

In recognizing that "Employees are our Greatest Strength," appropriate consideration is given to employees when filling job vacancies. In support of this philosophy, job openings are posted internally to help identify qualified candidates and to encourage employees who want to grow professionally.

1. When a position becomes vacant or is created due to business requirements, opportunities to promote or transfer from within will be explored consistent with the goal of filling positions with the most qualified individuals available.
2. Most vacant or new full-time positions will be posted unless there are compelling business or job-related circumstances not to post.
3. Job openings will be posted on the company bulletin boards located by cafeterias and on ChipNews and will remain posted for a minimum of 7 calendar days.
4. Employees who are eligible and qualified for an open position are encouraged to apply.
 - Internal Application forms are available from the Human Resources Department. A copy of the form is on the next page. Employees may apply for more than one job, but are required to fill out a new form for each job.
 - Employees must be in their present job for at least 12 months before they can apply for a new position. Exceptions can only be made upon the approval of the releasing department and Human Resources.
 - After accepting a transfer to a facility in another state, the employee must remain in their present job for at least 24 months before they can apply for a position (in a different state). Exceptions exist for sales offices and by the approval of Human Resources.
 - Internal applications will not be accepted from employees if they are currently on an Attendance Notice or Performance Improvement Plan.
 - The current supervisor's signature is not required on the internal application form unless the 12-month eligibility requirement has not been met. The current supervisor will be contacted prior to an offer being extended.
5. All applicants will be evaluated on the basis of ability, performance, related training, education and job experience. In the case where ability, performance and experience are relatively equal, seniority may be considered as a determining factor.
 - Human Resources will pre-screen all applications for eligibility.
 - The hiring manager is responsible for keeping the process timely.
6. Any individual posting may be representative of a job series and not necessarily a specific position. In such cases, the placement of an internal candidate may result in a lateral salary move. (see Promotions policy no. HR-150)
7. The selected employee will be released from their current job within 2-4 weeks. The release date may be extended depending on the circumstances and with the approval of the gaining department and the Human Resources.
8. The hiring manager will notify applicants who are not interviewed or selected.

Microchip may elect to handle individual circumstances on a case-by-case basis at the sole discretion of the company.

MICROCHIP TECHNOLOGY INC.

Human Resources Policies

Ex. 3-1

Transfers

Policy No.: HR-140

Issue Date: 09-30-91

Page 1 of 2 Revised: 03-05-02

INTENT

To provide an impartial and effective process for allowing an employee to transfer.

DEFINITION

- A Shift Transfer is a shift change from one shift to another (i.e. A shift to C shift).
- A Plant Transfer is a transfer from one plant to another (i.e. Chandler to Tempe).
- An FTE Transfer is a change in regular hours (i.e. full-time to part-time).

POLICY

1. A Transfer Request Form must be completed and submitted to the employee's supervisor or shift manager for all requests.
2. An employee must have worked in their present shift/plant for 6 months to be eligible for a Shift, Plant, and/or FTE Transfers.
3. An employee may apply for more than one type of transfer on a single form (i.e. shift and plant). Employees may not submit more than one transfer of the same type at the same time.
4. Once the supervisor or shift manager receives the form, the employee's name will be added to the appropriate transfer list(s).
5. If you change your transfer request, you will be placed at the bottom of that specific transfer list.
6. If an employee is on a Performance Improvement Plan or Attendance Notice, they are not eligible for any type of transfer until they have successfully fulfilled the performance or attendance improvement criteria. If an employee goes on a Performance Improvement Plan or Attendance Notice while on the list, their name may be placed on hold until they have fulfilled the criteria of the plan. This allows them to retain their place on the list.
7. When an opening becomes available for a transfer, the shift manager will refer to the transfer list(s) to fill the position. The selection will be made based on a match of employee qualifications and operational needs, and chronological order of the request date. Whenever possible priority will be placed on employee preferences; however, during periods of high growth and/or turnover or when the balance in production shifts is threatened a temporary hold of internal transfers may be required.
8. Once a transfer is offered, whether accepted or declined, the employee's name will be removed from that specific transfer list.
9. All employees on a transfer list may be queried periodically to see if they still want to be on the list.
10. When an employee accepts a transfer, they will be released as soon as a suitable replacement is trained and put in place. Typically, transfers will be completed within two months of the acceptance date.

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11. If a transfer results in a downgrade of an employee's classification, their pay will be adjusted accordingly. If a transfer results in a change in shift, pay differential will be adjusted accordingly.
12. If an employee's name is selected while they are on an approved leave of absence, the next name on the list will be chosen. The employee on leave will be eligible for the next transfer available following their return to work.

| <u>Cross Reference</u> | <u>HR</u> |
|------------------------|-----------|
| Employee Performance | |
| Improvement Plan | HR-410 |
| Attendance Notice | HR-440 |
| Internal Application | HR-120 |
| Part-time DL Work Prg | HR-170 |
| Differential Pay | HR-220 |
| FMLA & Other Leaves | HR-290 |

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Ex. 3-3

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