

**CHARTER FOR THE  
COMPENSATION COMMITTEE  
OF  
MICROCHIP TECHNOLOGY INCORPORATED  
(as amended and restated as of May 21, 2019)**

**PURPOSE:**

The purpose of the Compensation Committee of the Board of Directors (the “**Board**”) of MICROCHIP TECHNOLOGY INCORPORATED (the “**Company**”) shall be to discharge the Board’s responsibilities relating to compensation of the Company’s chief executive officer and other executive officers. The Committee has overall responsibility for approving and evaluating the executive officer and non-executive level employee compensation plans, policies and programs of the Company and for administering the Company’s equity compensation plans adopted by the Board (the “**Equity Plans**”).

The Compensation Committee shall seek to ensure that the Company structures its compensation plans, policies and programs as to attract and retain the best available personnel for positions of substantial responsibility with the Company, to provide incentives for such persons to perform to the best of their abilities for the Company and to promote the success of the Company’s business. The Compensation Committee is also responsible for approving any required disclosures of the Compensation Committee for inclusion in the Company’s proxy statement.

The Compensation Committee has the authority to undertake the specific duties and responsibilities listed below and will have the authority to undertake such other specific duties as the Board from time to time prescribes.

**MEMBERSHIP:**

The Compensation Committee will be appointed by and will serve at the discretion of the Board. The Compensation Committee shall consist of at least two members. The members of the Compensation Committee shall meet (i) the non-employee director definition of Rule 16b-3 promulgated by the Securities and Exchange Commission (the “**SEC**”) under Section 16 of the Securities Exchange Act of 1934 (the “**Exchange Act**”), as amended and (ii) the independence requirements of the listing standards of the NASDAQ Stock Market, including the requirement that the member not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof.

The members of the Compensation Committee will be appointed by the Board, based upon the recommendation of the Company’s Nominating and Governance Committee, and will serve at the discretion of the Board. The Committee may have a chairperson as designated from time to time by the Board of Directors

**COMMITTEE RESPONSIBILITIES AND AUTHORITY:**

The responsibilities of the Compensation Committee include the following:

- The Compensation Committee reviews and approves all compensation and benefit plans for the Chief Executive Officer (“**CEO**”) and the other executive officers of the Company, including, without limitation, (a) the annual base salary, (b) the quarterly incentive bonuses, including the specific goals and amounts, (c) equity compensation, (d) any employment agreements, severance arrangements, and change in control agreements/ provisions and (e) any other benefits, compensation or arrangements. Equity compensation arrangements involving executive officers that are “reporting persons” for

purposes of Section 16 of the Exchange Act shall be reviewed and approved by the Compensation Committee to ensure compliance with SEC Rule 16b-3. The CEO shall not be present during the voting and any deliberations with respect to the CEO's compensation.

- The Compensation Committee works with the Board in evaluating potential successors to executive officer positions.
- The Compensation Committee has the authority to review and to make recommendations to the Board with respect to:
  - General compensation goals and guidelines for the Company's employees and the criteria by which bonuses and equity compensation awards to the Company's employees are determined;
  - Amendments to the Equity Plans and changes in the number of shares reserved for issuance thereunder; and
  - Other plans that are proposed for adoption or adopted by the Company for the provision of compensation to employees of, directors of and consultants to the Company.
- The Compensation Committee acts as the Administrator (as defined in the Equity Plans) of the Company's Equity Plans. In its administration of the Equity Plans, the Compensation Committee may (i) grant stock equity awards to individuals eligible for such grants, (ii) amend such Equity Plans or awards made thereunder and (iii) take all other actions permitted under the Equity Plans.
- The Compensation Committee may form and delegate authority to subcommittees when appropriate.
- The Compensation Committee may authorize the repurchase of shares from terminated employees pursuant to applicable law.
- The Compensation Committee has the sole authority to retain, appoint, compensate and oversee the work of and terminate any consultant, legal counsel or other adviser (each, an "adviser") engaged to assist the Compensation Committee with its duties and the Compensation Committee has sole authority to approve the adviser's fees and other retention terms. The Company shall provide appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to any adviser retained by the Compensation Committee. To the extent required by applicable Nasdaq or SEC rules, in retaining an adviser, the Compensation Committee shall consider the following independence factors (and any other factors required from time to time by applicable rules):
  - the provision of other services to the Company by the person that employs the adviser;
  - the amount of fees received from the Company by the adviser, as a percentage of the total revenue of the adviser;
  - the policies and procedures of the adviser that are designed to prevent conflicts of interest;
  - any business or personal relationship of the adviser with a member of the Compensation Committee;

- any stock of the Company owned by the adviser; and
- any business or personal relationship of the adviser with an executive officer of the Company.
- The Compensation Committee approves disclosures of the Compensation Committee as required by applicable SEC rules for inclusion in the Company's proxy statement for each annual meeting.
- The Compensation Committee reviews and reassesses the adequacy of this Charter annually and recommends any proposed changes to the Board for approval.
- The Compensation Committee annually reviews its own performance.
- The Compensation Committee will annually review and recommend to the Board the form and amount of compensation to be paid for service on the Board and Board committees and for service as a chairperson of a Board committee.

**MEETINGS:**

The Compensation Committee will meet at least two times each year. The Compensation Committee may establish its own schedule, which it will provide to the Board.

**MINUTES:**

The Compensation Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

**REPORTS:**

In addition to approving the report in the Company's proxy statement in accordance with the rules and regulations of the SEC, the Compensation Committee will summarize its examinations and recommendations to the full Board as may be appropriate, consistent with the Compensation Committee's charter.

**COMPENSATION:**

Members of the Compensation Committee shall receive such fees, if any, for their service as Compensation Committee members as may be determined by the Board in its sole discretion. Such fees may include retainers and per meeting fees. Fees may be paid in such form of consideration as is determined by the Board.

Members of the Compensation Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof.