

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Microchip Technology Incorporated		86-0629024	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Gary W. McDaniel	480-792-7200	gary.mcdaniel@microchip.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
2355 W. Chandler Blvd.		Chandler, AZ 85224	
<b>8</b> Date of action		<b>9</b> Classification and description	
2016		Dividends on Common Stock	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
595017104		MCHP	

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **In 2016, Microchip Technology Incorporated made distributions to stockholders as follows:**

\$0.3590 per share on March 7, 2016;

\$0.3595 per share on June 7, 2016;

\$0.3600 per share on September 6, 2016;

\$0.3605 per share on December 5, 2016.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Approximately 46.6907% of the distribution described above on March 7, 2016 represents a taxable dividend and 53.3093% represents a return of capital. 0% of the distributions described above on June 7, 2016; September 6, 2016 and December 5, 2016 will be treated as a taxable dividend and approximately 100% represents a return of capital under Section 301(c)(2).**

**Generally, the portion of the distribution on the common stock that is treated as a return of capital should reduce the tax basis in the shares of common stock up to a holder's adjusted basis in the common stock, with any excess treated as capital gains pursuant to Section 301(c)(3).**

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **As described above, Microchip Technology Incorporated has determined that of such distributions described above, approximately 46.6907% will be treated as a taxable dividend and 53.3093% will be treated as a return of capital under Section 301(c)(2).**

Payment Date	Total Per Share Distribution	2016 Taxable Dividend	2016 Return of Capital
03/07/2016	\$0.35900	\$0.16762	\$0.19138
06/07/2016	\$0.35950	\$0.00	\$0.35950
09/06/2016	\$0.36000	\$0.00	\$0.36000
12/05/2016	\$0.36050	\$0.00	\$0.36050

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
Internal Revenue Code Sections **301(c)(2) and 301(c)(3)**

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18 Can any resulting loss be recognized? ▶ n/a

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **2016**

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶  Date ▶ 1/10/17  
Print your name ▶ J. Eric Bjornholt Title ▶ Vice President, CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.