 31:

	2022	2021
Net assets available for Plan benefits per the financial statements	\$ 126,254,383	150,613,832
Loans deemed distributed with no post default payments	(42,664)	(30,802)
Employer and employee contributions receivable	(319,013)	(203,544)
Change in interest in collective trust	(854,706)	108,529
Net assets available for Plan benefits per Form 5500	<u>\$ 125,038,000</u>	<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 to Form 5500 for the years ended December 31:

	2022	2021
Net increase in assets available for Plan benefits per the financial statements	\$ (24,359,449)	23,883,416
Change from adjustment from fair value to contract value for fully benefit responsive investment contracts, net	(956,939)	(248,585)
Change in employer and employee contributions receivable	(115,469)	61,119
Change in loans deemed distributed with no post- default payments	(18,158)	(5,341)
Net increase in net assets available for Plan benefits per Form 5500	<u>\$ (25,450,015)</u>	<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.

TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
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Transactions qualifying as party-in-interest transactions include audit services performed by *dbbmckennon*, certain Plan investments as shares of mutual funds are managed by the Trustee and Participant loans. Such transactions are exempt from the prohibited transaction rules.

NOTE 10 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events that occurred after December 31, 2022 and through May 9, 2024, 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 statement.

SUPPLEMENTAL SCHEDULE
TOWER SEMICONDUCTOR NEWPORT BEACH RETIREMENT SAVINGS PLAN
Employer Identification Number 75-3005127, Plan 001
Schedule H, line 4a—Schedule of Delinquent Participant Contributions
As of December 31, 2022
(Unaudited)

Participant
Contributions
Transferred
Late to Plan

Total That Constitute Prohibited
Nonexempt Transactions

\$ 9,926,833

\$ 9,926,833

[]

If Late Participant
Loan Repayments
Are Included

		Corrections	Contributions	Totally Fully
		Corrected	Pending	Corrected
		Outside of	Correction in	Under VFCP
		Not Corrected	VFCP	and
			VFCP	PTE 2002-51
2022	5,343,960	205,154	-	-
2021	3,389,423	-	-	-
2020	988,296	-	-	-
	\$ 9,721,679	\$ 205,154	\$ -	\$ -

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, 2022
(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	142,131 shares	\$ 18,920,494
*	FID EXTD MKT IDX	31,115 shares	1,960,895
*	FID FDM IDX 2015 IPR	49,051 shares	635,220
*	FID FDM IDX 2020 IPR	228,486 shares	3,221,666
*	FID FDM IDX 2025 IPR	208,227 shares	3,312,899
*	FID FDM IDX 2030 IPR	384,252 shares	6,455,436
*	FID FDM IDX 2035 IPR	230,568 shares	4,316,241
*	FID FDM IDX 2040 IPR	134,689 shares	2,553,720
*	FID FDM IDX 2045 IPR	59,469 shares	1,170,951
*	FID FDM IDX 2050 IPR	137,265 shares	2,706,868
*	FID FDM IDX 2055 INV	61,812 shares	1,003,223
*	FID FDM IDX 2060 IPR	20,318 shares	279,170
*	FID FDM IDX 2065 IPR	9,834 shares	109,263
*	FID FDM IDX INC IPR	51,740 shares	565,528
*	FID GROWTH CO K6	937,012 shares	14,420,621
*	FID INTL CAP APPR K6	343,599 shares	4,140,371
*	FID INTL INDEX	76,155 shares	3,136,827
*	FID INVST GR BD	346,064 shares	2,443,212
*	FID LOW PRICED STK K	131,863 shares	6,081,548
*	FID MID CAP STOCK K6	538,428 shares	7,134,177
*	FID OTC K6	745,815 shares	10,486,182
*	FID REAL ESTATE INVS	41,675 shares	1,555,748
*	FID SM CAP IDX	119,707 shares	2,597,643
*	FID US BOND IDX	508,420 shares	5,175,722
	JPM EQUITY INCOME R6	213,936 shares	4,828,556
	MFS MID CAP GRTH R4	27,983 shares	649,228
	MIP CL 1	0.13 shares	0.13
	MIP CL 2	12,661,381 shares	12,661,382
	VANG MDCPVAL IDX ADM	16,872 shares	1,182,423
	WA CORE BOND IS	71,119 shares	753,866
*	Notes receivable from participants	Interest rates, 4.25% to 9.0%, maturing 2023 to 2031	1,476,290
			<u>\$ 125,935,370</u>

* Identified as a party in interest to the Plan.

The cost of participant-directed investments is not required to be disclosed.

May 9, 2024

The Investment Committee
Tower Semiconductor Newport Beach, Inc.

Dear Members:

We previously reissued our report on the audited financial statements of the Tower Semiconductor Newport Beach Retirement Savings Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), for the year ended December 31, 2022. Due to matters discussed in the succeeding paragraph below, we will re-issue our report thereon dated May 9, 2024. 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 risks, scope, and timing of our audit. We have communicated such information in our engagement letter to you dated July 19, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Department of Labor (DOL) Inquiry

The Plan Administrator received a notice from the DOL with respect to their review of our audit workpapers. After performing a thorough review, they issued a letter describing certain deficiencies in our workpapers, as well as certain remittances that they determined to be late. As a result, the Plan was required to amend its Form 5500 and require certain disclosures in the financial statements and Supplemental Schedule. As of December 31, 2022, the Plan had approximately \$9.9 million in late remittances which are expected to be corrected in 2024.

Qualitative Aspects of Accounting Practices

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. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Plan 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. During the year ended December 31, 2022, there were no sensitive or significant accounting estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was related to the description of the Plan in Note 1 to the financial statements due to the Plan requirements.

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

Form 5500 Procedures

We are required to obtain and read a substantially complete draft of Form 5500 prior to dating our audit report. The purpose of this procedure is to identify any material inconsistencies between the draft Form 5500 and the Plan's financial statements. We identified no material inconsistencies 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. We identified no misstatements other than certain losses in earnings totaling less than \$25,000. Due to the relative immateriality, we did not propose an adjustment to the Statement of Assets for Benefits at December 31, 2022.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on 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 May 9, 2024.

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 Plan's 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 generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's 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 ERISA-required supplemental schedules 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 ERISA-required supplemental schedule to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. As noted above, the Plan included a Schedule of Delinquent Remittances.

This information is intended solely for the use of the Investment Committee, Board of Directors, and management of the 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,



The Investment Committee
Tower Semiconductor Newport Beach, Inc.

In planning and performing our audit of the financial statements of Tower Semiconductor Newport Beach Retirement Savings Plan (the "Plan") as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Tower Semiconductor Newport Beach Retirement Savings Plan's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in Tower Semiconductor Newport Beach Retirement Savings Plan's internal control to be material weaknesses:

Failure to timely remit contributions

The Plan Sponsor during the first nine months of the year ended December 31, 2022 failed to remit employee and employer contributions within a timely period (less than 5 business days) and as such owes the participants lost earnings. This occurred due to delays in transmissions between both the Newport and San Antonio entities to Israel and causing significant delays. The Plan Sponsor has since changed their process and now remits contribution between 0-3 business days.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Tower Semiconductor Newport Beach Retirement Savings Plan's internal control to be significant deficiencies:

Reconciling payroll to amounts contributed to the Plan

The Plan Sponsor did not appropriately reconcile payroll to the contribution file submitted to Fidelity leading to excess contributions being made to the Plan greater than the payroll amount. We recommend that prior to submitting a contribution file that payroll and the contribution file are appropriately reconciled.

This communication is intended solely for the information and use of management, The Investment Committee, and others within the Plan, and is not intended to be, and should not be, used by anyone other than these specified parties.

dbbmckennon

Newport Beach, CA
May 9, 2024