

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Microchip Technology Incorporated		86-0629024	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Gary W. McDaniel	480-792-7200	gary.mcdaniel@microchip.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
2355 W. Chandler Blvd.		Chandler, AZ 85224	
8 Date of action		9 Classification and description	
2017		Conversion Rate Adjustment on Convertible Debt	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
See Attached		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 ▶ Microchip Technology Incorporated made a conversion rate adjustment for its convertible debt holders which resulted in a deemed distribution to its convertible debt holders.

See attached schedule for dates when conversion rate adjustments occurred.

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 ▶ 100% of the distributions described above will be treated as a taxable dividend under Section 301(c) & Section 305(c).

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, 100% will be treated as a taxable dividend under Section 301(c) & Section 305(c).

See attached schedule for value attributed to each conversion rate adjustment.

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)

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

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **2017**

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 ▶ 1/16/18
Print your name ▶ J. Eric Bjornholt Title ▶ Vice President, CFO

Paid Preparer Use Only	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.

Microchip Technology Incorporated
 Conversion Rate Adjustments:

	Deemed Distribution Date	Total Distribution Per \$1000 Bond	2017 Taxable Dividend Per \$1000 Bond	2017 Return of Capital Per \$1000 Bond
2.125% Junior Subordinated Convertible Debentures Due 2037				
CUSIP: 595017AB0	*5/23/2017	\$ 15.20	\$ 15.20	\$ -
	*8/21/2017	\$ 15.30	\$ 15.30	\$ -
	11/20/2017	\$ 15.40	\$ 15.40	\$ -
1.625% Senior Subordinated Convertible Notes Due 2025				
CUSIP: 595017AD6	*5/19/2017	\$ 5.60	\$ 5.60	\$ -
	*8/17/2017	\$ 5.70	\$ 5.70	\$ -
	11/20/2017	\$ 6.00	\$ 6.00	\$ -
1.625% Senior Subordinated Convertible Notes Due 2027				
CUSIP: 595017AE4	*5/19/2017	\$ 3.00	\$ 3.00	\$ -
	*8/17/2017	\$ 3.00	\$ 3.00	\$ -
	11/20/2017	\$ 3.27	\$ 3.27	\$ -
2.25% Junior Subordinated Convertible Notes Due 2037				
CUSIP: 595017AG9	*5/19/2017	\$ 2.96	\$ 2.96	\$ -
	*8/17/2017	\$ 3.02	\$ 3.02	\$ -
	11/20/2017	\$ 3.15	\$ 3.15	\$ -

*Taxability of distribution amended due to tax reform