



## **Minimum Share Holding, Anti-Hedging, and Trading Restrictions**

### **Minimum Share Holding Policy**

Because the Board of Directors (the “Board”) and Executive Management of Microchip Technology Incorporated (“Microchip”) believe that the interests of management and shareholders should be aligned, in 2003, the Board established stock ownership guidelines for Microchip’s non-employee Board members, executive officers and certain other employees (“Covered Persons”)(HR-900).

These guidelines require that within four years of appointment or promotion, Covered Persons must accumulate and hold a minimum dollar value of shares of Microchip common stock or a minimum number of shares of Microchip common stock (whichever is lower). Unvested equity awards do not count toward satisfying these ownership guidelines.

The following table lists the current stock ownership requirements of Microchip.

<b>Position</b>	<b>Minimum Dollar Value</b>	<b>Minimum Number of Shares</b>
Non-Employee Members of the Board of Directors	\$250,000	6,000
President and Chief Executive Officer	4 X Annual Base Salary	50,000
Executive Chair	3.5 X Annual Base Salary	40,000
Chief Operating Officer	3 X Annual Base Salary	24,000
Section 16(b) Executive Officers	2 X Annual Base Salary	12,000
Senior Vice Presidents	0.75 X Annual Base Salary	8,000
Vice Presidents	0.5 X Annual Base Salary	4,000
Appointed Vice Presidents, Senior Technical Fellows, & Senior Directors	0.4 X Annual Base Salary	3,000
Internal Directors & Technical Fellows	0.3 X Annual Base Salary	2,000

## **Anti-Hedging and Trading Restrictions**

Our Insider Trading Policy (HR-630, SPI 50314) prohibits members of our board of directors and employees, including our executive officers, from hedging or pledging our securities, making short sales, or trading in derivative securities related to Microchip securities.

Short sale, hedging or derivative transactions may potentially place a director or employee's personal financial interests in conflict with the interests of Microchip, as such transactions are generally much more valuable if Microchip stock declines in value. Engaging in short sale, hedging or derivative transactions could negatively influence the decisions or actions of directors or employees in meeting responsibilities to Microchip. Therefore, all Microchip directors and employees are strictly prohibited from all such transactions involving Microchip securities.

Executive officers and members of our board of directors have additional trading restrictions imposed by Section 16(b) of the Securities Exchange Act and other SEC rules. Our procedures for implementing these rules are described in our Requirements for Trading Plans. In addition, executive officers, members of the board of directors and our employees may not buy, sell, or gift Microchip securities during our quarterly black-out periods.

If you have questions about restrictions on stock trading, please refer to our Insider Trading Policy and our Requirements for Trading Plans at <https://www.microchip.com/en-us/about/investors/investor-information/mission-statement>, or contact Microchip's legal department at [Legal.Department@Microchip.com](mailto:Legal.Department@Microchip.com).

## **MICROCHIP TECHNOLOGY INCORPORATED**