

MICROCHIP TECHNOLOGY INC
Form S-4
May 27, 2015
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As filed with the Securities and Exchange Commission on May 26, 2015

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

Under

THE SECURITIES ACT OF 1933

MICROCHIP TECHNOLOGY INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3674
(Primary Standard Industrial
Classification Code Number)
2355 West Chandler Boulevard

86-0629024
(I.R.S. Employer
Identification Number)

Chandler, Arizona 85224

(480) 792-7200

(Address, Including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Steve Sanghi

President and Chief Executive Officer

Microchip Technology Incorporated

2355 West Chandler Boulevard

Chandler, Arizona 85224

(480) 792-7200

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Robert T. Ishii, Esq.

Raymond D. Zinn

William M. Kelly, Esq.

J. Robert Suffoletta, Esq.

President and Chief Executive Officer

Davis Polk & Wardwell LLP

**Wilson Sonsini Goodrich & Rosati,
Professional Corporation**

Micrel, Incorporated

1600 El Camino Real

650 Page Mill Road

2180 Fortune Drive

Menlo Park, California 94025

Palo Alto, California 94304

San Jose, California 95131

(650) 752-2000

(650) 493-9300

(408) 944-0800

Approximate date of commencement of the proposed sale of the securities to the public:

As soon as practicable after this registration statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed	Proposed	Amount Of Registration Fee (3)
		Maximum Offering Price Per Unit	Maximum Aggregate Offering Price (2)	
Common Stock, par value \$0.001 per share	14,313,815	N/A	\$701,376,936	\$81,500

(1) Represents the maximum number of shares of Microchip Technology Incorporated common stock estimated to be issuable upon consummation of the merger.

- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act on the basis of the market value of the shares of Micrel, Incorporated common stock to be cancelled in the merger, computed in accordance with Rule 457(f)(1) and Rule 457(f)(3) based on (a) the product of (i) \$13.935, the average of the high and low sales prices per share of Micrel common stock on May 22, 2015, as reported by NASDAQ, and (ii) 59,936,761 (the number of shares of Micrel common stock estimated to be outstanding at the time the merger is consummated), less (b) \$133,841,829 (the estimated amount of cash that will be paid by Microchip Technology Incorporated to the holders of shares of Micrel common stock in the merger.
- (3) The amount of the filing fee, calculated in accordance with Rule 457(c) and Rule 457(f) under the Securities Act, equals 0.00011620 multiplied by the proposed maximum offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED MAY 26, 2015

MICREL, INCORPORATED

2180 Fortune Drive

San Jose, California 95131

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held On [], 2015

Dear Shareholders of Micrel, Incorporated:

Microchip Technology Incorporated and Micrel, Incorporated have entered into a merger agreement under which Microchip will acquire Micrel (the "merger"). We are pleased to invite you to attend a special meeting of shareholders of Micrel that is being held in connection with the merger. The meeting will be held at Micrel's principal executive offices located at 2180 Fortune Drive, San Jose, CA 95131, on [], 2015, at [], California time, to consider and vote upon the following matters:

a proposal to adopt the Agreement and Plan of Merger, dated as of May 7, 2015, as it may be amended from time to time (the "merger agreement"), by and among Microchip Technology Incorporated, Mambo Acquisition Corp., Mambo Acquisition LLC and Micrel, Incorporated, a copy of which is included as Annex A to the proxy statement/prospectus of which this notice forms a part;

a proposal to adjourn the Micrel special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of such

adjournment to approve such proposal; and

a proposal, on an advisory (non-binding) basis, to approve the compensation that may be paid or become payable to Micrel's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable, as described in the section entitled "The Merger - Interests of Micrel's Directors and Executive Officers in the Merger - Golden Parachute Compensation".

Completion of the merger is conditioned on, among other things, adoption of the merger agreement by our shareholders.

Micrel will transact no other business at the Micrel special meeting except such business as may properly be brought before the Micrel special meeting or any adjournment or postponement thereof. Please refer to the proxy statement/prospectus of which this notice forms a part for further information with respect to the business to be transacted at the Micrel special meeting.

The Micrel Board of Directors has unanimously approved and adopted the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Micrel and its shareholders. **The Micrel Board of Directors unanimously recommends that Micrel shareholders vote FOR each of the proposals set forth above.**

The Micrel Board of Directors has fixed the close of business on [] as the record date for determination of Micrel shareholders entitled to receive notice of, and to vote at, the Micrel special meeting or any adjournments thereof. Only holders of record of Micrel common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Micrel special meeting. A list of the names of Micrel shareholders of record will be available for ten days prior to the Micrel special meeting for any purpose germane to the Micrel special

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meeting between the regular business hours of 9:00 a.m. and 5:00 p.m., California time, at Micrel's headquarters, 2180 Fortune Drive, San Jose, California 95131. The Micrel shareholder list will also be available at the Micrel special meeting during the whole time thereof for examination by any shareholder present at such meeting.

Adoption of the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of Micrel common stock as of the record date for the Micrel special meeting. Approval of the proposal to adjourn the Micrel special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of such adjournment to approve such proposal requires the affirmative vote of the holders of a majority of the shares of Micrel common stock entitled to vote at the Micrel special meeting and present in person or represented by proxy, whether or not a quorum is present. Approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Micrel's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable, requires the affirmative vote of the holders of a majority of the shares of Micrel common stock present in person or represented by proxy at the Micrel special meeting and entitled to vote thereon, assuming a quorum is present.

Your vote is very important. Whether or not you expect to attend the Micrel special meeting in person, we urge you to submit a proxy to vote your shares as promptly as possible by either: (1) logging onto www.proxyvote.com and following the instructions on your proxy card; (2) dialing (800) 690-6903 and listening for further directions; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Micrel special meeting. If your shares are held in the name of a bank, brokerage firm or other nominee, please follow the instructions on the voting instruction card furnished by the record holder, as appropriate.

The enclosed proxy statement/prospectus provides a detailed description of the merger and the merger agreement. We urge you to read carefully and in their entirety the proxy statement/prospectus of which this notice forms a part, including any documents incorporated by reference, and the Annexes. In particular, we urge you to carefully read the section entitled Risk Factors beginning on page 17 of the attached proxy statement/prospectus. If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies or need help voting your shares of Micrel common stock, please contact Micrel's proxy solicitor:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

proxy@mackenziepartners.com

Call Collect: (212) 929-5500

Call Toll-Free: (800) 322-2885

By Order of the Board of Directors of Micrel,
Incorporated,

COLIN STURT,
Secretary

[], 2015

San Jose, California

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about Microchip and Micrel from other documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Microchip Technology Incorporated

2355 West Chandler Boulevard

Chandler, Arizona 85224

Telephone: (480) 792-7200

Attn: Investor Relations

Micrel, Incorporated

2180 Fortune Drive

San Jose, California 95131

Telephone: (408) 944-0800

Attn: Robert E. DeBarr

or

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

proxy@mackenziepartners.com

Call Collect: (212) 929-5500

Call Toll-Free: (800) 322-2885

Investors may also consult Microchip's and Micrel's websites for more information concerning the merger described in this proxy statement/prospectus. Microchip's website is www.microchip.com and Micrel's website is www.micrel.com. Information included on these websites is not incorporated by reference into this proxy statement/prospectus.

If you would like to request any documents, please do so by [], 2015 in order to receive them before the meeting.

For more information, see "Where You Can Find More Information" .

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ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the United States Securities and Exchange Commission (the "SEC") by Microchip, constitutes a prospectus of Microchip under Section 5 of the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of Microchip common stock to be issued pursuant to the merger. This proxy statement/prospectus also constitutes a proxy statement for Micrel under Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). It also constitutes a notice of meeting with respect to the special meeting of Micrel shareholders.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated [], 2015. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this proxy statement/prospectus to Micrel shareholders nor the issuance by Microchip of shares of Microchip common stock in connection with the merger will create any implication to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this proxy statement/prospectus regarding Microchip has been provided by Microchip and information contained in this proxy statement/prospectus regarding Micrel has been provided by Micrel.

All references in this proxy statement/prospectus to **Microchip** refer to **Microchip Technology Incorporated**, a Delaware corporation, and/or its consolidated subsidiaries, unless the context requires otherwise; all references in this proxy statement/prospectus to **Micrel** refer to **Micrel, Incorporated**, a California corporation, and/or its consolidated subsidiaries, unless the context requires otherwise; all references to **Merger Sub** refer to **Mambo Acquisition Corp.**, a California corporation and direct wholly owned subsidiary of Microchip formed for the sole purpose of effecting the mergers; all references to **Merger Sub 2** refer to **Mambo Acquisition LLC**, a California limited liability company and direct wholly owned subsidiary of Microchip formed for the sole purpose of effecting the mergers; unless otherwise indicated or as the context requires; all references in this proxy statement/prospectus to **we**, **our** and **us** refer to **Microchip and Micrel**, collectively; unless otherwise indicated or as the context requires, all references to the **merger agreement** refer to the **Agreement and Plan of Merger**, dated as of May 7, 2015, as it may be amended from time to time, by and among **Microchip, Merger Sub, Merger Sub 2 and Micrel**, a copy of which is included as **Annex A** to this proxy statement/prospectus; and, all references to the **voting agreements** refer to each of the voting agreements, dated as of May 7, 2015, as they each may be amended from time to time, by and among **Microchip, Merger Sub, Merger Sub 2 and each of the directors and certain executive officers of Micrel**, a form of which is included as **Annex B** to this proxy statement/prospectus. Also, in this proxy statement/prospectus, **\$** and **USD** refer to U.S. dollars, and **California time** means the local time in California.

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QUESTIONS AND ANSWERS

The following are some questions that you, as a shareholder of Micrel, Incorporated, a California corporation (Micrel), may have regarding the merger and the other matters being considered at the special meeting and the answers to those questions. Microchip and Micrel urge you to carefully read the remainder of this proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the special meeting. Additional important information is also contained in the Annexes to, and the documents incorporated by reference into, this proxy statement/prospectus.

Q: Why am I receiving this proxy statement/prospectus?

A: Microchip and its newly formed, direct wholly owned subsidiaries, Mambo Acquisition Corp. (Merger Sub) and Mambo Acquisition LLC (Merger Sub 2), have entered into an Agreement and Plan of Merger, dated as of May 7, 2015 (as it may be amended from time to time, the merger agreement), with Micrel. Subject to the terms and conditions of the merger agreement, at the effective time of the merger, Merger Sub will be merged with and into Micrel, with Micrel surviving the merger as a wholly owned subsidiary of Microchip (the merger). At the effective time of the second merger, which will be as soon as practicable following the merger on the closing date, and as part of a single integrated transaction with the merger, Micrel will be merged with and into Merger Sub 2, with Merger Sub 2 surviving the second merger as a limited liability company and a wholly owned subsidiary of Microchip (the second merger and, together with the merger, the mergers). There are no conditions to the second merger other than consummation of the merger. A copy of the merger agreement is included in this proxy statement/prospectus as Annex A.

The merger cannot be completed unless, among other things, holders of a majority of the shares of the outstanding Micrel common stock as of the record date for the Micrel special meeting vote to adopt the merger agreement. Furthermore, Micrel is soliciting proxies from its shareholders with respect to two additional proposals, however, completion of the merger is not conditioned upon receipt of these approvals:

a proposal to adjourn the Micrel special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt the merger agreement if there are insufficient votes at the time of such adjournment to approve such proposal (the Micrel adjournment proposal); and

a proposal to approve, on an advisory (nonbinding) basis, the compensation that may be paid or become payable to Micrel's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable (the golden parachute proposal).

This proxy statement/prospectus contains important information about the merger and the other proposals being voted on at the special meeting, and you should read it carefully. It is a proxy statement because the Micrel Board of Directors is soliciting proxies from its shareholders. It is a prospectus because Microchip will issue shares of Microchip common stock in connection with the merger. The enclosed materials allow you to have your shares voted by proxy without attending the special meeting in person. **Your vote is important. We encourage you to submit your proxy as soon as possible.**

Q: What will Micrel shareholders receive for their shares of common stock?

A: If the merger is completed, Micrel shareholders will be entitled to receive, in exchange for each share of Micrel common stock they hold at the effective time of the merger, either stock or cash consideration with a value equal to either \$14.00 or, in certain limited cases, an amount of stock with a value that is less than \$14.00, see The Merger Agreement Consideration to be Received in the Merger Aggregate Stock Election Cap . Micrel shareholders will have the right to elect to receive merger consideration for each of their shares of Micrel common stock in the form of cash or shares of Microchip common stock, subject to proration in the circumstances described below. In the event of proration, a Micrel shareholder who elected cash may receive a portion of the merger consideration in stock and therefore in a form other than that which such shareholder elected.

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A Micrel shareholder may specify different elections with respect to different shares that such shareholder holds (e.g., if a Micrel shareholder owns 100 shares of Micrel common stock, that shareholder could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

The aggregate number of shares of Micrel common stock as of immediately prior to closing that holders elect to be paid in Microchip common stock must be equal to or greater than 42% of the shares of Micrel common stock issued and outstanding as of immediately prior to closing (the minimum stock percentage). As a result, if the minimum stock percentage is not reached, then certain adjustments will be made to the merger consideration to proportionately reduce the amount of cash received by Micrel shareholders in the manner described below in the section entitled "The Merger Agreement - Consideration to be Received in the Merger - Proration". To the extent that the number of outstanding shares of Micrel increases between the date of the merger agreement and the effective time of the merger, due to the vesting of stock-settled awards or as otherwise permitted by the merger agreement, the aggregate number of shares of Microchip common stock or cash to be issued as consideration in the merger will be increased accordingly, but the minimum stock percentage must still be met. The minimum stock percentage will be increased if necessary to enable tax opinions on the transaction to be rendered. In addition, if the aggregate consideration to be paid to any holder of Micrel common stock would result in such holder receiving a fractional share of Microchip common stock, cash will be paid in lieu of such fractional share.

As an example, based on the average (rounded to the nearest one tenth of a cent) of the closing sales prices of Microchip common stock for the ten trading days ending on May 4, 2015 (the second to last trading date before May 6, 2015), for each share of Micrel common stock held, a Micrel shareholder would receive either \$14.00 in cash (the per share cash amount) or 0.2902 shares of Microchip common stock, subject to proration of those shareholders who elected cash in the event the minimum stock percentage would not be reached. As another example, based on the average (rounded to the nearest one tenth of a cent) of the closing sales prices of Microchip common stock for the ten trading days ending on [], 2015 (the second to last most recent practicable trading date before filing of this proxy statement/prospectus), for each share of Micrel common stock held, a Micrel shareholder would receive either \$14.00 in cash or [] shares of Microchip common stock, subject to proration of those shareholders who elected cash in the event the minimum stock percentage would not be reached.

The exact amount of cash and number of shares of Microchip common stock you receive will depend on the election you and other holders of Microchip common stock make and the formula in the merger agreement, including its election, proration and adjustment provisions. For a summary of the formula contained in the merger agreement, see "The Merger Agreement - Consideration to be Received in the Merger".

Q: What will I receive in the merger in exchange for my equity awards?

A: If the merger is completed, certain Micrel equity awards (Micrel roll-over award shares) will be assumed by Microchip and converted into Microchip equity awards as follows:

Assumed Micrel Restricted Stock Units. Upon consummation of the merger, each outstanding and unvested Micrel restricted stock unit that does not vest by its terms upon the consummation of the merger will be assumed by Microchip and converted into a restricted stock unit with respect to whole shares of Microchip common stock, on the same terms and conditions as applied to such Micrel restricted stock unit immediately prior to the consummation of the merger, with the number of shares of Microchip common stock subject to

each such assumed restricted stock unit determined based upon the exchange ratio, which is the quotient, rounded down to the nearest whole share, obtained by dividing the per share cash amount by the average ten-day Microchip closing price for the ten most recent trading days ending on the second to last trading day immediately prior to the closing.

Assumed Micrel Stock Options. Upon consummation of the merger, each outstanding and unvested Micrel stock option that does not vest by its terms upon the consummation of the merger will be assumed by Microchip and converted into a stock option with respect to whole shares of Microchip

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common stock, on substantially the same terms and conditions applied to such Micrel stock option immediately prior to the consummation of the merger, with the number of shares of Microchip common stock subject to each such assumed stock option determined by multiplying the number of unvested Micrel shares subject to the stock option by the exchange ratio rounded down to the nearest share. The per share exercise price of each assumed Micrel stock option shall be equal to the quotient, rounded up to the nearest whole cent, obtained by dividing the exercise price per share at which such assumed Micrel stock option is exercisable immediately prior to the consummation of the merger by the exchange ratio.

If the merger is completed, certain Micrel equity awards (Micrel cancelled award shares) will be cancelled and Microchip will pay each holder of any such equity award as follows:

Cancelled Micrel Restricted Stock Units. Upon consummation of the merger, each outstanding Micrel restricted stock unit or portion thereof not assumed by Microchip as described above will be cancelled and the holder thereof will receive a cash payment with respect to each share of Micrel common stock subject to the cancelled award equal to the per share cash amount less applicable tax withholding.

Cancelled Micrel Stock Options. Upon consummation of the merger, each outstanding Micrel stock option or portion thereof not assumed by Microchip as described above that has an applicable exercise price less than the per share cash amount will be cancelled and the holder thereof will receive a cash payment with respect to each share subject to the cancelled stock option equal to the difference between the per share cash amount and the exercise price of the applicable Micrel stock option less applicable tax withholding. For stock options with an applicable exercise price greater than or equal to the merger consideration, no payment will be received.

Based upon [] outstanding Micrel restricted stock units and [] outstanding Micrel stock options on the record date for the Micrel special meeting, Microchip will pay aggregate cash consideration of \$[] to holders of Micrel cancelled award shares as of immediately prior to closing in connection with the merger and will reserve an aggregate of [] shares of Microchip common stock in respect of Microchip equity awards issued to holders of Micrel roll-over award shares as of immediately prior to the closing in connection with the merger, although these numbers may change based on the number of outstanding Micrel equity awards on the closing date. See The Merger Agreement Treatment of Micrel Equity Awards .

Q: What are the details of the consideration election?

A: You will be allowed to make a cash election with respect to any or all of your shares of Micrel common stock and/or a stock election with respect to any or all of your other shares of Micrel common stock (subject to proration if the minimum stock percentage is not reached):

A cash election with respect to a share of Micrel common stock means a request to receive \$14.00 in cash per share, without interest.

A stock election with respect to a share of Micrel common stock means a request to receive that number of shares of Microchip common stock equal to (1) \$14.00 per share divided by (2) the average ten-day Microchip closing price for the ten most recent trading days ending on the second to last trading day immediately prior to the closing, rounded to the nearest one ten thousandth (the stock consideration).

The exact amount of cash and number of shares of Microchip common stock you receive will depend on the election you and other Micrel shareholders make and the formula in the merger agreement, including its election, proration and adjustment provisions. In addition, if the aggregate consideration to be paid to any holder of Micrel common stock would result in such holder receiving a fractional share of Microchip common stock, cash will be paid in lieu of such fractional share. For a summary of the formula contained in the merger agreement, see The Merger Agreement Consideration to be Received in the Merger .

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Q: How do I make an election?

A: If you are the record holder of shares of Micrel common stock on [], the record date for the Micrel special meeting (the Micrel record date), you will receive an election form, which will include a letter of transmittal, (the election form) allowing you to specify the number of shares of Micrel common stock, if any, you desire to convert into the right to receive merger consideration in the form of cash or shares of Microchip common stock. You must deliver a completed election form by 5:00 p.m., California time, on [] (the election deadline), to Wells Fargo Bank, N.A., as exchange agent (the exchange agent). Such election form must be accompanied by the certificates representing the shares of Micrel common stock (or guarantee of delivery), unless such shares are in book-entry form (book-entry shares), in which case you should follow the instructions set forth in the election form. If you hold your shares of Micrel common stock through a bank, broker or other nominee, your bank, broker or other nominee, as applicable, will provide you with instructions on how to make an election. If your election form is received after the election deadline or you fail to comply with your bank s, broker s or nominee s instructions, your election will be disregarded, and you will receive consideration in whatever form or mix that remains after taking into account other Micrel shareholders preferences.

Q: How can I change my election?

A: If you are a record holder of Micrel common stock, you may (i) change your election by written notice received by the exchange agent prior to the election deadline, accompanied by a properly completed and signed revised election form or (ii) revoke your election by written notice received by the exchange agent prior to the election deadline. If your election form is revoked, the certificate(s), if any, for the shares of Micrel common stock to which such election form relates will be promptly returned to you.

Q: Am I required to make an election in order to receive the merger consideration?

A: No. If you do not make an election, you will still receive the merger consideration upon completion of a duly executed letter of transmittal and delivery of your stock certificates (or book-entry shares). However, if you have a preference for a specific form of merger consideration and do not make an election, the exchange agent will not take your preference into consideration. If you do not make an election, you will receive the merger consideration in whatever form or mix remains after giving effect to the preferences of the Micrel shareholders that do make elections. If the minimum stock percentage is not met, you will receive shares of Microchip common stock.

Q: When and where will the special meeting be held?

A: The Micrel special meeting will be held at Micrel s principal executive offices located at 2180 Fortune Drive, San Jose, CA 95131, on [], 2015, at [], California time.

Q: What are the proposals on which I am being asked to vote?

A: Micrel is soliciting proxies from its shareholders with respect to three proposals:

a proposal to adopt the merger agreement, approval of which is a condition to completion of the merger;

the Micrel adjournment proposal, approval of which is not a condition to completion of the merger; and

the golden parachute proposal, approval of which is not a condition to completion of the merger.

Q: What constitutes a quorum at the meeting?

A: Shareholders who hold shares representing at least a majority of the outstanding shares of Micrel common stock entitled to vote at the Micrel special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the Micrel special meeting. The Micrel shareholders, by a majority vote at the meeting by the holders of Micrel common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present, may adjourn the meeting to another time or place without further notice. If the adjournment is for more than 45 days or, if after the adjournment,

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a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting will be given to each shareholder of record entitled to vote at the adjourned meeting.

Failures to vote will not be included in the calculation of the number of shares of Micrel common stock represented at the Micrel special meeting for purposes of determining whether a quorum has been achieved. Abstentions will be included in the calculation of the number of shares of Micrel common stock represented at the Micrel special meeting for purposes of determining whether a quorum has been achieved. If brokers do not have discretion to vote on any of the proposals at a shareholders' meeting, broker non-votes will not count toward the calculation of a quorum. As each of the proposals to be voted on at the Micrel special meeting is considered non-routine, brokers do not have discretion to vote on such proposals and, as such, broker non-votes will not be included in the calculation of the number of shares of Micrel common stock represented at the Micrel special meeting for purposes of determining whether a quorum has been achieved.

Q: How do I vote?

A: If you are a shareholder of record of Micrel as of the close of business on the Micrel record date, you may vote in person by attending the Micrel special meeting or, to ensure your shares are represented at the Micrel special meeting, you may authorize a proxy to vote by:

logging onto www.proxyvote.com and following the instructions on your proxy card to submit a proxy via the internet anytime up to 8:59 p.m., California time, on [], 2015, and following the instructions provided on that site;

dialing (800) 690-6903 and listening for further directions to submit a proxy by telephone anytime up to 8:59 p.m., California time, on [], 2015, and following the instructions provided in the recorded message; or

signing and returning the accompanying proxy card in the enclosed postage-paid envelope. Micrel shareholders of record may submit the proxies through the mail by signing, dating, completing and returning their proxy card in the enclosed, pre-addressed, postage-paid envelope. To be valid, a returned proxy card must be signed and dated.

Q: If my shares are held in a stock brokerage account, or in street name by my broker, bank or nominee, will my broker, bank or nominee automatically vote my shares for me?

A: No. If you hold your shares in a stock brokerage account or if your shares are held by a bank or nominee (in street name), you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank, broker or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to Micrel or by voting in person at your special meeting unless you provide a legal proxy, which you must obtain from your bank, broker or other nominee. Further, brokers who hold shares of Micrel common stock on behalf of their customers may not give a proxy to Micrel to vote those shares without specific instructions from their customers.

Q: What if I return my proxy card without indicating how to vote?

A: If you sign and return your proxy card without indicating how to vote on any particular proposal, your shares will be voted in accordance with the recommendation of the Micrel Board of Directors, as applicable, with respect to such proposal.

Q: If I am a Micrel shareholder, should I send in my Micrel stock certificates with my proxy card?

A: No. Please DO NOT send your Micrel stock certificates with your proxy card. You are being provided an election form and instructions regarding the surrender of your stock certificates. If you wish to make an

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election with respect to your shares of Micrel common stock, you should, prior to the election deadline, send your Micrel stock certificates (if any) to the exchange agent, together with your completed, signed election form.

Q: How many votes do I have?

A: Holders of Micrel common stock are entitled to one vote for each share of Micrel common stock owned as of the close of business on the Micrel record date. As of the close of business on the Micrel record date, there were [] shares of Micrel common stock outstanding and entitled to vote at the Micrel special meeting, approximately []% of which were beneficially owned by the directors and executive officers of Micrel and their affiliates.

Q: What vote is required to approve each proposal?

A: Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Micrel common stock as of the Micrel record date, and is a condition to completion of the merger. Approval of the Micrel adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Micrel common stock entitled to vote and present in person or represented by proxy at the Micrel special meeting, whether or not a quorum is present. Approval of the golden parachute proposal requires the affirmative vote of holders of the majority of shares of Micrel common stock present in person or represented by proxy at the Micrel special meeting and entitled to vote thereon, assuming a quorum is present. Neither approval of the Micrel adjournment proposal nor the golden parachute proposal is a condition to completion of the merger.

Q: What will happen if I fail to vote or I abstain from voting?

A: If you are a Micrel shareholder and you fail to vote, it will have the same effect as a vote AGAINST the proposal to adopt the merger agreement, but it will have no effect on the Micrel adjournment proposal or, assuming a quorum is present, on the golden parachute proposal. If you abstain from voting, your shares will be counted as represented at the Micrel special meeting, and it will have the same effect as a vote AGAINST the proposal to adopt the merger agreement, AGAINST the Micrel adjournment proposal and AGAINST the golden parachute proposal.

Q: What will happen if I fail to instruct my broker, bank or nominee how to vote?

A: If you are a Micrel shareholder and you do not instruct your broker, bank or nominee on how to vote your shares, your broker may not vote your shares at the Micrel special meeting. This will have the same effect as a vote AGAINST the adoption of the merger agreement, but will have no effect on the Micrel adjournment proposal or, assuming a quorum is present, on the golden parachute proposal.

Q: Can I change my vote after I have returned a proxy or voting instruction card?

A: Yes. You can change your vote at any time before your proxy is voted at your special meeting. You can do this in one of three ways:

you can send a signed notice of revocation;

you can grant a new, valid proxy bearing a later date including by telephone or via the internet; or

if you are a holder of record, you can attend the Micrel special meeting and vote in person, which will automatically cancel any proxy previously given, or you may revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

If you choose either of the first two methods, you must submit your notice of revocation or your new proxy to the Secretary of Micrel no later than the beginning of the Micrel special meeting. If you have submitted a proxy for your shares by telephone or via the internet, you may revoke your prior telephone or internet proxy by any manner described above. If your shares are held in street name by your broker, bank or nominee, you should contact your broker, bank or nominee to change your vote.

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Q: How does the Micrel Board of Directors recommend that Micrel shareholders vote?

A: The Micrel Board of Directors has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of Micrel and its shareholders. **The Micrel Board of Directors unanimously recommends that Micrel shareholders vote (i) FOR the adoption of the merger agreement, (ii) FOR the Micrel adjournment proposal and (iii) FOR the golden parachute proposal.**

Q: Are any Micrel shareholders already committed to vote in favor of the merger?

A: Yes. Micrel's directors and certain of Micrel's executive officers entered into voting agreements with Microchip, Merger Sub and Merger Sub 2 and have agreed, in their capacities as Micrel shareholders, to, among other things, vote all shares of Micrel's capital stock beneficially owned by them in favor of adoption of the merger agreement and any related proposal in furtherance thereof and against any proposal made in opposition to the merger, in each case, subject to the terms and conditions of the voting agreement. As of the record date, the directors and executive officers who signed the voting agreements beneficially owned approximately []% of the total outstanding shares of Micrel's common stock (excluding shares issuable upon exercise of options). The voting agreements will terminate automatically upon termination of the merger agreement and certain other events. As long as the voting agreements remain in effect, approximately []% of the total outstanding shares of Micrel's common stock are committed to be voted in favor of the adoption of the merger agreement. See [The Voting Agreements](#) .

Q: When do you expect the merger to be completed?

A: Microchip and Micrel expect to complete the merger as soon as reasonably practicable and expect the closing of the merger to occur early in the third quarter of calendar 2015. However, the merger is subject to various regulatory approvals and the satisfaction or waiver of other conditions, and it is possible that factors outside the control of Microchip and Micrel could result in the merger being completed at an earlier time, a later time or not at all. There may be a substantial amount of time between the date on which the Micrel special meeting is held and the date of the completion of the merger.

Q: Are shareholders entitled to dissenters' rights?

A: No. Under California law, you are not entitled to dissenters' rights in connection with the merger as specified in Section 1300(b) of the California Corporations Code (the [CCC](#)).

Q: Who can help answer my questions?

A:

Micrel shareholders who have questions about the merger or the stock issuance, the other matters to be voted on at the special meeting, or how to submit a proxy, or desire additional copies of this proxy statement/prospectus or additional proxy cards should contact:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

proxy@mackenziepartners.com

Call Collect: (212) 929-5500

Call Toll-Free: (800) 322-2885

or

Micrel, Incorporated

2180 Fortune Drive

San Jose, California 95131

Telephone: (408) 944-0800

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SUMMARY

*This summary highlights information contained elsewhere in this proxy statement/prospectus and may not contain all the information that is important to you with respect to the merger, the stock issuance and the other matters being considered at the Micrel special meeting. You are urged to read the remainder of this proxy statement/prospectus carefully, including the attached Annexes, and the other documents referred to herein. See also the section entitled *Where You Can Find More Information* . Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.*

The Companies

Microchip Technology Incorporated (See page 23)

Microchip Technology Incorporated is a leading provider of microcontroller, mixed-signal, analog and Flash-IP solutions, providing low-risk product development, lower total system cost and faster time to market for thousands of diverse customer applications worldwide. Microchip offers outstanding technical support along with dependable delivery and quality.

Shares of Microchip common stock are traded on NASDAQ under the symbol **MCHP** . Following the merger, shares of Microchip common stock will continue to be traded on NASDAQ under the symbol **MCHP** .

The principal executive offices of Microchip are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224, and its telephone number is (480) 792-7200. Additional information about Microchip and its subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information* .

Micrel, Incorporated (See page 23)

Micrel designs, develops, manufactures and markets a range of high-performance analog, power and mixed-signal integrated circuits (**ICs**). These products address a wide range of end markets including industrial and automotive, wireline communications, enterprise and cloud infrastructure and mobility. Micrel also manufactures custom analog and mixed-signal circuits and provide wafer foundry services for customers which produce electronic systems utilizing semiconductor manufacturing processes as well as micro-electrical mechanical system (**MEMS**) technologies.

Micrel's common stock is traded on NASDAQ under the symbol **MCRL** . Upon completion of the merger, shares of Micrel common stock will cease to be listed on NASDAQ and will be deregistered under the Exchange Act.

The principal executive offices of Micrel are located at 2180 Fortune Drive, San Jose, California 95131, and its telephone number is (408) 944-0800. Additional information about Micrel and its subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. See *Where You Can Find More Information* .

Mambo Acquisition Corp. (See page 23)

Mambo Acquisition Corp. (**Merger Sub**) is a wholly owned subsidiary of Microchip and is a California corporation. Merger Sub was formed on May 6, 2015, for the sole purpose of effecting the first merger. In the first merger, Merger Sub will be merged with and into Micrel, with Micrel surviving as a wholly owned subsidiary of Microchip.

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The principal executive offices of Merger Sub are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224, and its telephone number is (480) 792-7200.

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Mambo Acquisition LLC (See page 23)

Mambo Acquisition LLC (Merger Sub 2), is a wholly owned subsidiary of Microchip and is a California limited liability company. Merger Sub 2 was formed on May 6, 2015, for the sole purpose of effecting the second merger. In the second merger, Micrel will be merged with and into Merger Sub 2, with Merger Sub 2 surviving as a limited liability company and a wholly owned subsidiary of Microchip.

The principal executive offices of Merger Sub 2 are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224, and its telephone number is (480) 792-7200.

Risk Factors (See page 17)

Before voting at the Micrel special meeting, you should carefully consider all of the information contained in or incorporated by reference into this proxy statement/prospectus, as well as the specific factors under the heading Risk Factors, including the risks that:

because the market price of Microchip common stock will fluctuate, Micrel shareholders who receive shares of stock in the merger cannot be sure of the value of the merger consideration they will receive at closing;

Micrel shareholders who elect cash may receive a form of consideration different from what they elect, depending on the elections of other Micrel shareholders;

the merger is subject to a number of conditions, including certain governmental and regulatory conditions that may not be satisfied, and the merger may not be completed on a timely basis, or at all; and

Microchip and Micrel may be unable to successfully integrate their businesses in order to realize the anticipated benefits of the merger or do so within the intended timeframe.

The Merger

The Merger Agreement (See page 56)

Microchip and Micrel have entered into the merger agreement attached as Annex A to this proxy statement/prospectus. Microchip and Micrel encourage you to read the entire merger agreement carefully because it is the principal document governing the merger and the stock issuance.

Effects of the Merger (See page 31)

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, Merger Sub will be merged with and into Micrel, with Micrel surviving the merger as a wholly owned subsidiary of Microchip. At the effective time of the second merger, which will be as soon as practicable after the effective time on the closing date of the merger, and as part of a single integrated transaction with the merger, Micrel will be merged with and into Merger Sub 2, with Merger Sub 2 surviving the second merger as a limited liability company and a wholly owned subsidiary of Microchip. There are no conditions to the second merger other than consummation of the merger. Assuming the

holders of 42% of the outstanding shares of Micrel common stock elect stock consideration, we expect that, on a fully diluted basis, following the merger, the existing shareholders of Microchip (together with holders of Microchip equity-based awards) will collectively own approximately []% of the outstanding Microchip common stock, while the current shareholders of Micrel, together with the holders of Micrel roll-over award shares, will collectively own approximately []% of the outstanding Microchip common stock based on the number of shares outstanding of each of Microchip and Micrel on [], 2015, the most recent practicable date prior to the date of this proxy statement/prospectus.

Table of Contents***Consideration to be Received in the Merger (See page 57)***

If the merger is completed, Micrel shareholders will have the right to elect to receive merger consideration for each of their shares of Micrel common stock in the form of cash or shares of Microchip common stock, subject to proration in the circumstances described below. In the event of proration, a Micrel shareholder that made a cash election may receive a portion of the merger consideration in a form other than that which such shareholder elected. If the aggregate consideration to be paid to any holder of Micrel common stock would result in such holder receiving a fractional share of Microchip common stock, cash will be paid in lieu of such fractional share.

The value of the merger consideration will be fixed at \$14.00 per share, however the number of shares issuable to a Micrel shareholder who has made a stock election will fluctuate with the market price of Microchip common stock and will be equal to the stock consideration. Whether a Micrel shareholder makes a cash election, stock election or no election, the value of the consideration that such shareholder receives as of the date of completion of the merger will be approximately equivalent, subject to adjustment, as described below in the section entitled *The Merger Agreement Consideration to be Received in the Merger Aggregate Stock Election Cap* . A Micrel shareholder may specify different elections with respect to different shares that such shareholder holds (e.g., if a Micrel shareholder owns 100 shares of Micrel common stock, that shareholder could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

The aggregate number of shares of Micrel common stock as of immediately prior to closing that holders elect to be paid in Microchip common stock must be equal to or greater than the minimum stock percentage. As a result, if the minimum stock percentage is not met and the cash election is oversubscribed, then certain adjustments will be made to the merger consideration to proportionately reduce the cash amounts received by Micrel shareholders in the manner described below in the section entitled *The Merger Agreement Consideration to be Received in the Merger Proration* . To the extent that the number of outstanding shares of Micrel increases between the date of the merger agreement and the effective time of the merger, due to the vesting of stock-settled awards or as otherwise permitted by the merger agreement, the aggregate number of shares of Microchip common stock or cash to be issued as consideration in the merger will be increased accordingly, but the minimum stock percentage must still be met. In addition, if the aggregate consideration to be paid to any holder of Micrel common stock would result in such holder receiving a fractional share of Microchip common stock, cash will be paid in lieu of such fractional share.

As an example, based on the average (rounded to the nearest one tenth of a cent) of the closing sales prices of Microchip common stock for the ten trading days ending on May 4, 2015 (the second to last trading date before May 6, 2015), for each share of Micrel common stock held, a Micrel shareholder would receive either \$14.00 in cash or 0.2902 shares of Microchip common stock, subject to proration of those shareholders who elected cash in the event that the minimum stock percentage would not be reached. As another example, based on the average (rounded to the nearest one tenth of a cent) of the closing sales prices of Microchip common stock for the ten trading days ending on [], 2015 (the second to last most recent practicable trading date before filing of this proxy statement/prospectus), for each share of Micrel common stock held, a Micrel shareholder would receive either \$14.00 in cash or [] shares of Microchip common stock, subject to proration of those shareholders who elected cash in the event the minimum stock percentage would not be reached. We will compute the actual amount of cash and number of shares of Microchip common stock that each Micrel shareholder will receive in the merger using the formula contained in the merger agreement. For a summary of the formula contained in the merger agreement, see *The Merger Agreement Consideration to be Received in the Merger* .

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The following table illustrates the effects of proration due to the minimum stock percentage condition for different hypothetical combinations of aggregate stock and cash elections by holders of Micrel common stock, for illustrative purposes only. For simplicity, the table assumes that there are [] shares of Micrel common stock outstanding (which represents the number of shares of Micrel common stock outstanding on [], 2015, the most recent practicable day before filing of this proxy statement/prospectus), and that all Micrel shareholders make an election.

Illustrative Effect of Proration Assuming \$[]* Microchip common stock					
Percent of Cash Electing Shares	Percent of Stock Electing Shares	A shareholder electing 100 shares for cash will receive approximately		A shareholder electing 100 shares for stock will receive approximately	
		Cash**	Shares	Cash**	Shares
[]	[]	\$[]	[]	\$[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]

* Represents the average (rounded to the nearest one tenth of a cent) Microchip closing price for the ten trading days ending [], 2015.

** Cash amounts reflect that shareholders will receive cash in lieu of fractional shares.

The table above is illustrative only. The amount of cash consideration and the number of shares of Microchip common stock that a Micrel shareholder actually receives will be based on the elections made by all holders of Micrel common stock as of immediately prior to consummation of the merger and the actual average ten-day Microchip closing price for the ten most recent trading days ending on the second to last trading day immediately prior to closing. For more information, see The Merger Agreement Consideration to be Received in the Merger Aggregate Stock Election Cap.

Election Form (See page 59)

Record holders of shares of Micrel common stock on [], the Micrel record date, are receiving an election form, which is being mailed under separate cover from this proxy statement/prospectus, with instructions for making cash and/or stock elections. Micrel shareholders must properly complete and deliver to the exchange agent an election form by 5:00 p.m., California time, on [], 2015, the election deadline, accompanied by their Micrel stock certificates. The election form also includes delivery instructions with respect to book-entry shares. Micrel shareholders **should NOT send in their stock certificates with their proxy card**. Once Micrel shareholders have tendered their Micrel stock certificates to the exchange agent, they may not transfer their shares of Micrel common stock represented by those stock certificates until the merger is completed, unless they revoke their election by written notice to the exchange agent, or withdraw the certificates representing their shares, prior to the election deadline. If the merger is not completed and the merger agreement is terminated, stock certificates will be returned by the exchange agent.

If Micrel shareholders fail to submit a properly completed election form, together with their Micrel stock certificates, if any, prior to the election deadline, they will be deemed not to have made an election. As non-electing holders, they will be paid merger consideration in an amount per share that is equivalent in value to the amount paid per share to holders making elections, but they may be paid in all cash, in all Microchip common

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stock, or in part cash and in part Microchip common stock, depending on the remaining pool of cash and Microchip common stock available for paying merger consideration after honoring the cash elections and stock elections that other shareholders have made, subject to proration of cash consideration for holders who made cash elections in the event the minimum stock percentage is not met, and without regard to the preferences of such non-electing holders.

Treatment of Micrel Equity Awards (See page 61)

If the merger is completed, Micrel roll-over award shares will be assumed by Microchip and converted into Microchip equity awards as follows:

Assumed Micrel Restricted Stock Units. Upon consummation of the merger, each outstanding and unvested Micrel restricted stock unit that does not vest by its terms upon the consummation of the merger will be assumed by Microchip and converted into a restricted stock unit with respect to whole shares of Microchip common stock, on the same terms and conditions as applied to such Micrel restricted stock unit immediately prior to the consummation of the merger, with the number of shares of Microchip common stock subject to each such assumed restricted stock unit determined based upon the exchange ratio.

Assumed Micrel Stock Options. Upon consummation of the merger, each outstanding and unvested Micrel stock option that does not vest by its terms upon the consummation of the merger will be assumed by Microchip and converted into a stock option with respect to whole shares of Microchip common stock, on substantially the same terms and conditions applied to such Micrel stock option immediately prior to the consummation of the merger, with the number of shares of Microchip common stock subject to each such assumed stock option determined by multiplying the number of unvested Micrel shares subject to the stock option by the exchange ratio rounded down to the nearest share. The per share exercise price of each assumed Micrel stock option shall be equal to the quotient, rounded up to the nearest whole cent, obtained by dividing the exercise price per share at which such assumed Micrel stock option is exercisable immediately prior to the consummation of the merger by the exchange ratio.

If the merger is completed, certain Micrel equity awards will be cancelled and Microchip will pay each holder of any such equity award as follows:

Cancelled Micrel Restricted Stock Units. Upon consummation of the merger, each outstanding Micrel restricted stock unit or portion thereof not assumed by Microchip as described above will be cancelled and the holder thereof will receive a cash payment with respect to each share of Micrel common stock subject to the cancelled award equal to the per share cash amount less applicable withholding.

Cancelled Micrel Stock Options. Upon consummation of the merger, each outstanding Micrel stock option or portion thereof not assumed by Microchip as described above that has an applicable exercise price less than the per share cash amount will be cancelled and the holder thereof will receive a cash payment with respect to each share subject to the cancelled stock option equal to the difference between the per share cash amount and the exercise price of the applicable Micrel stock option less applicable withholding. For stock options with an applicable exercise price greater than or equal to the merger consideration, no payment will be received.

The Voting Agreements (See page 78)

In connection with the transactions contemplated by the merger agreement, each of Micrel's directors and certain of its executive officers entered into a voting agreement, a form of which is attached as Annex B, with Microchip, Merger Sub and Merger Sub 2, and have agreed, in their capacities as Micrel shareholders, to vote all shares of Micrel's capital stock beneficially owned by them in favor of adoption of the merger agreement and any related proposal in furtherance thereof, and against any proposal made in opposition to the merger, in each

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case, subject to the terms and conditions of the voting agreement. As of the record date, the directors and executive officers who signed the voting agreement beneficially owned approximately []% of the total outstanding shares of Micrel's common stock (excluding shares issuable upon exercise of options held by such shareholders). More than 50% of the outstanding shares of Micrel's common stock must vote for the merger for it to be approved.

Recommendation of the Board of Directors of Micrel (See page 24)

In reaching its decision to approve the merger agreement and recommend adoption of the merger agreement by the Micrel shareholders, the Micrel Board of Directors consulted with Micrel's management, as well as with Micrel's legal and financial advisors, and also considered a number of factors that the Micrel Board of Directors views as supporting its decision, including, but not limited to, the following:

the merger will permit shareholders to elect to receive certainty of value and liquidity of cash, subject to possible proration in the event that the minimum stock percentage is not met;

the merger will also permit shareholders to elect to continue their participation in the ownership of the Micrel business indirectly through ownership of Microchip common stock in a tax-free reorganization;

the relationship of the \$14.00 per share merger consideration to the current and historic trading prices of Micrel common stock, including (1) a premium of 3% to the closing price on May 6, 2015, the day before the announcement of the merger agreement, and (2) a premium of 30% to the closing price on August 7, 2014, the day Starboard Value LP (Starboard) filed its Schedule 13D;

the thorough process that had been conducted by the Micrel Board of Directors and the Transaction Committee of the Micrel Board of Directors (the Transaction Committee), including:

a review of alternatives to the sale of Micrel, including a detailed analysis of the risks and opportunities of continuing with Micrel's current business plan, the potential for changes in Micrel's manufacturing model and the potential for a financial restructuring of Micrel;

at the request of the Transaction Committee, Credit Suisse Securities (USA) LLC (Credit Suisse), Micrel's financial advisor, contacted 32 potential strategic acquirers and four financial sponsors, which resulted in presentations to 13 parties by Micrel management, three preliminary indications of interest and one definitive proposal;

extensive negotiations with Microchip with the goal of maximizing value and minimizing uncertainty with respect to their merger proposal; and

the review of strategic alternatives conducted by the Micrel Board of Directors and the Transaction Committee and their financial advisors and the belief of the Micrel Board of Directors, following such review, that the merger would provide greater value to Micrel shareholders than other potential strategic alternatives available to Micrel.

After careful consideration, the Micrel Board of Directors unanimously approved and adopted the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Micrel and its shareholders. For more information regarding the factors considered by the Micrel Board of Directors in reaching its decision to approve the merger agreement and the merger, see the section entitled *The Merger Recommendation of the Micrel Board of Directors; Micrel's Reasons for the Merger*.

The Micrel Board of Directors unanimously recommends that Micrel shareholders vote (i) FOR the adoption of the merger agreement, (ii) FOR the Micrel adjournment proposal and (iii) FOR the golden parachute proposal.

Table of Contents***Opinion of Micrel's Financial Advisor (See page 40)***

On May 7, 2015, Credit Suisse rendered its oral opinion to the Micrel Board of Directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Micrel Board of Directors dated the same date) as to, as of May 7, 2015, the fairness, from a financial point of view, to the holders of Micrel common stock of the merger consideration to be received by the holders of Micrel common stock in the merger pursuant to the merger agreement. For purposes of Credit Suisse's analyses and opinion and the summary of such opinion and analyses set forth below Credit Suisse was advised and assumed that each outstanding share of Micrel common stock would be converted in the merger pursuant to the merger agreement into the right to receive, at the election of the holder thereof and subject to certain limitations and election and proration procedures as to which Credit Suisse expressed no opinion, either (i) \$14.00 in cash, the cash consideration, or (ii) the stock consideration (the cash consideration or the stock consideration, as applicable, are referred to by Credit Suisse as the merger consideration).

Credit Suisse's opinion was directed to the Micrel Board of Directors (in its capacity as such), and only addressed the fairness, from a financial point of view, to the holders of Micrel common stock of the merger consideration to be received by the holders of Micrel common stock in the merger pursuant to the merger agreement and did not address any other aspect or implication (financial or otherwise) of the merger. The summary of Credit Suisse's opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of Credit Suisse's written opinion, which is included as Annex C to this proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and they do not constitute advice or a recommendation to any holder of Micrel common stock as to how such holder should vote or act on any matter relating to the merger including, without limitation, whether such holder should elect to receive the cash consideration or the stock consideration for their shares of Micrel common stock in the merger.

Interests of Micrel's Directors and Executive Officers in the Merger (See page 48)

Executive officers and members of the Micrel Board of Directors have interests in the merger that may be in addition to, or different from, the interests of Micrel shareholders generally. The Micrel Board of Directors was aware of these interests and considered them, among other matters, in approving the merger and the merger agreement and in making the recommendations that the Micrel shareholders approve and adopt the merger agreement and approve the merger and the other transactions contemplated by the merger agreement.

As detailed below under *The Merger Interests of Micrel's Directors and Executive Officers in the Merger*, each of Micrel's executive officers and non-employee directors holds equity awards. Pursuant to the terms of the applicable Micrel equity plan and agreements, and subject to the terms of the merger agreement, all such equity awards held by Micrel's non-employee directors will become fully vested on the date of the closing of the merger and will be cancelled in exchange for cash, depending on the exercise price of the award in the case of options, upon and following the merger. In addition, each of Micrel's executive officers has an agreement with Micrel that provides for severance payments and benefits if the executive's employment is terminated in connection with this transaction under certain circumstances. Microchip has also agreed to continue certain indemnification agreements for directors and officers and a certain employee of Micrel.

Regulatory Clearances Required for the Merger (See page 54)

Microchip and Micrel have each agreed to take certain actions in order to obtain regulatory clearance required to consummate the merger. The merger is subject to review by the U.S. Federal Trade Commission (the "FTC") and

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the Antitrust Division of the U.S. Department of Justice (the Antitrust Division) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act). Under this statute, Microchip and Micrel are required to make pre-merger notification filings and await the expiration or early termination of the statutory waiting period prior to completing the merger. Microchip and Micrel completed the initial HSR Act filing on May 15, 2015. The merger is also subject to review by German governmental authorities and requires pre-merger notification and the observance of an applicable waiting period in Germany (German Antitrust Law). Microchip and Micrel completed the initial pre-merger notification required in Germany on May 22, 2015.

There can be no assurance that such governmental authorities will permit the applicable statutory waiting periods to expire, terminate the applicable statutory waiting periods or clear the merger at all or without restrictions or conditions that would have a material adverse effect on the combined company if the merger is completed. These restrictions and conditions could include a complete or partial license, divestiture, spin-off or the holding separate of assets or businesses. No additional stockholder or shareholder approval is expected to be required for any decision by Microchip or Micrel to agree to any terms and conditions necessary to resolve any regulatory objections to the merger.

In addition, during or after the statutory waiting periods and clearance of the merger, and even after completion of the merger, either the Antitrust Division, the FTC, or other governmental authorities could challenge or seek to block the merger under relevant antitrust laws, as it deems necessary or desirable in the public interest. Other competition agencies with jurisdiction over the merger could also initiate action to challenge or block the merger. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Microchip and Micrel cannot be sure that a challenge to the merger will not be made or that, if a challenge is made, Microchip and/or Micrel will prevail.

Effective Time and Completion of the Merger (See page 57)

Microchip and Micrel hope to complete the merger as soon as reasonably practicable and expect the closing of the merger to occur early in the third quarter of calendar 2015. However, the merger is subject to various regulatory approvals and the satisfaction or waiver of other conditions, and it is possible that factors outside the control of Microchip and Micrel could result in the merger being completed at an earlier time, a later time or not at all. There may be a substantial amount of time between the dates on which the special meeting is held and the date on which the merger is completed.

Conditions to Completion of the Merger (See page 74)

The obligations of Microchip and Micrel to complete the merger are subject to the satisfaction of the following conditions:

adoption by the Micrel shareholders of the merger agreement;

authorization of the listing on NASDAQ of the Microchip shares of common stock to be issued in the merger, subject to official notice of issuance;

the waiting period (and any extension thereof) applicable to the merger under the HSR Act having expired or been earlier terminated;

receiving antitrust clearance for the merger under the German Antitrust Law;

effectiveness of the registration statement of which this proxy statement/prospectus forms a part and the absence of a stop order or proceedings threatened or initiated by the SEC for that purpose; and

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no temporary restraining order, preliminary or permanent injunction or other judgment, order or decree issued by any court of competent jurisdiction or other legal restraint or prohibition will be in effect, and no law will have been enacted, entered, promulgated, enforced or deemed applicable by any governmental entity that, in any such case, prohibits or makes illegal the consummation of the merger.

In addition, Microchip's, Merger Sub's and Merger Sub 2's obligations to effect the merger are subject to the satisfaction or waiver of the following additional conditions:

certain of the representations and warranties of Micrel, including those regarding corporate organization, corporate authorization, payment of financial advisor fees, the receipt of a written opinion of Credit Suisse, the absence of a shareholders rights plan and the absence of any applicable state takeover statutes, must be true and correct in all material respects as of May 7, 2015, and as of the closing date of the merger, as if made on the closing date (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date);

certain of the representations and warranties of Micrel related to capital stock must be true and correct (except for *de minimis* inaccuracies) as of May 7, 2015 and as of the closing date of the merger as if made as on the closing date of the merger (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date);

each of the other representations and warranties of Micrel that are qualified as to materiality or material adverse effect (disregarding all materiality and material adverse effect qualifications contained therein) must be true and correct as of May 7, 2015, and as of the closing date of the merger as if made on the closing date (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date), except for any failure to be so true and correct that, individually or in the aggregate, has not had and would not reasonably be expected to have a material adverse effect on Micrel;

Micrel having performed or complied with, in all material respects, all of its obligations under the merger agreement at or prior to the effective time of the merger;

the absence, since May 7, 2015, of any material adverse effect on Micrel (whether or not events or circumstances occurring prior to the execution and delivery of the merger agreement caused or contributed to the occurrence of such material adverse effect);

receipt of a certificate executed by an executive officer of Micrel as to the satisfaction of the conditions described in the preceding five bullet points;

no restraining order, preliminary or permanent injunction or other order seeking to enjoin, restrain or prohibit the merger or seeking to impose any conditions on the consummation of the merger will be in effect, nor shall there be any pending suit, action or proceeding of a governmental entity seeking to make illegal or prevent the merger or otherwise seeking to impose any conditions on the consummation of the merger;

in no event shall the closing occur in the third month of any fiscal quarter of Microchip; and

Microchip having received from its counsel a written opinion to the effect that the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Code.

In addition, Micrel's obligations to effect the merger is subject to the satisfaction or waiver of the following additional conditions:

certain of the representations and warranties of Microchip, Merger Sub and Merger Sub 2, including those regarding corporate authorization and capitalization must be true and correct in all material

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respects as of May 7, 2015, and as of the closing date of the merger, as if made on the closing date (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date);

each of the other representations and warranties of Microchip, Merger Sub and Merger Sub 2 that are qualified as to materiality or material adverse effect (disregarding all materiality and material adverse effect qualifications contained therein) must be true and correct as of May 7, 2015, and as of the closing date of the merger as if made on the closing date (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date), except for any failure to be so true and correct that, individually or in the aggregate, has not had and would not reasonably be expected to have a material adverse effect on Microchip, Merger Sub and Merger Sub 2;

Microchip, Merger Sub and Merger Sub 2 having performed or complied with, in all material respects, all of their obligations under the merger agreement at or prior to the effective time of the merger;

the absence, since May 7, 2015, of any material adverse effect on Microchip (whether or not events or circumstances occurring prior to the execution and delivery of the merger agreement caused or contributed to the occurrence of such material adverse effect);

receipt of a certificate executed by an executive officer of Microchip as to the satisfaction of the conditions described in the preceding four bullet points; and

Micrel having received from its counsel a written opinion to the effect that the mergers, taken together, will qualify as a reorganization within the meaning of Section 368(a) of the Code.

There are no conditions to the second merger other than consummation of the merger.

No Solicitation (See page 68)

The merger agreement precludes Micrel from soliciting or engaging in discussions or negotiations with a third party with respect to a proposal for a competing transaction, including the acquisition of a significant interest in Micrel's common stock or assets. However, if Micrel receives an unsolicited written proposal from a third party (which proposal was not received in violation of such party's non-solicitation obligations) for a competing transaction that Micrel's Board of Directors, as applicable, among other things, (i) determines in good faith (after consultation with its outside counsel and financial advisors) constitutes or is reasonably likely to lead to a proposal that is superior to the merger and (ii) determines in good faith (after consultation with outside counsel) with respect to which the failure to enter into discussions would be inconsistent with its fiduciary duties under applicable law, Micrel may, subject to certain conditions, including after providing 24 hours advance notice to Microchip, furnish non-public information to and enter into discussions with, and only with, that third party regarding such competing transaction.

See the section entitled "The Merger Agreement - No Solicitation" for a further discussion of Micrel's covenant not to solicit alternative acquisition proposals.

Termination of the Merger Agreement (See page 76)

Generally, the merger agreement may be terminated and the merger may be abandoned at any time prior to the completion of the merger (except as specified below, including after the required Micrel shareholder approval is obtained):

by mutual written consent of Microchip and Micrel;

by either Microchip or Micrel:

if the merger is not consummated on or before November 3, 2015; except that no party may so terminate the merger agreement if such party's failure to fulfill any of its obligations under the merger agreement was the primary cause of the failure of the merger to be consummated by the end date;

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if any court of competent jurisdiction or other governmental entity (i) issues, enacts, enforces or deems applicable to the merger any law that has the effect of making the completion of the merger illegal or otherwise prohibiting the completion of the merger or (ii) issues or grants a final and nonappealable order enjoining or otherwise prohibiting the completion of the merger;

if the Micrel shareholders fail to adopt the merger agreement at the Micrel special meeting (or any adjournment or postponement thereof); except that no party may so terminate the merger agreement if such party's failure to fulfill in any of its obligations under the merger agreement was the primary cause of or resulted in the failure to obtain the Micrel shareholder vote;

if the other party shall have breached any covenant or agreement, or if any representation or warranty of the other party shall become untrue, in either case such that the conditions to the other party's obligations to complete the merger would not then be satisfied and such failure is not reasonably capable of being cured by the earlier of the end date or 30 days after the written notice of such failure;

if the Micrel Board of Directors changes or withdraws its recommendation in favor of the merger agreement;

if Micrel shall have materially breached or failed to perform certain of its obligations related to non-solicitation, the requirement to recommend to its shareholders the adoption of the merger agreement or to comply with certain requirements with respect to any change in recommendation; or

prior to obtaining shareholder approval in favor of the merger agreement, in order to enter into an agreement with respect to a superior proposal.

See the section entitled "The Merger Agreement Termination of the Merger Agreement" for a further discussion of the rights of each of Microchip and Micrel to terminate the merger agreement.

Expenses and Termination Fees; Liability for Breach (See page 77)

Each party will generally pay all fees and expenses incurred by it in connection with the merger and the other transactions contemplated by the merger agreement, except that Microchip and Micrel will share equally all fees and expenses in relation to the printing, filing and mailing of this proxy statement/prospectus and any filing or other fees paid to the SEC, in each case in connection with the merger (other than attorneys' fees, accountants' fees and related expenses). Microchip and Micrel will also share equally all fees and expenses in relation to any filings related to the HSR Act and the German Antitrust Law (other than attorneys' fees, accountants' fees and related expenses).

In certain circumstances in connection with the termination of the merger agreement, Micrel must pay to Microchip a termination fee equal to \$34.6 million, or \$8.0 million if the merger agreement is not approved by the shareholders of Micrel.

See the section entitled "The Merger Agreement Expenses and Termination Fees; Liability for Breach" for a further discussion of the circumstances under which such termination fees and/or expense reimbursement will be required to be paid.

Accounting Treatment (See page 82)

Each of Microchip and Micrel prepares its financial statements in accordance with U.S. generally accepted accounting principles (GAAP). The merger will be accounted for using the acquisition method of accounting with Microchip treated as the acquiror of Micrel for accounting purposes.

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See the section entitled **Accounting Treatment** for a further discussion of the accounting treatment of the transaction.

Dissenters' Rights (See page 55)

Micrel shareholders will not be entitled to dissenters' rights under California law as specified in Section 1300(b) of the CCC.

Litigation Related to the Merger (See page 55)

In connection with the merger, beginning on May 15, 2015, three putative class action lawsuits were filed in the Superior Court of California, County of Santa Clara, captioned *W. Allan v. Micrel, Inc. et al.*, Case No. 1-15-cv-280762, *P. Alajajian v. Micrel, Inc. et al.*, Case No. 1-15-cv-280875, and *S. Stein v. J. Bourgoin, et al.*, Case No. 1-15-cv-280890, by, respectively, purported Micrel shareholders William Allan, Philip Alajajian, and Shiva Stein. The actions name as defendants Micrel, the members of the Micrel Board of Directors, Microchip, Merger Sub, and Merger Sub 2. The complaints allege that some or all members of the Micrel Board of Directors breached their fiduciary duties by approving the merger, and that the other defendants aided and abetted those alleged breaches. The complaints seek class certification, preliminary and permanent injunctive relief, and damages. Micrel and Microchip believe the lawsuits are without merit and intend to defend vigorously against them.

Listing of Microchip Shares; Delisting and Deregistration of Shares of Micrel Common Stock (See page 55)

It is an obligation of Microchip contained in the merger agreement that the shares of Microchip common stock to be issued to Micrel shareholders pursuant to the merger be authorized for listing on NASDAQ at the effective time of the merger, subject to official notice of issuance. Upon completion of the merger, shares of Micrel common stock will cease to be listed on NASDAQ and will subsequently be deregistered under the Exchange Act.

See the sections entitled **The Merger Listing of Microchip Shares** and **The Merger Delisting and Deregistration of Micrel Common Stock** for a further discussion of the listing of Microchip shares and de-listing of Micrel common stock in connection with the merger.

Material U.S. Federal Income Tax Consequences (see page 79)

We have structured the merger as a reorganization for U.S. federal income tax purposes. Accordingly, holders of shares of Micrel common stock that are U.S. Holders (as defined on page 79) will generally not recognize any gain or loss for U.S. federal income tax purposes on the exchange of their shares of Micrel common stock for Microchip common stock and cash, if any, in the mergers, except that gain will be recognized to the extent of cash received. U.S. Holders that receive only cash in the mergers will generally recognize gain or loss equal to the difference between the amount of cash received and the adjusted tax basis in the shares of Micrel common stock surrendered in the exchange. The companies themselves will not recognize gain or loss as a result of the mergers. It is a condition to the obligations of Micrel and Microchip to complete the merger that each receive a legal opinion from its outside counsel that the mergers will be a reorganization for U.S. federal income tax purposes within the meaning of Section 368(a) of the Code.

The U.S. federal income tax consequences described above may not apply to all holders of Micrel common stock, including certain holders specifically referred to on page 79. Your tax consequences will depend on your own situation. You should consult your tax advisor to determine the particular tax consequences of the mergers to you.

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The Meeting (See page 24)

The Micrel special meeting will be held at Micrel's principal executive offices located at 2180 Fortune Drive, San Jose, CA 95131, on [], 2015, at [], California time, to consider and vote upon the following matters:

the proposal to adopt the merger agreement;

the Micrel adjournment proposal; and

the advisory vote on the golden parachute proposal.

Completion of the merger is conditioned on, among other things, adoption of the merger agreement.

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Micrel common stock as of the record date for the Micrel special meeting. Approval of the Micrel adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Micrel common stock entitled to vote and present in person or represented by proxy at the Micrel special meeting, whether or not a quorum is present. Approval of the golden parachute proposal requires the affirmative vote of holders of a majority of the shares of Micrel common stock present in person or represented by proxy at the Micrel special meeting and entitled to vote thereon, assuming a quorum is present. Neither approval of the Micrel adjournment proposal nor the golden parachute proposal is a condition to completion of the merger.

Only holders of record of Micrel common stock at the close of business on [], the Micrel record date, are entitled to notice of, and to vote at, the Micrel special meeting or any adjournments thereof. At the close of business on the Micrel record date, [] shares of Micrel common stock were issued and outstanding, approximately []% of which were held by Micrel's directors and executive officers and their affiliates. Certain of Micrel's directors and executive officers will vote their shares in favor of the proposals to be considered and voted upon at the Micrel special meeting pursuant to the terms of each of their voting agreements with Microchip and as further described under the section entitled "The Voting Agreements".

Under the merger agreement, Micrel may, without the prior consent of Microchip, postpone or adjourn its special meeting to the extent necessary in order to conduct business at the Micrel special meeting if (i) as of [], 2015, there are insufficient shares of Micrel common stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Micrel special meeting, (ii) if the failure to adjourn or postpone the Micrel special meeting would reasonably be expected to be a violation of applicable law, including to comply with comments made by the SEC with respect to this proxy statement/prospectus or (iii) to solicit additional proxies if necessary to obtain the approval of the proposal to adopt the merger agreement.

The Micrel Board of Directors has unanimously approved and adopted the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Micrel and its shareholders. The Micrel Board of Directors unanimously recommends that Micrel shareholders vote FOR the adoption of the merger agreement, FOR the Micrel adjournment proposal and FOR the golden parachute proposal. See "The Micrel Special Meeting" for further discussion of the Micrel special meeting.

Comparison of Stockholders' Rights (See page 84)

Micrel shareholders, whose rights are currently governed by the amended and restated articles of incorporation of Micrel (the Micrel articles) and the amended Micrel bylaws (the Micrel bylaws) will, to the extent such holders receive Microchip common stock in the merger, upon completion of the merger, become shareholders of Microchip and their rights will be governed by the amended and restated certificate of incorporation of Microchip (the Microchip charter) and the amended and restated bylaws of Microchip (the Microchip bylaws). The differences between the Micrel governing documents and the Microchip governing documents are described in detail under Comparison of Stockholders Rights .

Table of Contents**Dividends (See page 54)**

Under the terms of the merger agreement, Micrel is permitted to pay to holders of its common stock regular quarterly dividends consistent with past practice, not to exceed \$0.05 per share per quarter. Otherwise, Micrel is generally prohibited from paying dividends on its common stock during the pendency of the merger.

Comparative Per Share Market Price Information

The following table presents the closing prices of Microchip common stock and Micrel common stock on NASDAQ on May 6, 2015, the last trading day before announcement of the merger, and [], 2015, the most recent practicable date prior to the date of this proxy statement/prospectus. The table also presents the closing sales prices calculated by averaging the closing sales prices for shares of Microchip common stock on each of the trading days during the period of ten trading days ending on the second to last trading day prior to such date. The table also presents the per share stock consideration that a Micrel shareholder will be entitled to receive upon making a stock election using the ten day average closing price of Microchip common stock ending on the second to last trading day prior to such date and assuming the aggregate stock election cap is not exceeded.

	Microchip Common Stock (Close)	Microchip Common Stock (Ten-Day Average Close)	Micrel Common Stock (Close)	Per Share Stock Consideration
May 6, 2015	\$ 47.11	\$ 48.24	\$ 13.58	0.2902
[], 2015	\$ []	\$ []	\$ []	[]

The market prices of shares of Microchip and Micrel common stock fluctuate. The per share stock consideration, or the number of shares of Microchip common stock received by a holder of Micrel common stock who has made a stock election, will be determined based on the average ten-day Microchip common stock closing price ending on the second to last trading day immediately prior to the closing (the determination date). Therefore, the value of the stock consideration on the determination date may be higher or lower than the value of the stock consideration on the closing date. As a result, we urge you to obtain current market quotations of Microchip and Micrel common stock.

Table of Contents**Summary Consolidated Historical Financial Data of Microchip**

The following table sets forth selected historical consolidated financial data of Microchip. This data is derived from Microchip's consolidated financial statements as of and for the five years ended March 31, 2015, 2014, 2013, 2012 and 2011 respectively. This selected financial data should be read in conjunction with Microchip's consolidated financial statements and related notes included in Microchip's Annual Report on Form 10-K for the fiscal year ended March 31, 2015, which is incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#).

	Year ended March 31,				
	2015	2014	2013	2012	2011
Net sales	\$ 2,147,036	\$ 1,931,217	\$ 1,581,623	\$ 1,383,176	\$ 1,487,205
Cost of sales (1)	917,472	802,474	743,164	583,882	605,954
Gross profit	1,229,564	1,128,743	838,459	799,294	881,251
Operating expenses:					
Research and development (1)	349,543	305,043	254,723	182,650	170,607
Selling, general and administrative (1)	274,815	267,278	261,471	208,328	222,184
Amortization of acquired intangible assets	176,746	94,534	111,537	10,963	12,412
Special charges	2,840	3,024	32,175	837	1,865
	803,944	669,879	659,906	402,778	407,068
Operating income	425,620	458,864	178,553	396,516	474,183
(Losses) gains on equity method investments	(317)	(177)	(617)	(195)	157
Other income (expense):					
Interest income	19,527	16,485	15,560	17,992	16,002
Interest expense	(62,034)	(48,716)	(40,915)	(34,266)	(31,521)
Loss on retirement of convertible debentures	(50,631)				
Other income (expense), net	13,742	5,898	(404)	(352)	1,877
Income from continuing operations before income taxes	345,907	432,354	152,177	379,695	460,698
Income tax (benefit) provision	(19,418)	37,073	24,788	42,990	31,531
Net income from continuing operations	365,325	395,281	127,389	336,705	429,167
Less: Net loss attributable to noncontrolling interests	3,684				
Net income from continuing operations attributable to Microchip Technology	\$ 369,009	\$ 395,281	\$ 127,389	\$ 336,705	\$ 429,167
Basic net income per common share from continuing operations attributable to	\$ 1.84	\$ 1.99	\$ 0.65	\$ 1.76	\$ 2.29

Microchip Technology stockholders

Diluted net income per common share from continuing operations attributable to Microchip Technology stockholders	\$ 1.65	\$ 1.82	\$ 0.62	\$ 1.65	\$ 2.20
Dividends declared per common share	\$ 1.425	\$ 1.417	\$ 1.406	\$ 1.390	\$ 1.374
Basic common shares outstanding	200,937	198,291	194,595	191,283	187,066
Diluted common shares outstanding	223,561	217,630	205,776	203,519	194,715
(1) Includes share-based compensation expense as follows:					
Cost of sales	\$ 9,010	\$ 7,340	\$ 8,234	\$ 5,648	\$ 6,825
Research and development	28,164	24,554	22,178	14,719	12,874
Selling, general and administrative	21,422	21,893	27,603	17,922	17,113

Table of Contents**Consolidated Historical Financial Data of Micrel**

The following table sets forth selected historical consolidated financial data of Micrel. This data is derived from Micrel's Consolidated Financial Statements as of and for the five years ended December 31, 2014, December 31, 2013, December 31, 2012, December 31, 2011 and December 31, 2010, respectively, and the quarterly financial statements as of and for the three months ended March 31, 2015 and March 31, 2014, which in the opinion of management include all adjustments necessary for a fair statement of the results for the interim periods. This selected financial data should be read in conjunction with Micrel's Consolidated Financial Statements and related notes included in Micrel's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and Micrel's quarterly report on Form 10-Q for the quarter ended March 31, 2015, each of which is incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information".

(in thousands, except per share amounts)	Three Months Ended March 31,		Year Ended December 31,				
	2015	2014	2014	2013	2012	2011	2010
Income Statement Data (1):							
Net revenues	\$ 57,955	\$ 59,857	\$ 247,594	\$ 237,080	\$ 250,112	\$ 259,025	\$ 297,366
Cost of revenues	28,606	28,638	119,566	115,034	117,185	115,881	128,535
Gross profit	29,349	31,219	128,028	122,046	132,927	143,144	168,831
Operating expenses:							
Research and development	13,964	15,481	62,033	55,853	57,182	49,952	46,271
Selling, general and administrative	11,375	12,436	48,351	45,803	48,010	46,415	47,590
Restructuring charges			992	1,376			
Total operating expenses	25,339	27,917	111,376	103,032	105,192	96,367	93,861
Income from operations	4,010	3,302	16,652	19,014	27,735	46,777	74,970
Interest and other income, net	12	31	62	218	559	825	492
Income before income taxes and noncontrolling interest	4,022	3,333	16,714	19,232	28,294	47,602	75,462
Provision for income taxes	1,300	1,044	3,167	1,584	15,966	13,742	24,927
Net income	2,722	2,289	13,547	17,648	12,328	33,860	50,535
Less: Net income attributable to noncontrolling interest						(10)	
Net income attributable to Micrel, Incorporated shareholders	\$ 2,722	\$ 2,289	\$ 13,547	\$ 17,648	\$ 12,318	\$ 33,860	\$ 50,535
Net income per share attributable to Micrel, Incorporated shareholders:							
Basic	\$ 0.05	\$ 0.04	\$ 0.24	\$ 0.31	\$ 0.21	\$ 0.55	\$ 0.81

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Diluted	\$ 0.05	\$ 0.04	\$ 0.24	\$ 0.30	\$ 0.20	\$ 0.54	\$ 0.81
Weighted average shares used in computing per share amounts:							
Basic	56,617	56,388	56,508	57,803	59,623	61,609	62,030
Diluted	58,282	57,208	57,538	58,506	60,288	62,371	62,557
Cash dividends per common share (1)	\$ 0.05	\$ 0.05	\$ 0.20	\$ 0.1425	\$ 0.205	\$ 0.15	\$ 0.14
Share based compensation included in:							
Cost of revenues	\$ 274	\$ 234	\$ 997	\$ 1,060	\$ 1,178	\$ 1,009	\$ 798
Research and development	861	690	3,197	2,875	3,132	2,401	1,808
Selling, general and administrative	982	798	3,430	3,162	3,282	2,444	2,119
Total share-based compensation	\$ 2,117	\$ 1,722	\$ 7,624	\$ 7,097	\$ 7,592	\$ 5,854	\$ 4,725
Balance Sheet Data (in thousands):							
Working capital	\$ 145,709	\$ 138,046	\$ 137,723	\$ 137,818	\$ 143,579	\$ 175,372	\$ 141,456
Total assets (2)	267,733	279,944	277,180	276,124	281,454	308,018	300,694
Long-term debt and other obligations	4,620	5,113	4,480	4,749	3,813	6,404	5,660
Total shareholders equity	224,421	218,072	219,508	217,973	221,104	244,518	221,886

- (1) Cash dividends per common share for 2012 included an accelerated cash dividend of \$0.0425 per share of common stock totaling \$2.5 million paid on December 27, 2012 to shareholders of record as of December 18, 2012. The accelerated dividend was in lieu of the quarterly dividend that we would have otherwise announced with our quarterly financial results for the fourth quarter of 2012, and that would have been paid in the first quarter of 2013.
- (2) Total assets included goodwill and intangible assets from the Discera acquisition completed in 2013 of \$5.3 million and from the Phaselink acquisition completed in 2012 of \$14.8 million.

Table of Contents**RISK FACTORS**

In addition to the other information included and incorporated by reference in this proxy statement/prospectus, including the matters addressed in the section entitled *Special Note Regarding Forward-Looking Statements*, you should carefully consider the following risks before deciding whether to vote for the adoption of the merger agreement, the Micrel adjournment proposal and the golden parachute proposal. In addition, you should read and consider the risks associated with each of the businesses of Microchip and Micrel because these risks will also affect Microchip after the merger. These risks can be found in the Annual Reports on Form 10-K for Microchip for the fiscal year ended March 31, 2015, and for Micrel for the fiscal year ended December 31, 2014, and any amendments thereto, as such risks may be updated or supplemented in each company's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this proxy statement/prospectus. You should also read and consider the other information in this proxy statement/prospectus and the other documents incorporated by reference in this proxy statement/prospectus. See the section entitled *Where You Can Find More Information*.

Risk Factors Relating to the Merger

Because the market price of Microchip common stock will fluctuate, Micrel shareholders cannot be sure of the number of shares of Microchip common stock they will receive at the time of the Micrel special meeting or at any time prior to the closing of the merger.

Upon completion of the merger, each share of Micrel common stock will be converted into the right to receive merger consideration consisting of shares of Microchip common stock and/or cash pursuant to the terms of the merger agreement. The value of the merger consideration to be received by Micrel shareholders will equal \$14.00 per share, subject to adjustment in certain cases as further discussed under *The Merger Agreement Consideration to be Received in the Merger Aggregate Stock Election Cap*. However, the number of shares of Microchip common stock that a Micrel shareholder will receive upon completion of the merger will be based on the Microchip closing price for the ten most recent trading days ending on the second to last trading day immediately prior to the closing (the *determination date*). This average price may vary from the closing price of Microchip common stock on the date we announced the merger, on the date that this proxy statement/prospectus was mailed to Micrel shareholders, on the date of the special meeting of Micrel shareholders and on the closing date. Any change in the market price of Microchip common stock prior to completion of the merger will affect the number of shares of Microchip common stock that Micrel shareholders will receive upon completion of the merger. Accordingly, at the time of the Micrel special meeting and prior to the election deadline, Micrel shareholders will not necessarily know or be able to calculate the exchange ratio used to determine the number of any shares of Microchip common stock they would receive upon completion of the merger. Additionally, the value of the stock consideration on the determination date may be higher or lower than the value of the stock consideration on the closing date due to changes in the price of Microchip common stock. Neither company is permitted to terminate the merger agreement or resolicit the vote of Micrel's shareholders solely because of changes in the market prices of either company's stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. **You should obtain current market quotations for shares of Microchip common stock and for shares of Micrel common stock.**

Micrel shareholders may receive a form of consideration different from what they elect.

The aggregate number of shares of Micrel common stock for which stock elections are made must equal at least 42% of the aggregate number of shares of Micrel common stock outstanding immediately prior to closing (the *minimum*

stock percentage). In addition, the minimum stock percentage will be increased if necessary to enable tax opinions that the mergers are reorganizations to be rendered. As a result, if the minimum stock percentage is not met and cash elections are oversubscribed, then certain adjustments will be made to the merger consideration to be paid to Micrel shareholders to proportionately reduce the aggregate cash considerations

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received by such holders, in the manner described below in the section entitled "The Merger Agreement - Consideration to be Received in the Merger - Proration". Thus, you may receive a portion of your consideration in a form you did not elect and that may have different tax consequences from the form of consideration you elected. In addition, if the aggregate consideration to be paid to any holder of Micrel common stock would result in such holder receiving a fractional share of Microchip common stock, cash will be paid in lieu of such fractional share.

If you are a Micrel shareholder and you tender your shares of Micrel common stock to make an election, you will not be able to sell those shares, unless you revoke your election prior to the election deadline.

If you are a registered Micrel shareholder and want to make a valid cash or stock election, you will have to deliver your stock certificates, if any, and a properly completed and signed form of election to the exchange agent. Since the actual election deadline is not currently known, Microchip and Micrel will issue a press release announcing the date of the election deadline at least five business days before that deadline. For further details on the determination of the election deadline, see "The Merger Agreement - Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration - Election Form". The election deadline may be significantly in advance of the closing of the merger. You will not be able to sell any shares of Micrel common stock that you have delivered as part of your election unless you withdraw your stock certificates or revoke your election before the deadline by providing written notice to the exchange agent. If you do not revoke your election, you will not be able to liquidate your investment in Micrel common stock for any reason until you receive cash and/or common stock in the merger. In the time between the election deadline and the closing of the merger, the trading price of Micrel common stock may increase or decrease, and you might otherwise want to sell your shares of Micrel common stock to gain access to cash, make other investments or reduce the potential for a decrease in the value of your investment. The date that you will receive your merger consideration depends on the completion date of the merger, which is uncertain. The completion date of the merger might be later than expected due to unforeseen events, such as delays in obtaining regulatory approvals.

The merger is subject to a number of conditions, including certain governmental and regulatory conditions that may not be satisfied, and the merger may not be completed on a timely basis, or at all. Failure to complete the merger could have material adverse effects on Microchip and Micrel.

Completion of the merger is conditioned upon, among other matters, the receipt of certain governmental authorizations, consents, orders or other approvals, including the expiration or termination of the waiting period under the HSR Act, the receipt of antitrust clearance under the German Antitrust Law, the declaration of the effectiveness of the Form S-4 to which this proxy statement/prospectus relates by the SEC under the Securities Act, and the receipt of any other consents or approvals of any governmental entity required to be obtained in connection with the merger. In deciding whether to grant antitrust or other regulatory clearances, the relevant governmental entities will consider the effect of the merger within their relevant jurisdictions. The governmental agencies from which Microchip and Micrel will seek the approvals have broad discretion in administering the governing regulations. The terms and conditions of the approvals that are granted may impose requirements, limitations or costs or place restrictions on the conduct of Microchip's business after the merger. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of delaying or preventing the completion of the merger or imposing additional material costs on, or materially limiting the revenues of, Microchip following the merger. In addition, neither Microchip nor Micrel can provide assurances that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. For a more detailed description of the regulatory review process, see the section entitled "The Merger - Regulatory Clearances Required for the Merger".

If the merger is not completed on a timely basis, or at all, Micrel's ongoing business may be adversely affected. Additionally, in the event the merger is not completed, Microchip and Micrel will be subject to a number of risks

without realizing any of the benefits of having completed the merger, including (i) the payment of certain fees and costs relating to the merger, such as legal, accounting, financial advisor and printing fees, (ii) the potential

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decline in the market price of Micrel's shares of common stock, (iii) the risk that Micrel may not find a party willing to enter into a merger agreement on terms equivalent to or more attractive than the terms set forth in the merger agreement and (iv) the loss of time and resources.

Lawsuits have been filed against Micrel and/or Microchip challenging the merger, and an adverse ruling may prevent the merger from being completed.

Microchip and/or Micrel, as well as the members of the Micrel Board of Directors, have been named as defendants in lawsuits brought by purported shareholders of Micrel challenging the Micrel Board of Directors' actions in connection with the merger agreement and seeking, among other things, injunctive relief to enjoin the defendants from completing the merger on the agreed-upon terms. See *The Merger Litigation Related to the Merger* for more information about the lawsuits that have been filed related to the merger.

One of the conditions to the closing of the merger is that no temporary restraining order, preliminary or permanent injunction or other judgment, order or decree issued by any court of competent jurisdiction or other legal restraint or prohibition shall be in effect, and no law shall have been enacted, entered, promulgated, enforced or deemed applicable by any governmental entity that, in any such case, prohibits or makes illegal the consummation of the merger. Consequently, if a settlement or other resolution is not reached in the lawsuits referenced above and the plaintiffs secure injunctive or other relief prohibiting, delaying or otherwise adversely affecting Microchip's and/or Micrel's ability to complete the merger, then such injunctive or other relief may prevent the merger from becoming effective within the expected timeframe or at all.

The merger agreement contains provisions that could discourage a potential competing acquiror of Micrel.

The merger agreement contains no shop provisions that, subject to limited exceptions, restrict Micrel's ability to solicit, initiate or endorse, encourage or facilitate competing third-party proposals for the acquisition of its company's shares or assets. Further, even if Micrel's Board of Directors withdraws or changes its recommendation with respect to the merger, Micrel will still be required to submit each of its merger-related proposals to a vote at its shareholder meeting, notwithstanding the earlier termination of the merger agreement. In addition, Microchip generally has an opportunity to offer to modify the terms of the merger in response to any competing acquisition proposals before the Micrel Board of Directors may withdraw or change its recommendation with respect to the merger. In certain circumstances in connection with the termination of the merger agreement, Micrel must pay to Microchip a termination fee equal to \$34.6 million. If the merger agreement is terminated by a party as a result of the failure to obtain shareholder approval of the merger and merger agreement, Micrel will be required to pay Microchip \$8.0 million. See *The Merger Agreement No Solicitation*, *The Merger Agreement Termination of the Merger Agreement* and *The Merger Agreement Expenses and Termination Fees; Liability for Breach*.

These provisions could discourage a potential third-party acquiror that might have an interest in acquiring all or a significant portion of Micrel from considering or proposing that acquisition, at a higher per share cash or market value than the per share value proposed to be received or realized in the merger, or might result in a potential third-party acquiror proposing to pay a lower price to the shareholders than it might otherwise have proposed to pay because of the added expense of the termination fee and/or expense reimbursement that may become payable in certain circumstances.

Micrel's counterparties may acquire certain rights upon the merger, which could negatively affect Microchip following the merger.

Micrel is party to numerous contracts, agreements, licenses, permits, authorizations and other arrangements that contain provisions giving counterparties certain rights (including, in some cases, termination rights) in the event of an assignment of the contract or agreement or a change in control of Micrel or its subsidiaries. The definitions of assignment and change in control vary from contract to contract and, in some cases, the

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assignment or change in control provisions may be implicated by the merger. If an assignment or change in control occurs, a counterparty may be permitted to terminate its contract with Micrel.

Whether a counterparty would have cancellation rights in connection with the merger depends upon the language of its agreement with Micrel. Whether a counterparty exercises any cancellation rights it has would depend on, among other factors, such counterparty's views with respect to the financial strength and business reputation of Microchip following the merger and prevailing market conditions. Micrel cannot presently predict the effects, if any, if the merger is deemed to constitute a change in control under certain of its contracts and other arrangements, including the extent to which cancellation rights would be exercised, if at all, or the effect on Microchip's financial condition, results of operations or cash flows following the merger, but such effect could be material.

Although Microchip expects to realize certain benefits as a result of the merger, there is the possibility that Microchip following the merger may be unable to integrate successfully the business of Micrel in order to realize the anticipated benefits of the merger or do so within the intended timeframe.

Microchip will be required to devote significant management attention and resources to integrating the business practices and operations of Micrel with Microchip. Due to legal restrictions, Microchip and Micrel have been able to conduct limited planning regarding the integration of Micrel into Microchip after completion of the merger and Microchip has not yet determined the exact nature of how the businesses and operations of Micrel will be run following the merger. Potential difficulties Microchip may encounter as part of the integration process include the following:

the costs of integration and compliance and the possibility that the full benefits anticipated to result from the merger will not be realized;

any delay in the integration of management teams, strategies, operations, products and services;

diversion of the attention of each company's management as a result of the merger;

differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;

the ability to create and enforce uniform standards, controls, procedures, policies and information systems;

the challenge of integrating complex systems, technology, networks and other assets of Micrel into those of Microchip in a manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;

potential unknown liabilities and unforeseen increased expenses or delays associated with the merger, including costs to integrate Micrel; and

the disruption of, or the loss of momentum in, each company's ongoing businesses. Any of these factors could adversely affect the ability of the combined company to maintain relationships with customers, suppliers, employees and other constituencies or its ability to achieve the anticipated benefits of the merger or could reduce the earnings or otherwise adversely affect the business and financial results of Microchip after the merger.

Current Microchip stockholders and Micrel shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Current Microchip stockholders have the right to vote in the election of the Microchip Board of Directors and on other matters affecting Microchip. Current Micrel shareholders have the right to vote in the election of the Micrel Board of Directors and on other matters affecting Micrel. Assuming the holders of 42% of the outstanding shares

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of Micrel common stock elect stock consideration, immediately after the merger is completed, it is expected that, on a fully diluted basis, current Microchip stockholders (together with holders of Microchip equity-based awards) will collectively own approximately []%, and current Micrel shareholders and Micrel roll-over award shares, will collectively own approximately []%, of the outstanding shares of Microchip common stock based on the number of shares outstanding of each of Microchip and Micrel on [], 2015, the most recent practicable date prior to the date of this proxy statement/prospectus. As a result of the merger, current Microchip stockholders and current Micrel shareholders will have less influence on the management and policies of Microchip post-merger than they now have on the management and policies of Microchip and Micrel, respectively.

Some of the executive officers and directors of Micrel have interests in seeing the merger completed that are different from, or in addition to, those of the other Micrel shareholders. Therefore, some of the executive officers and directors of Micrel may have a conflict of interest in recommending the proposals being voted on at the special meeting.

Certain of the executive officers of Micrel may have arrangements that provide them with interests in the merger that are different from, or in addition to, those of shareholders of Micrel generally. These interests include, among others, the acceleration of vesting of certain equity-based awards, enhanced severance payments and/or benefits, and/or continuation of certain indemnification insurance in connection with the merger. These interests may influence the executive officers of Micrel to support or approve the proposals to be presented at the special meeting.

In addition, certain directors of Micrel may have interests in the merger that are different from, or in addition to, those of shareholders of Micrel generally, including, the acceleration of vesting of certain equity-based awards. These interests may influence the directors of Micrel to support or approve the proposals to be presented at the Micrel special meeting.

See The Merger Interests of Micrel's Directors and Executive Officers in the Merger for a more detailed description of these interests.

The shares of Microchip common stock to be received by Micrel shareholders as a result of the merger will have different rights from the shares of Micrel common stock.

Upon completion of the merger, certain Micrel shareholders will become stockholders of Microchip and their rights as stockholders will be governed by the Microchip charter and the Microchip bylaws. The rights associated with Micrel common stock are different from the rights associated with shares of Microchip common stock. See Comparison of Stockholders' Rights .

Other Risk Factors of Microchip and Micrel

Microchip's and Micrel's businesses are and will be subject to the risks described above. In addition, Microchip and Micrel are, and will continue to be, subject to the risks described in Microchip's Annual Report on Form 10-K for the fiscal year ended March 31, 2015, and Micrel's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as amended and as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information for the location of information incorporated by reference in this proxy statement/prospectus.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect Microchip's and Micrel's current beliefs, expectations or intentions regarding future events. These statements include forward-looking statements both with respect to Microchip and Micrel and the semiconductor industry. Statements that are not historical facts, including statements that use terms such as anticipates, believes, expects, intends, plans, projects, seeks and that relate to Microchip's and Micrel's plans and objectives for future operations, are forward-looking statements. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion of such statements in this proxy statement/prospectus should not be considered as a representation by Microchip, Micrel or any other person that such objectives or plans will be achieved.

Such forward-looking statements include, but are not limited to, statements about the benefits of the transaction involving Microchip and Micrel, including future financial and operating results, the combined company's plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that Microchip and Micrel expect or anticipate will occur in the future including statements relating to creating value for shareholders, benefits of the transaction to customers and employees of the combined company, integrating our companies, cost savings, synergies, earnings per share, and the expected timetable for completing the proposed transaction are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although Microchip and Micrel believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. For example, these forward-looking statements could be affected by factors including, without limitation, risks associated with the ability to consummate the merger and the timing of the closing of the merger; the failure to obtain the necessary shareholder vote; the ability to successfully integrate Micrel's operations and employees; the ability to realize anticipated benefits and synergies of the transaction; the potential impact of announcement of the transaction or consummation of the transaction on relationships, including with Micrel's employees, customers and competitors; the outcome of any legal proceedings that have been or may be instituted against Micrel and/or Microchip and others following announcement of the transaction; the amount of the costs, fees, expenses and charges related to the merger; changes in the semiconductor industry, financial markets, interest rates and foreign currency exchange rates; and those additional risks and factors discussed in reports filed with the SEC by Microchip and Micrel.

Additional information concerning these and other risk factors is contained in Microchip's and Micrel's most recently filed Annual Reports on Form 10-K, as amended, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K and other SEC filings. All subsequent written and oral forward-looking statements concerning Microchip, Micrel, the proposed transaction or other matters attributable to Microchip or Micrel or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. You are cautioned not to place undue reliance on these forward-looking statements, which speak only to the date they are made. Microchip and Micrel are under no obligation (and expressly disclaim any such obligation) to update or revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise.

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THE COMPANIES

Microchip Technology Incorporated

Microchip Technology Incorporated is a leading provider of microcontroller, mixed-signal, analog and Flash-IP solutions, providing low-risk product development, lower total system cost and faster time to market for thousands of diverse customer applications worldwide. Microchip offers outstanding technical support along with dependable delivery and quality.

Shares of Microchip common stock are traded on NASDAQ under the symbol MCHP . Following the merger, shares of Microchip common stock will continue to be traded on NASDAQ under the symbol MCHP .

The principal executive offices of Microchip are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224, and its telephone number is (480) 792-7200. Additional information about Microchip and its subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#) .

Micrel, Incorporated

Micrel designs, develops, manufactures and markets a range of high-performance analog power and mixed-signal ICs. These products address a wide range of end markets including industrial and automotive, wireline communications, enterprise and cloud infrastructure and mobility. Micrel also manufactures custom analog and mixed-signal circuits and provide wafer foundry services for customers which produce electronic systems utilizing semiconductor manufacturing processes as well as MEMs technologies.

Micrel s common stock is traded on NASDAQ under the symbol MCRL . Upon completion of the merger, shares of Micrel common stock will cease to be listed on NASDAQ and will subsequently be deregistered under the Exchange Act.

The principal executive offices of Micrel are located at 2180 Fortune Drive, San Jose, California 95131, and its telephone number is (408) 944-0800. Additional information about Micrel and its subsidiaries is included in documents incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#) .

Mambo Acquisition Corp.

Mambo Acquisition Corp. is a wholly owned subsidiary of Microchip and is a California corporation. Merger Sub was formed on May 6, 2015, for the sole purpose of effecting the first merger. In the first merger, Merger Sub will be merged with and into Micrel, with Micrel surviving as a wholly owned subsidiary of Microchip.

The principal executive offices of Merger Sub are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224, and its telephone number is (480) 792-7200.

Mambo Acquisition LLC

Mambo Acquisition LLC is a wholly owned subsidiary of Microchip and is a California limited liability company. Merger Sub 2 was formed on May 6, 2015, for the sole purpose of effecting the second merger. In the second merger, Micrel will be merged with and into Merger Sub 2, with Merger Sub 2 surviving as a limited liability company and a

wholly owned subsidiary of Microchip.

The principal executive offices of Merger Sub 2 are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224, and its telephone number is (480) 792-7200.

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THE MICREL SPECIAL MEETING

This proxy statement/prospectus is being provided to the shareholders of Micrel as part of a solicitation of proxies by the Micrel Board of Directors for use at the Micrel special meeting to be held at the time and place specified below, and at any properly convened meeting following an adjournment or postponement thereof. This proxy statement/prospectus and the documents incorporated herein by reference provide shareholders of Micrel with the information they need to know to be able to vote or instruct their vote to be cast at the Micrel special meeting.

Date, Time and Place

The Micrel special meeting will be held at Micrel's principal executive offices located at 2180 Fortune Drive, San Jose, CA 95131, on [], 2015, at [].

Purpose of the Micrel Special Meeting

At the Micrel special meeting, Micrel shareholders will be asked to consider and vote on:

the proposal to adopt the merger agreement;

the Micrel adjournment proposal; and

the golden parachute proposal.

Completion of the merger is conditioned on, among other things, adoption of the merger agreement.

Recommendation of the Board of Directors of Micrel

The Micrel Board of Directors has unanimously approved and adopted the merger agreement and has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Micrel and its shareholders.

The Micrel Board of Directors unanimously recommends that the Micrel shareholders vote FOR the adoption of the merger agreement, FOR the Micrel adjournment proposal and FOR the golden parachute proposal.

Micrel Record Date; Stockholders Entitled to Vote

Only holders of record of Micrel common stock at the close of business on [], the Micrel record date, are entitled to notice of, and to vote at, the Micrel special meeting or any adjournments thereof.

At the close of business on the Micrel record date, [] shares of Micrel common stock were issued and outstanding and held by [] holders of record. Holders of record of Micrel common stock on the Micrel record date are entitled to one vote per share at the Micrel special meeting on each proposal. A list of shareholders of Micrel will be available for review for any purpose germane to the Micrel special meeting at Micrel's headquarters, at 2180 Fortune Drive, San Jose, California 95131, during regular business hours for a period of ten days before the Micrel special meeting. The list will also be available at the Micrel special meeting during the whole time thereof for examination by any

shareholder of record present at the Micrel special meeting.

The Voting Agreements

In connection with the transactions contemplated by the merger agreement, each of Micrel's directors and certain of Micrel's executive officers entered into a voting agreement with Microchip, Merger Sub and Merger Sub 2 and have agreed, in their capacities as Micrel shareholders, to, among other things, vote all shares of Micrel's capital stock beneficially owned by them in favor of adoption of the merger agreement and any related proposal

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in furtherance thereof and against any proposal made in opposition to the merger, in each case, subject to the terms and conditions of the voting agreement. As of the record date, the directors and executive officers who signed the voting agreement beneficially owned approximately []% of the total outstanding shares of Micrel's common stock (excluding shares issuable upon exercise of options held by such shareholders). The form of voting agreement is attached as Annex B to this proxy statement/prospectus.

Quorum

No business may be transacted at the Micrel special meeting unless a quorum is present. Attendance in person or by proxy at the Micrel special meeting of holders of record of a majority of the outstanding shares of Micrel common stock entitled to vote at the meeting will constitute a quorum. If a quorum is not present, or if fewer shares of Micrel common stock are voted in favor of the proposal to adopt the merger agreement than the number required for its adoption, the Micrel special meeting may be adjourned to allow additional time for obtaining additional proxies or votes. At any subsequent reconvening of the Micrel special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the Micrel special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Failures to vote will not be included in the calculation of the number of shares of Micrel common stock represented at the Micrel special meeting for purposes of determining whether a quorum has been achieved. Abstentions will be included in the calculation of the number of shares of Micrel common stock represented at the Micrel special meeting for purposes of determining whether a quorum has been achieved. Under NASDAQ rules, if brokers do not have discretion to vote on any of the proposals at a shareholders' meeting, broker non-votes will not count toward the calculation of a quorum. As each of the proposals to be voted on at the Micrel special meeting is considered non-routine, brokers do not have discretion to vote on such proposals and as such, broker non-votes will not be included in the calculation of the number of shares of Micrel common stock represented at the Micrel special meeting for purposes of determining whether a quorum has been achieved.

Required Vote

The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Micrel common stock as of the record date for the Micrel special meeting. Failures to vote, votes to abstain and broker non-votes, if any, will have the effect of a vote AGAINST the proposal.

The approval of the Micrel adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Micrel common stock entitled to vote and present in person or represented by proxy at the Micrel special meeting, whether or not a quorum is present. Abstaining will have the same effect as a vote AGAINST the proposal. Failures to vote and broker non-votes, if any, will not be voted, but this will not have an effect on the Micrel adjournment proposal.

The approval of the golden parachute proposal requires the affirmative vote of the holders of a majority of the shares of Micrel common stock present in person or represented by proxy and entitled to vote thereon at the Micrel special meeting, assuming a quorum is present. Abstentions will have the effect of a vote AGAINST the proposal. Failures to vote and broker non-votes, if any, will not be voted, but this will not have an effect on the proposal, assuming a quorum is present.

Failures to Vote, Broker Non-Votes and Abstentions

Under applicable regulations, banks, brokerage firms or other nominees holding shares of record may vote those shares in their discretion on certain routine proposals when they do not receive timely voting instructions from the beneficial holders. A broker non-vote occurs under the applicable rules when a bank, brokerage firm or other nominee holding shares of record is not permitted to vote on a non-routine matter without instructions from the beneficial owner of the shares and no instruction is given.

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In accordance with these rules, banks, brokers and other nominees who hold shares of Micrel common stock in street name for their customers, but do not have discretionary authority to vote the shares, may not exercise their voting discretion with respect to the adoption of the merger agreement, the Micrel adjournment proposal or the golden parachute proposal. Accordingly, if banks, brokers or other nominees do not receive specific voting instructions from the beneficial owner of such shares, they may not vote such shares with respect to the adoption of the merger agreement, the Micrel adjournment proposal or the golden parachute proposal. For shares of Micrel common stock held in street name, only shares of Micrel common stock affirmatively voted FOR the adoption of the merger agreement, the Micrel adjournment proposal and the golden parachute proposal will be counted as affirmative votes therefor.

Abstentions, failures to vote and broker non-votes, if any, will have the same effect as a vote AGAINST the adoption of the merger agreement. Abstentions will have the same effect as a vote AGAINST the Micrel adjournment proposal. Failures to vote and broker non-votes, if any, will have no effect on the approval of the Micrel adjournment proposal. Abstentions will have the same effect as a vote AGAINST the golden parachute proposal. Failures to vote and broker non-votes, if any, will not have an effect on the golden parachute proposal, assuming a quorum is present.

Voting at the Micrel Special Meeting

Whether or not you plan to attend the Micrel special meeting, please submit a proxy for your shares. If you are a registered or record holder, which means your shares are registered in your name with Computershare Inc., Micrel's transfer agent and registrar, you may vote in person at the Micrel special meeting or by proxy. If your shares are held in street name, which means your shares are held of record in an account with a bank, brokerage firm or other nominee, you must follow the instructions from your bank, brokerage firm or other nominee in order to vote.

Voting in Person

If you plan to attend the Micrel special meeting and wish to vote in person, you will be given a ballot at the Micrel special meeting. Please note, however, that if your shares are held in street name, and you wish to vote at the Micrel special meeting, you must bring to the Micrel special meeting a proxy executed in your favor from the record holder (your bank, brokerage firm or other nominee) of the shares authorizing you to vote at the Micrel special meeting.

In addition, if you are a registered Micrel shareholder, please be prepared to provide proper identification, such as a driver's license, in order to be admitted to the Micrel special meeting. If you hold your shares in street name, you will need to provide proof of ownership, such as a recent account statement or letter from your bank, brokerage firm or other nominee, along with proper identification.

Voting by Proxy

If you are a holder of record, a proxy card is enclosed for your use. Micrel requests that you submit a proxy by:

logging onto www.proxyvote.com and following the instructions on your proxy card to submit a proxy via the internet anytime up to 8:59 p.m., California time, on [], 2015, and following the instructions provided on that site;

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dialing (800) 690-6903 and listening for further directions to submit a proxy by telephone anytime up to 8:59 p.m., California time, on [], 2015, and following the instructions provided in the recorded message; or

signing and returning the accompanying proxy card in the enclosed postage-paid envelope. Micrel shareholders of record may submit their proxies through the mail by signing, dating, completing and returning their proxy card in the enclosed, pre-addressed, postage-paid envelope. To be valid, a returned proxy card must be signed and dated.

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You should submit your proxy in advance of the Micrel special meeting even if you plan to attend the Micrel special meeting. You can always change your vote at the Micrel special meeting.

If you hold your shares of Micrel common stock in a stock brokerage account or if your shares are held in street name, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank, brokerage firm or other nominee. Please note that you may not vote shares of Micrel common stock held in street name by returning a proxy card directly to Micrel or by voting in person at the Micrel special meeting unless you have a legal proxy, which you must obtain from your bank, brokerage firm or other nominee. Further, brokers who hold shares of Micrel common stock on behalf of their customers may not give a proxy to Micrel to vote those shares without specific instructions from their customers.

If you are a Micrel shareholder and you do not instruct your bank, brokerage firm or other nominee on how to vote your shares, your bank, brokerage firm broker or other nominee, as applicable, may not vote your shares on any of the proposals to be considered and voted upon at the Micrel special meeting as all such matters are deemed non-routine matters pursuant to applicable NASDAQ rules.

If a proxy is returned without an indication as to how the shares of Micrel common stock represented are to be voted with regard to a particular proposal, the shares of Micrel common stock represented by the proxy will be voted in accordance with the recommendation of the Micrel Board of Directors and, therefore, FOR each of the proposals to be considered and voted upon at the Micrel special meeting. As of the date hereof, management has no knowledge of any business that will be presented for consideration at the Micrel special meeting and that would be required to be set forth in this proxy statement/prospectus or the related proxy card other than the matters set forth in Micrel's Notice of Special Meeting of Shareholders. If any other matter is properly presented at the Micrel special meeting for consideration, it is intended that the persons named in the enclosed form of proxy and acting thereunder will vote in accordance with their best judgment on such matter.

Your vote is important. Accordingly, please sign, date and return the enclosed proxy card whether or not you plan to attend the Micrel special meeting in person.

How Proxies Are Counted

All shares of Micrel common stock represented by properly executed proxies received in time for the Micrel special meeting will be voted at the meeting in the manner specified by the shareholders giving those proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the adoption of the merger agreement, the Micrel adjournment proposal and the golden parachute proposal.

Only shares of Micrel common stock affirmatively voted for the applicable proposal, and properly executed proxies that do not contain voting instructions, will be counted as favorable votes for adoption of the merger agreement, the Micrel adjournment proposal and the golden parachute proposal. Abstentions, failures to vote and broker non-votes, if any, will have the same effect as votes AGAINST the adoption of the merger agreement. Abstentions will have the same effect as a vote AGAINST the Micrel adjournment proposal. Failures to vote and broker non-votes, if any, will have no effect on the approval of the Micrel adjournment proposal. Abstentions will have the same effect as a vote AGAINST the golden parachute proposal. Failures to vote and broker non-votes, if any, will not be voted, but this will not have an effect on the golden parachute proposal, assuming a quorum is present.

Revocation of Proxies

If you are the record holder of shares of Micrel common stock, you can change or revoke your proxy at any time before your proxy is voted at the Micrel special meeting. You can do this by:

timely delivering a new, valid proxy bearing a later date by submitting instructions via the internet, by telephone or by mail as described on the proxy card;

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timely delivering a signed written notice of revocation to the Corporate Secretary of Micrel; or

attending the Micrel special meeting and voting in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person. Simply attending the Micrel special meeting without voting will not change or revoke any proxy that you have previously given.

A registered Micrel shareholder may revoke a proxy by any of these methods, regardless of the method used to deliver the Micrel shareholder's previous proxy.

Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows:

Micrel, Incorporated

2180 Fortune Drive

San Jose, California 95131

Attention: Corporate Secretary

If your shares are held in street name by your broker, bank or nominee, you should contact your broker, bank or nominee to change your vote.

Solicitation of Proxies

Micrel is soliciting proxies for the Micrel special meeting from its shareholders. In accordance with the merger agreement, Micrel and Microchip will share equally all fees and expenses in relation to the printing, filing and mailing of this proxy statement/prospectus. Micrel will pay all of its other costs of soliciting proxies. In addition to solicitation by use of the mails, proxies may be solicited by Micrel's directors, officers and employees in person or by telephone or other means of communication. These persons will not receive additional compensation, but may be reimbursed for reasonable out-of-pocket expenses in connection with this solicitation.

Micrel has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the Micrel special meeting. Micrel estimates that it will pay MacKenzie Partners, Inc. a fee of approximately \$[] for proxy solicitation services. Micrel will also reimburse MacKenzie Partners, Inc. for reasonable out-of-pocket expenses and will indemnify MacKenzie Partners, Inc. and its affiliates against certain claims, liabilities, losses, damages and expenses. Micrel will make arrangements with brokerage houses, custodians, nominees and fiduciaries to forward proxy solicitation materials to beneficial owners of shares of Micrel common stock held of record by them. Micrel will also reimburse these brokerage houses, custodians, nominees and fiduciaries for their reasonable expenses incurred in forwarding the proxy materials.

Adjournments or Postponements

Any adjournment of the Micrel special meeting may be made from time to time by the Micrel shareholders, by the affirmative vote of the holders of a majority of shares of Micrel common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present, without further notice other than by an announcement made at the Micrel special meeting. If a quorum is not present at the Micrel special meeting, or if a quorum is present at the Micrel special meeting but there are not sufficient votes at the time of the Micrel special meeting to approve the

adoption of the merger agreement, then Micrel shareholders may be asked to vote to adjourn the Micrel special meeting so as to permit the further solicitation of proxies.

Under the merger agreement, Micrel may, without the prior consent of Microchip, postpone or adjourn its special meeting to the extent necessary in order to conduct business at the Micrel special meeting if (i) as of [], 2015, there are insufficient shares of Micrel common stock represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Micrel special meeting, (ii) if the failure to adjourn or postpone the Micrel special meeting would reasonably be expected to be a violation of applicable law, including to comply with comments made by the SEC with respect to this proxy statement/prospectus or (iii) to solicit additional proxies if necessary to obtain the approval of the proposal to adopt the merger agreement.

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MICREL PROPOSALS

Micrel Proposal 1: Adoption of the Merger Agreement

Micrel is asking its shareholders to adopt the merger agreement. For a detailed discussion of the terms and conditions of the merger agreement, see *The Merger Agreement*. As discussed in the section entitled *The Merger Recommendation of the Micrel Board of Directors; Micrel's Reasons for the Merger*, after careful consideration, the Micrel Board of Directors unanimously approved and adopted the merger agreement and declared the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interest of Micrel and the Micrel shareholders.

Required Vote

The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Micrel common stock entitled to vote thereon. Failures to vote, votes to abstain and broker non-votes, if any, will have the effect of a vote **AGAINST** the proposal.

The Micrel Board of Directors unanimously recommends that Micrel shareholders vote **FOR the adoption of the merger agreement.**

Micrel Proposal 2: Adjournment of the Micrel Special Meeting

Micrel shareholders are being asked to adjourn the Micrel special meeting, if necessary or appropriate, to solicit additional proxies in favor of the adoption of the merger agreement if there are insufficient votes at the time of such adjournment to approve such proposal.

If, at the Micrel special meeting, there are an insufficient number of shares of Micrel common stock present in person or represented by proxy and voting in favor of the adoption of the merger agreement, Micrel may move to adjourn the Micrel special meeting, subject to the terms and conditions of the merger agreement, in order to enable the Micrel Board of Directors to solicit additional proxies for approval of such proposal.

Micrel is asking its shareholders to authorize the holder of any proxy solicited by the Micrel Board of Directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the Micrel special meeting to another time and place for the purpose of soliciting additional proxies. If the Micrel shareholders approve this proposal, Micrel could adjourn the Micrel special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Micrel shareholders who have previously voted. If the adjournment is for more than 45 days or, if after the adjournment, a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting will be given to each shareholder of record entitled to vote at the adjourned meeting.

Required Vote

The approval of the Micrel adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Micrel common stock entitled to vote and present in person or represented by proxy, whether or not a quorum is present. Abstaining will have the same effect as a vote **AGAINST** the proposal. Failures to vote and broker non-votes, if any, will not be voted, but this will not have an effect on the Micrel adjournment proposal.

The Micrel Board of Directors unanimously recommends that Micrel shareholders vote FOR the Micrel adjournment proposal.

Micrel Proposal 3: Approval of Golden Parachute Compensation

Section 14A of the Exchange Act requires that Micrel provide its shareholders with the opportunity to vote to approve, on an advisory (nonbinding) basis, the golden parachute compensation arrangements for Micrel's named executive officers, as disclosed in the section entitled The Merger Interests of Micrel's Directors and Executive Officers in the Merger Golden Parachute Compensation .

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In accordance with Section 14A of the Exchange Act, in this proposal Micrel shareholders are being asked to approve the following nonbinding resolution at the Micrel special meeting:

RESOLVED, that the shareholders of Micrel approve, on an advisory (non-binding) basis, the compensation that is to be paid or may become payable by Micrel to Micrel's named executive officers that is based on or otherwise relates to the merger with Microchip, as disclosed in the table and related notes and narrative disclosure in the section of the proxy statement/prospectus for the merger entitled "The Merger Interests of Micrel's Directors and Executive Officers in the Merger Golden Parachute Compensation".

Approval of this proposal is not a condition to completion of the merger, and the vote with respect to this proposal is advisory only. Accordingly, the vote will not be binding on Micrel or Microchip, or the Board of Directors or the compensation committee of Micrel or Microchip. Because Micrel or Microchip will be contractually obligated to pay the golden parachute compensation, if the merger agreement is adopted and the merger is completed, the golden parachute compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the advisory vote.

Required Vote

The approval of the golden parachute proposal requires the affirmative vote of the holders of a majority of the shares of Micrel common stock present in person or represented by proxy and entitled to vote thereon at the Micrel special meeting, assuming a quorum is present. Abstentions will have the effect of a vote AGAINST the proposal. Failures to vote and broker non-votes, if any, will not be voted, but this will not have an effect on the proposal, assuming a quorum is present.

The Micrel Board of Directors unanimously recommends that Micrel shareholders vote FOR the golden parachute proposal.

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THE MERGER

The following is a discussion of the merger and the material terms of the merger agreement between Microchip and Micrel. You are urged to read the merger agreement carefully and in its entirety, a copy of which is attached as Annex A to this proxy statement/prospectus and incorporated by reference herein.

Effects of the Merger

Subject to the terms and conditions of the merger agreement, at the effective time of the merger, Merger Sub will be merged with and into Micrel, with Micrel surviving the merger as a wholly owned subsidiary of Microchip. At the effective time of the second merger, which will be as soon as practicable after the effective time on the closing date of the merger, and as part of a single integrated transaction with the merger, Micrel will be merged with and into Merger Sub 2, with Merger Sub 2 surviving the merger as a limited liability company and a wholly owned subsidiary of Microchip.

In the merger, each outstanding share of Micrel common stock (other than Micrel roll-over award shares and Micrel cancelled award shares, which will be treated as provided under The Merger Agreement Treatment of Micrel Equity Awards below, and other than shares owned, directly or indirectly, by Microchip, Merger Sub or any of their respective subsidiaries, which shares will be cancelled) will be converted into the right to receive the merger consideration consisting of either cash or shares of Microchip common stock which the holder of such share has validly elected to receive (subject to proration if the aggregate cash consideration available in the merger is oversubscribed due to the minimum stock percentage not being reached). If the aggregate consideration to be paid to any holder of Micrel common stock would result in such holder receiving a fractional share of Microchip common stock, cash will be paid in lieu of such fractional share. Microchip shareholders will continue to hold their existing shares of Microchip common stock.

Background of the Merger

The Board of Directors regularly reviews Micrel's strategic direction and competitive position with a view to enhancing shareholder value. This review has from time to time involved consideration of alternatives including acquisitions and dispositions of businesses, changes in Micrel's manufacturing strategy, and a possible sale of the company.

On August 7, 2014 entities associated with Starboard disclosed on a Schedule 13D filed with the SEC that they had accumulated 6,782,000 Micrel shares, representing 12.0% of the outstanding shares of Micrel. The Schedule 13D stated that Starboard believed that Micrel common stock was undervalued and represented an attractive investment opportunity. The filing did not reveal any specific plans or proposals. Micrel common stock closed at \$10.75 per share that day, immediately prior to Starboard's Schedule 13D filing.

On August 19, the Micrel Board of Directors discussed the Starboard filing at a regularly scheduled meeting. The Micrel Board of Directors determined that it would be appropriate for Micrel to retain financial and legal advisors to assist the Micrel Board of Directors in the potential consideration of strategic alternatives as well as in preparing for and responding to actions that might be taken by Starboard. The Micrel Board of Directors subsequently authorized the retention of Credit Suisse as financial advisor to Micrel and of Davis Polk & Wardwell LLP as legal counsel to the Micrel Board of Directors.

On August 20, the Micrel Board of Directors authorized the repurchase of an additional \$25.0 million of Micrel's common stock in addition to the remaining authorization to repurchase \$17.7 million of Micrel's common stock.

On September 8, the Micrel Board of Directors elected Robert R. Herb as an independent member of the Board of Directors, filling a vacancy that had been created by the passing of Michael J. Callahan in the previous month.

At Starboard's request, on September 9, management of Micrel had an introductory meeting with representatives of Starboard at the Micrel offices, including high-level discussion regarding Micrel's business.

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On October 30, representatives of Micrel management and John Bourgoïn, in his capacity as Micrel's lead independent director, met with Starboard at Starboard's request. In this meeting, the Starboard representatives indicated that in their opinion Micrel was not performing at an acceptable level, and they suggested several step function changes in direction, including closing Micrel's fabrication facility in San Jose and transitioning to a fabless manufacturing model, restructuring Micrel with the goal of lowering its effective global income tax rate, and the potential divestiture of Micrel's local area network solutions (LAN) business unit, which in recent years has represented approximately 20% of Micrel's revenues. Starboard representatives also encouraged Mr. Bourgoïn and management to consider the potential value that could be realized in a sale of Micrel in light of what they considered to be a relatively attractive market for analog semiconductor businesses. Mr. Bourgoïn and management agreed to consider Starboard's suggestions and to review them with the Micrel Board of Directors.

Following the October 30 meeting, management, with the assistance of its financial and legal advisors, commenced a review of strategic alternatives for Micrel, including those suggested by Starboard. This included a detailed review of Micrel's three year financial plan, separate analyses of Micrel's three business units, an analysis of the potential costs and benefits of transitioning to a fabless strategy, and a review in conjunction with Micrel's tax advisors of potential opportunities for reducing Micrel's effective global income tax rate.

On November 20, the Micrel Board of Directors met with management and its legal and financial advisors to receive an update on the analytical work. Management presented its financial plan, under which Micrel revenues were projected to grow from \$248 million in 2014, to \$265 million in 2015, to \$292 million in 2016 and to \$332 million in 2017. See the section titled "Certain Micrel Prospective Financial Information".

At the November 20 meeting, Credit Suisse gave an overview of trading in Micrel common stock, which had closed at \$10.75 per share on August 7, immediately prior to the original Starboard Schedule 13D, and which had risen to \$12.46 per share as of November 19. The Micrel Board of Directors, with Credit Suisse's assistance, reviewed and discussed the share price appreciation during that period, and believed that most of such appreciation could be attributed to change of control speculation in connection with the Starboard filing rather than to changes in Micrel's results or outlook or to general market conditions. Credit Suisse reviewed changes in the composition of Micrel's shareholder base during the period, and with the assistance of Credit Suisse, the Micrel Board of Directors discussed the potential implications of those changes if Starboard were to pursue a proxy contest in connection with the 2015 annual meeting. Credit Suisse reviewed and discussed preliminary financial analyses with respect to Micrel in the context of a sale and other strategic alternatives. Following this discussion, the Micrel Board of Directors directed Credit Suisse to work with management to develop a more in-depth analysis for further discussion with the Micrel Board of Directors at a meeting on December 19.

At the December 19 Board of Directors meeting, Credit Suisse first reviewed management's financial plan, noting that the plan projected growth of Micrel's existing businesses based on its existing business model, and anticipated not just significant revenue growth but also gross margin expansion and increases in operating income and earnings per share. Credit Suisse also reviewed and discussed with the Micrel Board of Directors certain updated financial analyses with respect to Micrel assuming Micrel was able to achieve management's financial plan.

The Micrel Board of Directors, with the assistance of Credit Suisse, reviewed the potential impact of several different strategic scenarios. With respect to the potential sale of the LAN business unit, the Board of Directors concluded that such a transaction would not be likely to create shareholder value, because the remaining company would have lost scale and would be less profitable. With respect to the conversion to a fabless strategy, the Board of Directors concluded that this transition would also not be likely to create shareholder value, at least not in the short term. Although operating expenses could be reduced and gross margins expanded, revenue would be reduced, since certain of Micrel's products may not be transferred to outside foundries due to logistical and technical issues, and others may

not be economically transferred due to relatively low volumes. The analysis of tax optimization strategies, based on inputs from management and from Micrel's outside tax advisor, concluded that modest improvements to net income could be achieved by licensing certain non-U.S. intellectual property rights to an existing offshore subsidiary. The Micrel Board of Directors, with the assistance of Credit Suisse, also

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reviewed and discussed a potential leveraged recapitalization, under which Micrel would use the proceeds of a long-term debt issuance to repurchase shares of common stock. The Micrel Board of Directors believed there to be potential for modest value creation assuming the achievement of the revenue and operating margin targets in management's financial plan, although the incurrence of substantial debt could increase risk and reduce operational flexibility.

The Micrel Board of Directors, with the assistance of Credit Suisse, also reviewed the possibility of a sale of Micrel, including a review and discussion of selected companies deemed similar to Micrel in one or more respects, a review of precedent transactions involving target companies deemed similar to Micrel in one or more respects, including illustrative potential transaction metrics and a list of potential acquirers that might be interested in acquiring Micrel.

On January 7, 2015, the independent directors met separately with Davis Polk to continue the discussion from the December 19 meeting. The consensus of the independent directors was that Micrel faced significant challenges in achieving management's financial plan and that if Micrel were to continue as an independent company, significant changes would be required in management and strategy. In light of these challenges, the independent directors believed that it would be in the best interests of shareholders for the Micrel Board of Directors to consider strategic alternatives, including a potential sale of Micrel. Thereafter, on January 9, the independent directors then met and, with the assistance of Davis Polk and Credit Suisse, reviewed and discussed what a strategic review process would entail and whether or not it should be publicly announced.

The full Micrel Board of Directors met on Friday, January 16, 2015. The Micrel Board of Directors, with the assistance of Credit Suisse, reviewed and discussed the principal strategic alternatives available to Micrel and the process that might be associated with a proxy contest at the 2015 annual meeting. The independent directors communicated to Mr. Zinn that, in light of the significant challenges that had been discussed in this meeting and the December 19 meeting, they believed it was appropriate for the Micrel Board of Directors to review strategic alternatives for Micrel, including potentially a sale. Mr. Zinn stated his belief in the achievability of Micrel's financial plan and his belief that the best interests of the shareholders would be served by successfully executing on that plan as an independent company.

The January 16 discussion did not result in a unanimous view of the Micrel Board of Directors concerning the path forward. Following that meeting Mr. Bourgoin, the lead independent director, communicated to Mr. Zinn that the independent directors had unanimously determined that it was in the best interests of Micrel shareholders for a committee composed of independent directors to consider strategic alternatives, including the sale of Micrel, and that their current intention was to announce this on January 20, and to instruct Credit Suisse to begin soliciting acquisition proposals on behalf of Micrel at that time. The independent directors indicated that their strong preference was for Mr. Zinn to remain as CEO during this process, but that this would require Mr. Zinn's assurances of his support and cooperation. Mr. Bourgoin indicated that he hoped to receive a response prior to a Board of Directors meeting scheduled for the evening of January 18.

At the January 18 Board of Directors meeting, Mr. Zinn indicated that he was prepared to support the judgment of the independent directors, although he indicated that he was not at that time in support of a sale of Micrel and was not committing to vote his shares in favor of a transaction that the independent directors might ultimately support. The independent directors acknowledged this position and expressed their appreciation to Mr. Zinn for his support.

At the January 18 meeting, the Micrel Board of Directors created a Transaction Committee with broad authority to consider strategic alternatives and, if considered appropriate, to recommend action to the Micrel Board of Directors. Mr. Herb (Chairman), Mr. Bourgoin and Mr. Heneghan were named as members of the committee. Micrel announced the strategic review and the formation of the committee on January 20. On that day Micrel common stock closed at

\$14.08 per share, up from a \$13.32 per share closing price on the prior trading day.

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The Transaction Committee, following a review and discussion with Micrel's legal and financial advisors, decided on a multistep process, including an initial broad outreach focused on potential strategic acquirers and limited discussions with potential financial sponsors, a second step in which interested parties would be given limited access to Micrel's management and information for the purpose of determining whether to submit preliminary valuations, and a third step in which one or more final bidders would be given more extensive access for the purpose of submitting definitive proposals.

Throughout the process, members of the Transaction Committee and the Compensation Committee discussed and considered existing change in control severance arrangements, values of equity and potential additional retention arrangements that may be necessary to preserve the services of key personnel, including with the advice of an independent compensation consultant, on each of January 9, January 13, January 29, February 4, February 10, February 24, March 5, April 25 and April 28.

Specifically, on February 10, 2015, the Transaction Committee approved an overall pool in the amount of \$3.3 million for potential retention bonuses and allocated specified amounts for a number of non-executive officers. In addition, on February 11, 2015, the Compensation Committee approved its regular annual equity grants for executive officers based on benchmark information, and on February 24, 2015, approved additional equity grants for certain executive officers based on their individual performance and responsibilities in addition to the formulaic application of benchmark information used in the February 11, 2015 grants.

On February 24, Micrel disclosed in its Annual Report on Form 10-K that the date of its annual shareholder meeting would be June 19 and that the Board of Directors had, in light of the ongoing process, postponed the date for receipt of shareholder proposals to April 17.

From the time of formation of the Transaction Committee through the end of February, Credit Suisse, at the request of the Transaction Committee, contacted a total of 36 potential buyers, of which 32 were strategic buyers and four were financial sponsors. This process resulted in 13 potential bidders signing nondisclosure agreements and participating in management presentations, including Microchip on January 26. Of these bidders, several subsequently declined to pursue the process, and others indicated interest in acquiring a business unit rather than acquiring Micrel as a whole. Three potential acquirers, however, did submit indications of interest regarding the acquisition of Micrel as a whole:

A strategic party referred to as Party A indicated interest in the range of \$15.00 to \$16.00 per share in cash.

A strategic party referred to as Party B indicated interest at a price of \$15.88 per share in cash.

Microchip indicated interest at \$14.00 per share in cash or in shares of Microchip common stock. Based on these indications the Transaction Committee decided to pursue discussions with all three parties with the goal of having all three complete their due diligence investigations and be in a position to submit definitive proposals by early April. The three parties were given access to an online data room and the opportunity to participate in meetings with management throughout the month of March, and were asked to submit more definitive valuation indications by early April. At that time Microchip reaffirmed its proposal at \$14.00 per share. On April 3, Party B informed Micrel through Credit Suisse that it had decided not to submit a proposal. On April 7, Party A informed Micrel through Credit Suisse that it had decided not to submit a proposal. Both of these parties indicated that among their reasons for not submitting a proposal was that they believed that Micrel's common stock price, which was

generally trading in a range between \$14.50 and \$15.50 per share during this period, was fully valued and that a premium to this price would not be justified.

At a meeting on April 8, the Transaction Committee directed Credit Suisse to reengage with Party A and Party B and with certain of the other potential buyers who had initially been contacted to see if they would consider submitting a proposal that would not necessarily involve a significant premium to Micrel's then-current market price. Over the next several days, these parties declined to reengage.

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As certain of the parties who had declined to engage in the process had indicated a potential interest in acquiring individual business units of Micrel, the Transaction Committee, with the assistance of Credit Suisse, considered whether a breakup of Micrel might result in shareholders receiving a higher value than in a sale of Micrel as a whole. Taking into account these discussions and the views of Credit Suisse, the Transaction Committee concluded that the valuation requirements, probable tax expense and inherent complexity and execution risk in attempting to effect three transactions with three separate buyers in parallel made this alternative unworkable. Accordingly, the Transaction Committee directed its advisors to continue to focus on the sale of Micrel as a whole.

On April 13, Micrel again postponed the date of its Annual Meeting from June 19 to August 4 to enable further evaluation of Micrel's strategic alternatives. Micrel also reopened the period for the furnishing of shareholder proposals to be included in the proxy statement through April 27. The deadline for nominations or other proposals was postponed to June 17.

During the first half of April, discussions continued with Microchip concerning its \$14.00 per share proposal. Microchip requested Micrel's preliminary estimates of financial results for the quarter ended March 31, 2015 on a confidential basis covered by the nondisclosure agreement between the companies. The revenue and gross margin shown in the preliminary results were below Micrel's internal business plan that was shared with Microchip during the due diligence process. In particular, revenue was \$58.0 million in the preliminary estimate component and \$60.3 million in the internal business plan for the first quarter of 2015 ended March 31, 2015. Microchip indicated that it was unwilling to increase the value of this proposal but that, subject to Micrel entering into an exclusivity agreement, it expected to be in a position by early May to have completed diligence and entered into a definitive merger agreement. At a meeting on April 16, the Transaction Committee, together with the assistance of Micrel's legal and financial advisors, discussed whether and on what terms to proceed with the Microchip discussion, and in particular whether to agree to the exclusivity required by Microchip. Following a review and discussion with Credit Suisse, the Transaction Committee believed that, although the \$14.00 per share price of the Microchip proposal was below the current market price for Micrel common stock (which closed at \$14.76 per share that day), the market price was likely to have been influenced by takeover speculation and therefore was not necessarily representative of the unaffected market value of Micrel common stock.

The Transaction Committee also considered that Microchip had indicated that it would be unwilling to engage without exclusivity, that the duration of the proposed exclusivity was relatively short (three weeks), and that the agreement would not interfere with Micrel's ability to consider unsolicited offers or to solicit alternatives following the expiration of the exclusivity agreement. The Transaction Committee also considered that the purpose of the exclusivity period was to permit the Board of Directors to consider a definitive merger agreement assuming that one could be negotiated with Microchip, and that entering into the exclusivity agreement did not represent a recommendation by the Transaction Committee or a determination by the Transaction Committee to accept a \$14.00 per share offer. Based on these considerations, the Transaction Committee approved entering into an exclusivity agreement with Microchip that would extend through May 7. The exclusivity agreement was executed on April 17.

During the exclusivity period, Microchip continued its due diligence investigation of Micrel and the parties negotiated the terms of a merger agreement.

On April 20, the independent directors met to receive an update from the Transaction Committee. The independent directors were unanimously inclined to the view that, assuming an acceptable merger agreement could be reached with Microchip at \$14.00 per share, which was the highest offer available to Micrel, this result would be preferable to the alternative of Micrel remaining independent. Mr. Zinn continued to express dissatisfaction with the valuation, and requested the opportunity to discuss this directly with Steve Sanghi, the CEO of Microchip. The Transaction Committee encouraged Mr. Zinn to have this conversation with the goal of increasing the price of the transaction if

possible.

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On April 23, Micrel released its financial results for the first quarter of 2015 ended March 31, 2015. These results were consistent with the preliminary results shared with Microchip in early April 2015. Micrel also provided revenue guidance for its second quarter of 2015 ending June 30, 2015, which was below the \$63.6 million internal business plan that was shared with Microchip, and upon which Microchip conducted its analysis of Micrel.

Over the next several days, Mr. Zinn and Mr. Sanghi had several discussions concerning the potential transaction, including the strategic fit between the two companies, the valuation of the transaction, and the importance to Microchip of obtaining Mr. Zinn's support for the transaction. They and the Transaction Committee also discussed the potential of structuring the transaction to enable shareholders of Micrel to elect between receiving cash and an amount of Microchip common stock of equivalent value based on its value near the closing of the transaction, with the common stock being issued in a tax-free reorganization. Mr. Sanghi indicated, however, that Microchip was unwilling to increase the price beyond the \$14.00 per share reflected in the Microchip offer given the previous misses to Micrel's plan.

In view of the merger consideration potentially including shares of Microchip common stock, Mr. Herb, management of Micrel and Credit Suisse reviewed financial and other information with respect to Microchip and participated in a call on April 28 with senior management of Microchip during which representatives of Microchip answered questions regarding Microchip's business, operations, financial conditions, prospects, accounting matters and legal and compliance matters.

At a Board of Directors meeting on April 30, Mr. Zinn reported that he had communicated to Mr. Sanghi his willingness to support the proposed transaction as a director and to enter into an agreement to vote his shares in favor of the transaction. Davis Polk reviewed with the Micrel Board of Directors the principal open issues related to the merger agreement. These included a requirement by Microchip that in connection with the merger agreement Micrel issue an option to Microchip to acquire 12% of the common stock of Micrel at \$14.00 per share that could be voted in favor of the transaction. The Micrel Board of Directors declined to agree to this requirement. In addition, the parties had not reached agreement as to the size of the breakup fee under the merger agreement, with Microchip seeking 4.25% of the fully diluted equity value of Micrel compared to 3.0% offered by Micrel.

Negotiations concerning these open issues continued for several days. On May 4, Microchip indicated that it was prepared to withdraw its requirement for a stock option but that, in order to provide further protection against the possibility of a negative shareholder vote, it would require a fee payable by Micrel in the event of a failed shareholder vote on the merger equal to 1.5% of Micrel's fully diluted equity value. Microchip also asserted that its requirement of a 4.25% breakup fee was firm.

On May 4, the full Micrel Board of Directors considered the status of the potential transaction. At the request of the Micrel Board of Directors, Credit Suisse reviewed and discussed its updated financial analyses with respect to Micrel and the proposed merger. Davis Polk reviewed with the directors their fiduciary duties in connection with the process, and reviewed the principal terms of the merger agreement, including the two principal open matters. The Micrel Board of Directors asked the Transaction Committee to continue to work on these matters with the goal of reducing the fees.

The Transaction Committee considered these matters at meetings held on May 5 and 6, at which both Davis Polk and Credit Suisse were present and negotiations continued between the legal teams and between Mr. Herb and Mr. Sanghi. Ultimately these discussions resulted in a proposal by Microchip for a failed vote fee of \$8.0 million (compared to approximately \$12.6 million under the original proposal) and a breakup fee of 4.125%, or \$34,611,981. Mr. Sanghi indicated that Microchip would be unwilling to support a transaction without these elements.

The Transaction Committee considered this final proposal at the May 6 meeting. The Transaction Committee concluded that, in the case of the failed vote fee, it did not believe that the fee would be a material factor in the

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decision by shareholders as to whether or not to vote in favor of the Merger, and that in any case it did not believe that an unfavorable vote was likely. In the case of the breakup fee, the Transaction Committee concluded that the fee would not preclude a superior offer, and that in light of the extensive process that had been conducted and the broad outreach to potential buyers that had occurred, the likelihood of such an offer was not high. The Transaction Committee also concluded that, while it would have been preferable from Micrel's standpoint to reduce these fees, it believed that Microchip was firm in its requirements, and that accepting these items was necessary in order to obtain the benefits otherwise offered by the Merger. Accordingly, the Transaction Committee resolved unanimously to recommend approval of the merger agreement to the Micrel Board of Directors. The Transaction Committee also approved individual retention bonuses for certain executive officers. These arrangements are further described in the section entitled "Interests of Micrel's Directors and Executive Officers in the Merger".

The Micrel Board of Directors meeting to consider approval of the merger agreement took place on May 7. At that meeting Mr. Herb on behalf of the Transaction Committee reviewed with the Micrel Board of Directors the proposed resolution of the open items. Credit Suisse then reviewed and discussed its financial analyses with respect to Micrel and the proposed merger. Thereafter, at the request of the Micrel Board of Directors, Credit Suisse rendered its oral opinion to the Micrel Board of Directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Micrel Board of Directors dated as of the same date) as to, as of May 7, 2015, the fairness, from a financial point of view, to the holders of Micrel common stock of the merger consideration to be received by the holders of Micrel common stock in the merger pursuant to the merger agreement. Following further discussion among members of the Board, the Board then voted unanimously to approve and adopt the merger agreement.

Following the Micrel Board of Directors meeting, and a meeting held at the same time by the Microchip Board of Directors, the parties finalized the merger agreement and related schedules and agreements and, later on May 7, exchanged signature pages. After the close of the market that day, Micrel and Microchip issued a joint press release announcing the merger agreement.

Recommendation of the Micrel Board of Directors; Micrel's Reasons for the Merger

The Micrel Board of Directors has unanimously: (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of Micrel and its shareholders; and (2) adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement.

The Micrel Board of Directors unanimously recommends that you vote: (1) FOR the adoption of the merger agreement; (2) FOR the adjournment of the Special Meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the Special Meeting; and (3) FOR the non-binding, advisory proposal to approve compensation that will or may become payable by Micrel to its named executive officers in connection with the merger.

In evaluating the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Micrel Board of Directors consulted with Micrel management and Credit Suisse and Davis Polk. In recommending that shareholders vote in favor of adoption of the merger agreement, the Micrel Board of Directors considered a number of factors, including the following (which are not necessarily presented in order of importance):

the merger will permit shareholders to elect to receive the certainty of value and liquidity of cash, subject to possible proration in the event that shareholders fail to elect the minimum stock requirement;

the merger will also permit shareholders to elect to continue their participation in the ownership of the Micrel business indirectly through ownership of Microchip common stock in a tax-free reorganization;

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the relationship of the \$14.00 per share merger consideration to the current and historic trading prices of Micrel common stock, including (1) a premium of 3% to the closing price on May 6, 2015, the day before the announcement of the merger agreement, and (2) a premium of 30% to the closing price on August 7, 2014, the day Starboard filed its Schedule 13D;

the thorough process that had been conducted by the Board of Directors and the Transaction Committee, including:

a review of alternatives to the sale of Micrel, including a detailed analysis of the risks and opportunities of continuing with Micrel's current business plan, the potential for changes in Micrel's manufacturing model and the potential for a financial restructuring of Micrel;

the results of the solicitation of proposals to acquire Micrel from 32 potential strategic acquirers and four financial sponsors, which resulted in presentations to 13 parties, three preliminary indications of interest and one definitive proposal; and

extensive negotiations with Microchip with the goal of maximizing value and minimizing uncertainty with respect to their merger proposal;

the Board of Directors' view, following review and discussion with Credit Suisse, that the trading price of Micrel common stock in the period following Starboard's Schedule 13D in August 2014, and especially following Micrel's announcement on January 20, 2015 of its plan to consider strategic alternatives, was materially affected by speculation concerning the possibility of a sale transaction, and that the trading price would likely be materially adversely affected if Micrel were to announce a conclusion of the strategic review process without a sale transaction;

the financial analyses reviewed and discussed with the Micrel Board of Directors by representatives of Credit Suisse as well as the oral opinion of Credit Suisse rendered to the Micrel Board of Directors on May 7, 2015, (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Micrel Board of Directors dated the same date) as to, as of May 7, 2015, the fairness, from a financial point of view, to the holders of Micrel common stock of the merger consideration to be received by the holders of Micrel common stock in the merger pursuant to the merger agreement;

the Micrel Board of Directors' understanding of Micrel's business and operations, and its current and historical results of operations, financial prospects and condition, including challenging growth characteristics of Micrel's core Linear and Power business unit;

the Micrel Board of Directors' belief that in the consolidating industry in which Micrel participates, scale is an important factor, that Micrel's operating results were suffering, and would likely continue to suffer, as a

result of underutilization of manufacturing capacity and other inefficiencies, and that the Micrel business would gain significant efficiencies as part of a much larger organization;

the perceived risk of continuing as an independent public company, including: (1) the challenges of achieving the goals reflected in the three-year plan approved by the Micrel Board of Directors in November 2014; (2) that Micrel had failed to achieve its revenue objective in the first quarter of 2015 and that management had indicated to the Board of Directors that it also expected not to meet the revenue targets for the full year; and (3) the time that would be required and the uncertainty that would be experienced in Micrel effecting changes in its manufacturing strategy and executive leadership;

the terms of the merger agreement and the related agreements, including:

Microchip's obligations under the merger agreement are not conditioned on receipt of financing;

Micrel shareholders will have an uncapped ability to elect to receive Microchip common stock in a tax-free reorganization, subject to adjustment as described under "The Merger Agreement - Consideration to be Received in the Merger - Aggregate Stock Election Cap";

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the exchange ratio for the issuance of Microchip common stock in the merger is not fixed in the merger agreement but rather is determined based on average trading prices for the ten trading days ending two days before the merger, reducing market risk for Micrel shareholders between the date of the merger agreement and the closing;

Micrel can, in certain circumstances, elect to furnish information to and to conduct negotiations with third parties regarding alternative acquisition proposals;

Micrel can terminate the merger agreement in order to accept a superior proposal, subject to Microchip's ability to match such superior proposal and subject to paying Microchip a termination fee of \$34.6 million and other conditions of the merger agreement;

the Micrel Board of Directors believed that the termination fee of \$34.6 million is reasonable and not preclusive of other offers, and that the failed vote fee of \$8.0 million would not be a material factor in the determination by Micrel shareholders as to whether to vote to approve the merger;

the merger is subject to approval by the holders of a majority of the outstanding stock of Micrel;

the limited number and nature of the conditions to Microchip's obligation to consummate the merger; and

the Micrel Board of Directors believed that the merger agreement was the product of arm's-length negotiation and contained customary terms and conditions.

The Micrel Board of Directors also considered a number of uncertainties and risks concerning the merger, including the following (which factors are not necessarily presented in order of relative importance):

the risks and costs to Micrel if the merger does not close, including the diversion of management and employee attention and the potential effect on relationships with customers and suppliers;

shareholders receiving cash will not participate in any future earnings or growth of Micrel and will not benefit from any appreciation in value of Micrel;

shareholders electing to receive cash may nonetheless receive a portion of the merger consideration in Microchip common stock if the shareholders electing stock and the non-electing shareholders do not in the aggregate meet the minimum stock percentage;

shareholders receiving Microchip common stock will bear the risks and uncertainties of that investment, as described under Risk Factors ;

Micrel is required to pay to Microchip a termination fee of \$34.6 million in certain circumstances following termination of the merger agreement, including if the Micrel Board of Directors terminates the merger agreement to accept a superior proposal;

Micrel is required to pay to Microchip a fee of \$8.0 million if Micrel shareholders fail to approve the merger;

Micrel s operations will be restricted by interim operating covenants in the merger agreement until the completion of the merger, which could effectively prohibit Micrel from undertaking material strategic initiatives or other material transactions without Microchip s consent;

Micrel has incurred and will continue to incur significant transaction costs and expenses in connection with the proposed transaction, regardless of whether the merger was consummated;

the cash portion of the merger consideration is taxable to Micrel shareholders that are U.S. persons for U.S. federal income tax purposes;

the merger will require antitrust clearance in the United States and Germany;

Micrel shareholders will not have dissenters rights with respect to the merger under California law; and

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Micrel's directors and officers may have interests in the merger that are different from, or in addition to, those of Micrel's other shareholders (see below under the caption "Interests of Micrel's Directors and Executive Officers in the Merger").

The foregoing discussion summarizes many, if not all, of the material factors considered by the Micrel Board of Directors in its consideration of the merger, but it is not meant to be exhaustive. After considering these and other factors, the Micrel Board of Directors concluded that the potential benefits of the merger outweighed the uncertainties and risks. In view of the variety of factors considered by the Micrel Board of Directors and the complexity of these factors, the Micrel Board of Directors did not find it practicable to, and did not, quantify or otherwise assign relative weights to the foregoing factors in reaching its determination and recommendations. Moreover, each member of the Board of Directors applied his own personal business judgment to the process and may have assigned different weights to different factors. The Micrel Board of Directors unanimously adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement and recommends that shareholders adopt the merger agreement based upon the totality of the information presented to and considered by the Micrel Board of Directors. It should be noted that this explanation of the reasoning of the Micrel Board of Directors and certain information presented in this section, is forward-looking in nature and, therefore, that information should be read in light of the "Special Note Regarding Forward Looking Statements".

Opinion of Micrel's Financial Advisor

On May 7, 2015, Credit Suisse rendered its oral opinion to the Micrel Board of Directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion addressed to the Micrel Board of Directors dated the same date) as to, as of May 7, 2015, the fairness, from a financial point of view, to the holders of Micrel common stock of the merger consideration to be received by the holders of Micrel common stock in the merger pursuant to the merger agreement.

Credit Suisse's opinion was directed to the Micrel Board of Directors (in its capacity as such), and only addressed the fairness, from a financial point of view, to the holders of Micrel common stock of the merger consideration to be received by the holders of Micrel common stock in the merger pursuant to the merger agreement and did not address any other aspect or implication (financial or otherwise) of the merger. The summary of Credit Suisse's opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of Credit Suisse's written opinion, which is included as Annex C to this proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and they do not constitute, advice or a recommendation to any holder of Micrel common stock as to how such holder should vote or act on any matter relating to the merger including, without limitation, whether such holder should elect to receive the cash consideration or the stock consideration for their shares of Micrel common stock in the merger.

In arriving at its opinion, Credit Suisse:

reviewed a draft, dated May 6, 2015, of the merger agreement and certain publicly available business and financial information relating to Micrel and Microchip;

reviewed certain other information relating to Micrel, including financial forecasts relating to Micrel for the fiscal years ending December 31, 2015 through December 31, 2018 prepared by and provided to Credit Suisse by the management of Micrel (the Micrel Projections);

reviewed certain other information relating to Microchip, including certain publicly available research analyst estimates relating to the future financial performance of Microchip for the fiscal quarter ended March 31, 2015 and the fiscal year ended March 31, 2016 reviewed and discussed with Credit Suisse by the management of Microchip (the Analyst Estimates for Microchip);

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spoke with the managements of Micrel and Microchip regarding the business and prospects of Micrel and Microchip;

considered certain financial and stock market data of Micrel and Microchip, and compared that data with similar data for other companies with publicly traded equity securities in businesses Credit Suisse deemed similar to those of Micrel and Microchip, respectively;

considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions which had been effected or announced; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which Credit Suisse deemed relevant.

In connection with its review Credit Suisse did not independently verify any of the foregoing information, and Credit Suisse assumed and relied upon such information being complete and accurate in all respects. With respect to the Micrel Projections that Credit Suisse used and relied upon for purposes of its analyses and opinion, although Micrel's actual financial performance and results had raised concerns among members of the Micrel's Board of Directors and management regarding whether Micrel would be able to achieve the Micrel Projections, the Micrel Board of Directors confirmed to Credit Suisse that it believed that the Micrel Projections were a reasonable basis on which to evaluate Micrel and the proposed merger and directed Credit Suisse to use and rely upon the Micrel Projections for purposes of Credit Suisse's analyses and opinion. With respect to the Analyst Estimates for Microchip that Credit Suisse used and relied upon for purposes of Credit Suisse's analyses and opinion, management of Microchip advised Credit Suisse and Credit Suisse assumed that such Analyst Estimates for Microchip represented reasonable estimates and judgments as to the future financial performance of Microchip and, at the direction of management of Micrel, Credit Suisse assumed that the Analyst Estimates for Microchip were a reasonable basis on which to evaluate Microchip and the proposed merger and Credit Suisse used and relied upon such information for purposes of Credit Suisse's analyses and opinion. Credit Suisse expressed no view or opinion with respect to the Micrel Projections, the Analyst Estimates for Microchip or the assumptions upon which they were based. Credit Suisse also assumed, with Micrel's consent, that, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the merger or the second merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Micrel, Microchip or the contemplated benefits of the merger and the second merger that would be material to Credit Suisse's analyses or opinion. With Micrel's consent Credit Suisse also assumed that the merger and the second merger would be consummated in compliance with all applicable laws and regulations and in accordance with the terms of the merger agreement, without waiver, modification or amendment of any term, condition or agreement thereof that was material to Credit Suisse's analyses or opinion. In addition, Credit Suisse relied, without independent verification, on the assessments of the managements of Micrel and Microchip as to (i) Microchip's ability to retain key employees of Micrel and Microchip after giving effect to the merger, (ii) the strategic benefits of the merger, (iii) the validity of, and risks associated with the existing intellectual property, technology, products and services of Micrel and Microchip, (iv) Microchip's ability to integrate the businesses of Micrel and Microchip and (v) the marketability, commercial viability and market adoption of Micrel's and Microchip's current and future products after giving effect to the merger. Micrel advised Credit Suisse and for purposes of Credit Suisse's analyses and opinion Credit Suisse assumed that, for U.S. federal income tax purposes, the merger would qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. In addition, Credit Suisse was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Micrel or Microchip, nor was Credit Suisse furnished with any such evaluations or appraisals. With Micrel's consent Credit Suisse also assumed that the final form of the merger agreement, when executed by the parties thereto, would

conform to the draft reviewed by Credit Suisse in all respects material to Credit Suisse's analyses and opinion.

Credit Suisse's opinion only addressed the fairness, from a financial point of view, to the holders of Micrel common stock of the merger consideration to be received by holders of Micrel common stock in the merger pursuant to the merger agreement in the manner set forth above and did not address any other aspect or implication (financial or otherwise) of the merger, the merger agreement or any other agreement, arrangement or

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understanding entered into in connection therewith or otherwise, including, without limitation, any agreements between Microchip and its affiliates and shareholders of Micrel relating to the merger or otherwise, the form and structure of the merger and the merger consideration, the second merger, the financing of the cash consideration, or the fairness of the amount or nature of, or any other aspect relating to, any compensation or consideration to be received or otherwise payable to any officers, directors, employees, security holders or affiliates of any party to the merger, or class of such persons, relative to the merger consideration or otherwise. Furthermore, Credit Suisse did not express any advice or opinion regarding matters that required legal, regulatory, accounting, insurance, intellectual property, tax, environmental, executive compensation or other similar professional advice. Credit Suisse assumed that Micrel had or would obtain such advice or opinions from appropriate professional sources. The issuance of Credit Suisse's opinion was approved by an authorized internal committee of Credit Suisse.

Credit Suisse's opinion was necessarily based upon information made available to Credit Suisse as of the date of Credit Suisse's opinion and financial, economic, market and other conditions as they existed and could be evaluated on that date. Credit Suisse did not undertake, and is under no obligation, to update, revise, reaffirm or withdraw its opinion, or otherwise comment on or consider events occurring or coming to Credit Suisse's attention after the date of Credit Suisse's opinion. Credit Suisse's opinion did not address the relative merits of the merger as compared to alternative transactions or strategies that might be available to Micrel, nor did Credit Suisse's opinion address the underlying business decision of the Micrel Board of Directors or Micrel to proceed with or effect the merger. Credit Suisse did not express any opinion as to what the value of shares of Microchip common stock actually would be when issued pursuant to the merger or the price or range of prices at which shares of Microchip common stock or Micrel common stock might be purchased or sold at any time. Credit Suisse assumed that the shares of Microchip common stock to be issued to the holders of Micrel common stock in the merger would be approved for listing on NASDAQ prior to the consummation of the merger.

In preparing its opinion to the Micrel Board of Directors, Credit Suisse performed a variety of analyses, including those described below. The summary of Credit Suisse's financial analyses is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of such an opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of those methods to the unique facts and circumstances presented. As a consequence, neither Credit Suisse's opinion nor the analyses underlying its opinion are readily susceptible to partial analysis or summary description. Credit Suisse arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In performing its analyses, Credit Suisse considered business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of its opinion. No company, business or transaction used in Credit Suisse's analyses for comparative purposes is identical to Micrel, Microchip or the proposed merger. While the results of each analysis were taken into account in reaching its overall conclusion with respect to fairness, Credit Suisse did not make separate or quantifiable judgments regarding individual analyses. The reference ranges indicated by Credit Suisse's financial analyses are illustrative and not necessarily indicative of actual values nor predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond Micrel's control and the control of Credit Suisse. Much of the information used in, and accordingly the results of, Credit Suisse's analyses are inherently subject to substantial

uncertainty.

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Credit Suisse's opinion and analyses were provided to the Micrel Board of Directors (in its capacity as such) in connection with its consideration of the proposed merger and were among many factors considered by the Micrel Board of Directors in evaluating the proposed merger. Neither Credit Suisse's opinion nor its analyses were determinative of the cash consideration or the stock consideration or of the views of the Micrel Board of Directors with respect to the proposed merger. Under the terms of its engagement by Micrel, neither Credit Suisse's opinion nor any other advice or services rendered by it in connection with the proposed merger or otherwise, should be construed as creating, and Credit Suisse should not be deemed to have, any fiduciary duty to the Micrel Board of Directors, Micrel, Microchip, any security holder or creditor of Micrel or Microchip or any other person, regardless of any prior or ongoing advice or relationships.

The following is a summary of certain financial analyses reviewed by Credit Suisse with the Micrel Board of Directors in connection with the rendering of its opinion to the Micrel Board of Directors on May 7, 2015. The summary does not contain all of the financial data that holders of Micrel common stock may want or need for purposes of making an independent determination of fair value. Holders of Micrel common stock are encouraged to consult their own financial and other advisors before making any investment decision in connection with the proposed merger. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies underlying, and the assumptions, qualifications and limitations affecting, each analysis, could create a misleading or incomplete view of Credit Suisse's analyses.

For purposes of its analyses, Credit Suisse reviewed a number of financial metrics including:

Enterprise Value (EV) generally the value as of a specified date of the relevant company's outstanding equity securities (taking into account its options and other outstanding convertible securities) plus the value as of such date of its net debt (the value of its outstanding indebtedness, preferred stock, non-controlling interests and capital lease obligations less the amount of cash and equivalents on its balance sheet).

Non-GAAP Earnings Per Share (EPS) generally earnings per share on a GAAP basis, adjusted to exclude the impact of stock-based compensation, amortization of acquisition intangibles and non-recurring items.

Unless the context indicates otherwise, estimates of future financial performance of Micrel were based on the Micrel Projections.

Selected Companies Analysis

Credit Suisse considered certain financial data for Micrel and selected companies with publicly traded equity securities Credit Suisse deemed relevant. The selected companies were selected because they were deemed to be similar to Micrel in one or more respects. Estimates of financial performance for the selected companies listed below for the calendar years ending December 31, 2015 and 2016 were based on publicly available equity research analyst and I/B/E/S consensus estimates for those companies.

The financial data reviewed included:

Enterprise Value as a multiple of estimated revenue for the year ended December 31, 2015, or 2015E Revenue ;

Enterprise Value as a multiple of estimated revenue for the year ended December 31, 2016, or 2016E Revenue ;

Share price as a multiple of estimated EPS for the year ended December 31, 2015, or 2015E EPS ;

Share price as a multiple of estimated EPS for the year ended December 31, 2016, or 2016E EPS ;

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The primary selected companies and corresponding financial data as of May 6, 2015 were:

	EV /		Share price /	
	2015E revenue	2016E revenue	2015E EPS	2016E EPS
Microsemi Corporation	2.9x	2.7x	11.6x	10.0x
Intersil Corporation Class A	2.8x	2.6x	18.0x	15.9x
Semtech Corporation	2.9x	2.8x	14.9x	13.0x
Power Integrations, Inc.	3.8x	3.4x	22.6x	18.7x
Exar Corporation	2.2x	NA	18.6x	NA

NA means Not Available

The secondary selected companies and corresponding financial data as of May 6, 2015 were:

	EV /		Share price /	
	2015E revenue	2016E revenue	2015E EPS	2016E EPS
Linear Technology Corporation	6.6x	6.2x	18.8x	17.6x
Maxim Integrated Products, Inc.	3.8x	3.6x	17.5x	15.1x
Monolithic Power Systems, Inc.	6.1x	5.4x	27.4x	22.7x
Applied Micro Circuits Corporation	2.4x	2.1x	NM	NM

NM means Not Meaningful

Taking into account the results of the selected companies analysis, Credit Suisse applied multiple ranges of 2.2x to 3.0x to Micrel's 2015E Revenue and 2.2x to 2.8x to Micrel's 2016E Revenue based on the Micrel Projections. The selected companies analysis indicated an implied reference range of \$11.45 to \$15.16 per share of Micrel common stock, as compared to the cash consideration of \$14.00 per share of Micrel common stock and the implied value of the stock consideration of \$14.00 per share of Micrel common stock. Credit Suisse noted that the implied reference range of \$11.45 to \$15.16 per share of Micrel common stock indicated by the selected companies analysis implied a Share price/2015E EPS multiple range of 23.3x to 30.9x and a Share price/2016E EPS multiple range of 16.6x to 21.9x, respectively.

Selected Transactions Analysis

Credit Suisse also considered the financial terms of certain business combinations and other transactions that Credit Suisse deemed relevant. The selected transactions were selected because the target companies were deemed to be similar to Micrel in one or more respects. The financial data reviewed included the implied Enterprise Value (the consideration proposed to be paid in the selected transactions as of the date of announcement) as a multiple of Revenue for the last twelve months, or LTM Revenue, the implied Enterprise Value as a multiple of Revenue for the next twelve months, or NTM Revenue, the implied Share price as a multiple of EPS for the last twelve months, or

LTM EPS and the implied Share price as a multiple of EPS for the next twelve months, or NTM EPS . Unless the context indicates otherwise, the value of the consideration paid was calculated on an enterprise value basis based on the value of the consideration proposed to be paid in each of the selected transactions as of the date of announcement. Micrel's revenue for the third fiscal quarter of 2014 included adjustments by Micrel management to reflect changes in Micrel's accounting for revenue recognition.

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The selected transactions and corresponding financial data were:

Date Announced	Acquiror	Target	EV /		Share price /	
			LTM Revenue	NTM Revenue	LTM EPS	NTM EPS
<i>Primary</i>						
03/18/15	Microsemi Corporation	Vitesse Semiconductor Corporation	3.5x	3.2x	NM	NM
01/27/15	Lattice Semiconductor Corporation	Silicon Image, Inc.	1.7x	1.9x	25.0x	31.0x
06/23/14	Avago Technologies Limited	PLX Technology, Inc.	2.8x	2.4x	28.2x	20.8x
04/29/14	Cirrus Logic, Inc.	Wolfson Microelectronics plc	2.9x	2.5x	NM	27.7x
02/10/14	Microchip Inc.	Supertex, Inc.	3.6x	3.4x	31.0x	35.9x
08/15/13	Maxim Integrated Products, Inc.	Volterra Semiconductor Corporation	2.9x	3.1x	21.8x	24.6x
01/23/12	Semtech Corporation	Gennum Corporation	3.5x	2.9x	20.2x	14.5x
09/22/11	Microsemi Corporation	Zarlink Semiconductor Inc.	2.4x	2.1x	20.7x	12.3x
<i>Secondary</i>						
10/15/14	Qualcomm Incorporated	CSR plc	2.1x	2.8x	39.1x	26.1x
08/20/14	Infineon Technologies AG	International Rectifier Corporation	2.2x	2.0x	30.0x	25.3x
06/09/14	Analog Devices, Inc.	Hitite Microwave Corporation	7.3x	6.6x	31.5x	28.3x
05/20/14	Cobham plc	Aeroflex Holding Corp.	2.3x	2.2x	17.0x	15.7x
02/24/14	RF Micro Devices, Inc.	TriQuint Semiconductor, Inc.	1.8x	1.7x	NM	19.1x
12/16/13	Avago Technologies Limited	LSI Corporation	2.5x	2.5x	17.0x	16.6x
11/05/13	M/A-COM Technology	Mindspeed Technologies, Inc.	1.7x	1.7x	36.2x	NM
10/21/13	Microsemi Corporation	Symmetricom, Inc.	1.2x	1.2x	41.2x	24.1x
07/27/12	Apple Inc.	AuthenTec, Inc.	4.9x	4.6x	NM	NM
05/02/12	Microchip Inc.	Standard Microsystems Corporation	1.9x	1.8x	33.9x	21.0x
11/30/11	Skyworks Solutions Inc.	Advanced Analogic Technologies, Inc.	2.1x	2.2x	NM	NM
09/12/11	Broadcom Corporation	NetLogic Microsystems, Inc.	9.2x	8.1x	28.9x	30.5x
04/04/11	Texas Instruments Incorporated	National Semiconductor	4.3x	4.2x	16.3x	17.2x
02/22/11	Gold Holdings, Inc.	Conexant Systems, Inc.	1.3x	1.5x	12.7x	NM
02/21/11	CSR plc	Zoran Corporation	1.0x	0.9x	NM	NM
01/05/11	Qualcomm Incorporated	Atheros Communications, Inc.	3.3x	3.2x	18.1x	22.1x

NM means Not Meaningful

Taking into account the results of the selected transactions analysis, Credit Suisse applied a multiple range of 2.9x to 3.5x to Micrel's LTM Revenue as of March 31, 2015 and a multiple range of 2.7x to 3.2x to Micrel's NTM Revenue based on the Micrel Projections. The selected transactions analysis indicated an implied reference range of \$13.28 to \$16.25 per share of Micrel common stock, as compared to the cash consideration of \$14.00 per share of Micrel common stock and the implied value of the stock consideration of \$14.00 per share of Micrel common stock. Credit Suisse noted that the implied reference range of \$13.28 to \$16.25 per share of Micrel common stock indicated by the selected transactions analysis implied a Share price/LTM EPS multiple range of 40.6x to 49.7x and a Share price/NTM EPS multiple range of 23.8x to 29.2x, respectively.

Discounted Cash Flow Analysis

Credit Suisse also performed a discounted cash flow analysis of Micrel by calculating the estimated net present value of the projected after-tax, unlevered, free cash flow of Micrel based on the Micrel Projections. Credit

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Suisse applied a range of terminal value multiples of 2.0x to 3.0x to Micrel's estimated 2018E Revenue. For purposes of the discounted cash flow analyses, stock based compensation was treated as a cash expense. The estimated net present value of the projected future cash flow and terminal values were then calculated using discount rates ranging from 7.50% to 10.00%.

The discounted cash flow analysis indicated an implied reference range per share of Micrel common stock of \$11.95 to \$17.13, as compared to the cash consideration of \$14.00 per share of Micrel common stock and the implied value of the stock consideration of \$14.00 per share of Micrel common stock.

Other Matters

Micrel retained Credit Suisse as its financial advisor in connection with the proposed merger. Micrel selected Credit Suisse based on Credit Suisse's experience and reputation and Credit Suisse's knowledge of Micrel and its industry. Credit Suisse is an internationally recognized investment banking firm and is regularly engaged in the evaluation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Credit Suisse will receive a transaction fee currently estimated to be approximately \$5.2 million for its services as financial advisor to Micrel in connection with the merger, \$750,000 of which became payable to Credit Suisse upon the rendering of its opinion to the Micrel Board of Directors and the balance of which is contingent upon completion of the merger. In addition, Micrel has agreed to reimburse certain of Credit Suisse's expenses and to indemnify Credit Suisse and certain related parties for certain liabilities and other items arising out of or related to its engagement.

Credit Suisse and its affiliates have provided other financial advice and services, and may in the future provide financial advice and services, to Microchip, Micrel and their respective affiliates for which Credit Suisse and its affiliates have received, and would expect to receive, compensation including, during the past two years, having provided advisory services to Micrel in 2014. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for its and its affiliates' own accounts and the accounts of customers, any currency or commodity that may be involved in the merger and equity, debt and other securities and financial instruments (including bank loans and other obligations) of Micrel, Microchip and any other company that may be involved in the merger, as well as provide investment banking and other financial services to such companies and their affiliates.

Certain Micrel Prospective Financial Information

Micrel does not, as a matter of course, make public long-term projections as to future performance or other prospective financial information beyond the current fiscal year, and Micrel is especially wary of making projections for multiple years due to the unpredictability of the underlying assumptions and estimates. However, on November 20, 2014 in connection with their review of strategic alternatives, Micrel's management prepared and provided certain non-public, internal financial projections regarding Micrel's future operations for fiscal years 2015 through 2017 to the Micrel Board of Directors and Credit Suisse in connection with its evaluation of the merger and certain strategic alternatives and Credit Suisse was authorized to use such information for purposes of its financial analyses with respect to Micrel and the merger. These projections were also provided to Microchip and other potential acquirors after these parties entered into confidentiality agreements with Micrel. Micrel has included below a summary of these projections for the purpose of providing shareholders and investors access to certain non-public information that was furnished to certain parties in connection with the merger, and such information may not be appropriate for other purposes, and is not included to influence your decision to vote for the adoption of the merger agreement. However, it

is important to note that Micrel's results for the first quarter of 2015 fell short of the below projections and management has expressed serious concerns about the ability of Micrel to achieve the projections in the short and long-term. With that in mind, the Micrel Board of Directors considered these projections for purposes of evaluating the merger.

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These internal financial projections were not prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with published guidelines of the SEC, GAAP or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentations of financial projections. The prospective financial information included in this proxy statement/prospectus has been prepared by, and is the responsibility of, Micrel's management. Neither Micrel's independent registered public accounting firms or any other independent registered public accounting firms have examined, compiled or performed any procedures with respect to these internal financial forecasts and, accordingly, do not express an opinion or any other form of assurance with respect thereto. The reports of independent registered public accounting firms incorporated by reference in this proxy statement/prospectus relate to the historical financial information of Micrel. They do not extend to the prospective financial information and should not be read to do so.

While presented with numeric specificity, these internal financial projections were based on numerous variables and assumptions (including, but not limited to, the assumption that Micrel would not engage in any acquisitions or change its manufacturing model and other assumptions related to industry performance and competition and general business, economic, market and financial conditions and additional matters specific to Micrel's businesses) that are inherently subjective and uncertain and are beyond the control of Micrel's management. Important factors that may affect actual results and cause these internal financial projections to not be achieved include, but are not limited to, risks and uncertainties relating to Micrel's business (including its ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, general business and economic conditions and other factors described in the sections entitled *Special Note Regarding Forward-Looking Statements* and *Risk Factors*. These internal financial projections also reflect numerous variables, expectations and assumptions available at the time they were prepared as to certain business decisions that are subject to change. As a result, actual results may differ materially from those contained in these internal financial projections. Accordingly, there can be no assurance that the projected results summarized below will be realized.

The inclusion of a summary of these internal financial projections in this proxy statement/prospectus should not be regarded as an indication that any of Micrel, Microchip or their respective officers, directors, affiliates, advisors or other representatives considered these internal financial projections to necessarily be predictive of actual future events, and these internal financial projections should not be relied upon as such nor should the information contained in these internal financial projections be considered appropriate for other purposes. None of Micrel, Microchip or their respective officers, directors, affiliates, advisors or other representatives can give you any assurance that actual results will not differ materially from these internal financial projections. Micrel undertakes no obligation to update or otherwise revise or reconcile these internal financial projections to reflect circumstances existing after the date these internal financial projections were generated or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying these projections are shown to be in error. Since the projections cover multiple years, such information by its nature becomes less predictive with each successive year.

Micrel has not made and makes no representation to Microchip or any shareholder in the merger agreement or otherwise, concerning these internal financial projections or regarding Micrel's ultimate performance compared to the information contained in these internal financial projections or that the projected results will be achieved. The below projections do not give effect to the merger. Micrel urges all shareholders to review Micrel's most recent SEC filings for a description of Micrel's reported financial results.

Micrel Standalone Business Projections

The following is a summary of the unaudited Micrel prospective financial information for fiscal years ended 2015 through 2017 prepared by Micrel's management (the *Micrel standalone business projections*), based solely on the information available at that time to Micrel's management. The Micrel standalone business projections were prepared

by Micrel's management during October and November 2014 at the request of the Micrel Board of Directors in connection with Micrel's strategic review process and finalized on November 20, 2014. The Micrel standalone business projections were provided to the Micrel Board of Directors and Credit Suisse.

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	Year Ended December 31,		
	2015E	2016E	2017E
(in millions, except per share data and percentages)			
Net revenues	\$ 265,000	\$ 292,038	\$ 332,468
Gross profit	142,338	161,491	191,112
Gross margin	53.7%	55.3%	57.5%
Total operating expenses	110,170	113,825	117,933
Income from operations	32,168	47,666	73,179
Net income	21,169	31,243	47,826
Net income per share (\$/share) (diluted) (1)	0.37	0.56	0.87
Non-GAAP income per share (\$/share) (diluted) (1) (2)	0.49	0.69	1.01

(1) Calculated based on the following number of shares (in thousands): 2015E 56,800; 2016E 55,900; 2017E 55,100

(2) Non-GAAP income per share (diluted) adds the following to Net income per share (diluted): share-based compensation included in cost of revenue, research and development and selling, general and administrative, amortization of acquisition related intangible assets and tax effects of adjustments to GAAP income.

Management also provided its expectations of revenues for the fiscal year ended 2018 of \$355.74 million.

Quarterly

	Three Months Ended				
	March 31, 2015E	June 30, 2015E	September 30, 2015E	December 31, 2015E	March 31, 2016E
(in millions, except per share data and percentages)					
Net revenues	\$ 60,300	\$ 63,600	\$ 71,100	\$ 70,000	\$ 70,359
Gross profit	31,204	33,968	39,026	38,140	38,461
Gross margin	51.7%	53.4%	54.9%	54.5%	54.7%
Total operating expenses	27,393	27,600	27,805	27,372	28,470
Income from operations	3,811	6,368	11,221	10,768	9,991
Net income	2,542	4,204	7,359	7,064	6,559
Net income per share (\$/share) (diluted)	0.04	0.07	0.13	0.13	0.12
Non-GAAP income per share (\$/share) (diluted) (1) (2)	0.07	0.10	0.16	0.16	0.15

(1) Calculated based on the following number of shares (in thousands): March 31, 2015E 57,200; June 30, 2015E 57,000; September 30, 2015E 56,800; December 31, 2015E 56,300

(2)

Non-GAAP income per share (diluted) adds the following to Net income per share (diluted): share-based compensation included in cost of revenue, research and development and selling, general and administrative, amortization of acquisition related intangible assets and tax effects of adjustments to GAAP income.

Interests of Micrel's Directors and Executive Officers in the Merger

Shareholders should be aware that Micrel's executive officers and directors have agreements or arrangements that may provide them with interests that may differ from, or be in addition to, those of shareholders generally. In particular, as further described below, (i) all unvested equity awards held by non-employee members of the Micrel Board of Directors will accelerate in full upon the consummation of the merger, and (ii) Micrel's executive officers are entitled to certain benefits if they are involuntarily terminated without cause or are constructively terminated within certain periods following the consummation of the merger.

The Micrel Board of Directors was aware of these agreements and arrangements during its deliberations of the merits of the merger agreement and in determining the recommendation set forth herein.

Table of Contents***Current Executive Officers and Directors***

Micrel's executive officers and directors as of the date hereof are:

Raymond D. Zinn	President, Chief Executive Officer and Chairman of the Board of Directors
John E. Bourgoin	Director
Daniel Heneghan	Director
Robert R. Herb	Director
Neil J. Miotto	Director
Frank W. Schneider	Director
Robert DeBarr	Chief Financial Officer, Vice President of Finance and Human Resources
James G. Gandenberger	Vice President of Worldwide Operations & Foundry Business
Mansour Izadinia	Senior Vice President
Rami Kanama	Vice President of Timing and Communications
Jung-Chen Lin	Vice President of LAN Solutions
David Schwartz	Vice President of Worldwide Sales
Colin Sturt	Vice President of Corporate Development, General Counsel and Corporate Secretary

Change in Control Agreements with Executive Officers

In 2014, the compensation committee of Micrel approved a new standardized form of change in control agreement for its officers, including Micrel's executive officers. The form of agreement and benefits thereunder were established by Micrel's compensation committee after review of similar types of arrangements at similarly situated companies in the semiconductor industry. Each of Micrel's named executive officers entered into this new form of agreement during 2014, except for Mr. Izadinia who elected to maintain his previously existing agreement. Accordingly, Micrel's executive officers (except Mr. Izadinia, whose agreement is described below) have change in control agreements whereby if they are subject to constructive termination or termination without cause during a change of control period, they are entitled, subject to executing and not revoking a general release of claims, to certain benefits. These include:

- (i) a cash lump sum, less applicable withholdings, equal to a number of months (24 months for Mr. Zinn and 12 months for other executive officers) of his base salary then in effect or in effect immediately prior to the change of control, whichever is higher;
- (ii) a cash lump sum, less applicable withholdings, equal to his target annual bonus then in effect or in effect immediately prior to the change of control, whichever is higher;
- (iii) payment or reimbursement of 12 months of healthcare coverage premiums; and
- (iv) accelerated vesting of all of his outstanding equity awards, including stock options and restricted stock units, including those that will be assumed by Microchip as described below in *The Merger Agreement Treatment of Micrel Equity Awards*.

The consummation of the merger will constitute a change in control under the change in control agreements.

For the purposes of these agreements, a change of control period means the period of time commencing on the earliest of (i) the date Micrel Board of Directors approves either a letter of intent or a term sheet that contemplates one or more transactions that, if completed, would constitute a change of control, (ii) the date that a proposed transaction with Micrel which, if completed, would constitute a change of control is publicly announced or (iii) the date that is six months prior to a change in control; and ending on the 12-month anniversary of the date of a change in control.

They will also have to abide by certain confidentiality and non-solicitation restrictive covenants to receive the above severance and change in control benefits.

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For purposes of these agreements, "cause" means:

theft, dishonesty or falsification of any employment or company records;

malicious or reckless disclosure of our confidential or proprietary information;

commission of any immoral or illegal act or any gross or willful misconduct where Micrel Board of Directors reasonably determines that such act or misconduct has (a) seriously undermined the ability of Micrel Board of Directors or Micrel's management to entrust them with important matters or otherwise work effectively with them, (b) contributed to Micrel's loss of significant revenues or business opportunities; or (c) significantly and detrimentally affected Micrel or any of its subsidiaries' business or reputation; or

the failure or refusal to follow the reasonable and lawful directives of the Micrel Board of Directors or Micrel's Chief Executive Officer, provided such failure or refusal continues after their receipt of reasonable notice in writing of such failure or refusal and an opportunity to correct the problem.

For purposes of these agreements, "constructive termination" generally means resignation from employment after the occurrence, without their written consent, of any of the following conditions as long as the condition continues more than 30 days following their written notice of such condition that is provided to the company, within 90 days of the first occurrence of the condition, and their resignation is effective within 60 days following such notice period:

a material adverse change in either reporting structure applicable to them or their title, function, job responsibilities or duties, taking into account the company's size, status as a public company and capitalization as of the date they entered into the agreements;

a reduction in their base salary or target bonus of more than 15 percent except in connection with a reduction in base salary affecting all senior management employees in substantially the same proportions;

material relocation of their office to a place more than 20 miles from its then present location, except required travel on the company's business; or

Micrel's failure to obtain an agreement from its successor to assume and agree to perform their agreements in the same manner and to the same extent that Micrel would be required to perform if no succession had taken place.

If Mr. Izadinia is subject to constructive termination or termination without cause (both defined in similar ways as described above) within 12 months after a change in control, Mr. Izadinia is entitled, subject to executing and not revoking a general release of claims, to (i) a cash lump sum, less applicable withholdings, equal to 12 months of his base salary then in effect, (ii) a cash lump sum, less applicable withholdings, equal to an estimated prorated share of his target annual bonus at the rate then in effect, provided that such prorated bonus shall not be more than 70% of his

base salary then in effect and (iii) payment or reimbursement of 12 months of healthcare coverage premiums.

Furthermore, immediately prior to a change in control, each of Mr. Izadinia's outstanding equity awards, including stock options and restricted stock units, would vest and become exercisable with respect to the number of shares that would have vested in the 24 months following the change in control. Such acceleration would not apply to his performance-based option award vesting.

Retention Bonuses

In connection with the merger, and in consideration of their sustained commitment and dedication to Micrel during the process leading to the merger and to encourage retention to assist with integration after the merger, certain of Micrel's senior executives entered into retention letters with Micrel pursuant to which each executive is eligible to receive a lump sum cash retention bonus (6 months salary, but as for Messrs. Sturt and DeBarr, 12 months salary) on the earlier to occur of December 31, 2015 and the three-month anniversary of the consummation of the merger, subject to the executive's continued employment through the applicable payment

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date (or upon an earlier termination without cause). The following executive officers are eligible to receive the following retention bonuses:

Name	Retention Bonuses
Robert DeBarr	\$ 278,100
James G. Gandenberger	\$ 147,439
Mansour Izadinia	\$ 195,056
Rami Kanama	\$ 131,660
Jung-Chen Lin	\$ 134,470
David Schwartz	\$ 148,270
Colin Sturt	\$ 254,871

In addition, an aggregate of approximately \$1.3 million in retention bonuses for non-executive employees has been approved.

Equity Awards Held by Non-Employee Directors

Micrel's non-employee directors receive equity awards under Micrel's director compensation program. Under Micrel's Non-Employee Director Equity Compensation Policy, all unvested equity awards held by the non-employee directors immediately prior to consummation of the merger will become fully vested.

Consideration Payable for Shares Held Pursuant to the Merger

The executive officers and directors of Micrel who hold shares at closing will be eligible to receive the same merger consideration as the other Micrel shareholders. The executive officers and directors of Micrel held, in the aggregate, 12,073,803 shares of Micrel common stock (or approximately 21.2% of all outstanding shares) as of April 30, 2015, excluding shares issuable upon exercise of options to purchase shares, which are discussed below.

The table below sets forth the number of shares held by the executive officers and directors of Micrel as of April 30, 2015, excluding shares issuable upon exercise of options to purchase shares, and the value (at \$14.00 per share) they would receive for those shares upon consummation of the merger.

Name	Number of Shares Owned	Consideration for Shares Owned (1)
<i>Executive Officers</i>		
Raymond D. Zinn	11,810,857	\$ 165,351,998
Robert E. DeBarr	12,915	180,810
James G. Gandenberger	26,425	369,950
Mansour Izadinia	31,103	435,442
Rami Kanama	11,228	157,192
Jung-Chen Lin	51,739	724,346
David Schwartz	21,627	302,778
Colin Sturt	7,409	103,726
<i>Non-Employee Directors</i>		
John E. Bourgoin	5,000	70,000

Daniel Heneghan	20,000	280,000
Robert R. Herb		
Neil J. Miotto	22,500	315,000
Frank W. Schneider	53,000	742,000
<i>All Executive Officers and Directors as a Group (13 persons)</i>	12,073,803	169,033,242

(1) The form of consideration that each holder will receive will be determined by such holder's election and subject to the proration provisions of the merger agreement.

The above table does not reflect acquisitions and dispositions of shares by executive officers or directors subsequent to April 30, 2015.

Table of Contents***Consideration Payable for Vested Equity Awards Pursuant to the Merger***

As described below under "The Merger Agreement Treatment of Micrel Equity Awards", the merger agreement provides that, at the effective time of the merger, each then-outstanding vested option to purchase shares for which the cash consideration exceeds the exercise price per share underlying such option will be cancelled in exchange for the right to receive an amount in cash from the interim surviving company equal to the product obtained by multiplying the total number of shares underlying such option by the excess of the cash consideration over the per share exercise price of such option, without interest and less any applicable withholding taxes. In addition, the merger agreement provides that any outstanding Micrel restricted stock units that are vested or vest upon the merger will be cancelled in exchange for a cash payment for each vested restricted stock unit equal to the per share cash amount, less applicable withholding taxes.

As described above, all unvested equity awards held by our non-employee directors will vest in full immediately prior to a change in control of Micrel. Therefore, the table below treats equity awards held by non-employee directors as fully vested.

The table below sets forth the number of vested (including, for our non-employee directors and Mr. Izadinia, those that will accelerate) in-the-money Micrel stock options and accelerating restricted stock units, as applicable, held by each executive officer and director as of April 30, 2015 and the corresponding payment to which the holder will be entitled, assuming each such Micrel stock option is not exercised, or restricted stock unit becomes vested, prior to the closing of the merger.

Name	Number of Accelerating Restricted Stock Units	Number of Vested and Accelerating Options	Weighted Average Exercise Price of In-the-Money Options	Cash Consideration for Vested and Accelerating Options and Restricted Stock Units
<i>Executive Officers</i>				
Raymond D. Zinn		745,500	9.79	\$ 3,135,931
Robert DeBarr		20,000	9.10	98,000
James G. Gandenberger		14,600	10.21	55,270
Mansour Izadinia	24,166	300,000	13.18	584,324
Rami Kanama		18,000	10.38	65,160
Jung-Chen Lin		80,000	7.85	491,900
David Schwartz		150,000	10.13	580,500
Colin Sturt		80,000	9.88	329,300
<i>Non-Employee Directors</i>				
John E. Bourgoin	8,750	50,000	10.83	281,150
Daniel Heneghan	7,500	65,000	9.28	411,500
Robert R. Herb	7,500			105,000
Neil J. Miotto	7,500	82,500	9.95	438,975
Frank W. Schneider	7,500	100,000	9.86	518,552
<i>All Executive Officers and Directors as a Group (13 persons)</i>	62,916	1,705,600	10.36	\$ 7,095,562

Table of Contents**Summary of Equity-Related Payments Resulting from the Merger**

The following table sets forth the approximate amount of the payments that each of Micrel's executive officers and directors is entitled to receive in connection with the merger in consideration for their equity securities held as of April 30, 2015, assuming (i) all options are treated as set forth in the merger agreement, (ii) all unvested equity held by non-employee directors are accelerated automatically in connection with the merger, (iii) all listed shares and options are outstanding as of the date that the merger is consummated, (iv) none of the provisions regarding double trigger acceleration as described under The Merger Interests of Micrel's Directors and Executive Officers in the Merger Change in Control Agreements with Executive Officers above apply and (v) that the value per share received by shareholders is \$14.00.

Name	Payment for Shares Held	Payment for Vested and Accelerating Options and Restricted Stock Units	Total Payments
Executive Officers			
Raymond D. Zinn	\$ 165,351,998	\$ 3,135,931	\$ 168,487,929
Robert DeBarr	180,810	98,000	278,810
James G. Gandenberger	369,950	55,270	425,220
Mansour Izadinia	435,442	584,324	1,019,766
Rami Kanama	157,192	65,160	222,352
Jung-Chen Lin	724,346	491,900	1,216,246
David Schwartz	302,778	580,500	883,278
Colin Sturt	103,726	329,300	433,026
Non-Employee Directors			
John E. Bourgoin	70,000	281,150	351,150
Daniel Heneghan	280,000	411,500	691,500
Robert R. Herb		105,000	105,000
Neil J. Miotto	315,000	438,975	753,975
Frank W. Schneider	742,000	518,552	1,260,552
All Executive Officers and Directors as a Group (13 persons)	\$ 169,033,242	\$ 7,095,562	\$ 176,128,804
Golden Parachute Compensation			

The following table sets forth the golden parachute compensation potentially payable to or realizable by the named executive officers in connection with the merger based on compensation and benefits in effect as of April 30, 2015 and assuming the triggering event occurred on April 30, 2015:

Golden Parachute Compensation

Name	Cash (1)	Equity (2)	Perquisites/ Benefits (3)	Total (4)
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Raymond D. Zinn	\$ 1,282,626	\$ 2,659,109	\$ 17,633	\$ 3,959,369
Robert E. DeBarr	656,200	1,374,324	18,492	2,049,016
James G. Gandenberger	542,317	991,662	17,633	1,551,613
Mansour Izadinia	651,835	387,524	28,800	1,068,160
Colin Sturt	609,742	947,200	28,800	1,585,742

- (1) Consists of (i) a retention bonus payable to certain named executive officers and (ii) potential double trigger severance benefits pursuant to the applicable named executive officers' change in control agreements, which provide for benefits upon the named executive officer's termination without cause or constructive termination during a change of control period, all as described above under "The Merger Interests of Micrel's Directors and Executive Officers in the Merger Change in Control Agreements with Executive Officers".

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- (2) Under the change in control agreements, each named executive officer, other than Mr. Izadinia, is entitled to full acceleration of 100% of the unvested shares subject to the named executive officer's equity awards upon a double trigger termination event described in note (1) to this table. Calculated in accordance with SEC rules, this amount reflects \$14.00 per share less, in the case of options, the per-share exercise price of the option, multiplied by the number of shares that will vest upon such termination. For Mr. Izadinia, this amount reflects partial single-trigger accelerated vesting of a portion of his equity awards, as described under "The Merger Interests of Micrel's Directors and Executive Officers in the Merger Change in Control Agreements with Executive Officers".
- (3) These benefit payments represent Micrel's obligation under the change in control agreements to reimburse the named executive officer for healthcare coverage premiums for the applicable severance period.
- (4) Under the change in control agreements, amounts are subject to reduction in the event the executive would be subject to excise tax under Section 4999 of the Code, if the executive would be better off on an after-tax basis being cutback than paying the excise tax. This table assumes no such reductions are required.

Regulatory Clearances Required for the Merger

The merger is subject to review by the FTC and the Antitrust Division under the HSR Act. Under this statute, Microchip and Micrel are required to make pre-merger notification filings and await the expiration or early termination of the statutory waiting period prior to completing the merger. Microchip and Micrel completed the initial HSR filing on May 15, 2015. The merger is also subject to German Antitrust Law. Microchip and Micrel completed the initial pre-merger notification required in Germany on May 22, 2015.

There can be no assurance that such governmental authorities will permit the applicable statutory waiting periods to expire, terminate the applicable statutory waiting periods or clear the merger at all or without restrictions or conditions that would have a material adverse effect on the combined company if the merger is completed. These restrictions and conditions could include a complete or partial license, divestiture, spin-off or the holding separate of assets or businesses. No additional stockholder approval is expected to be required for any decision by Microchip or Micrel to agree to any terms and conditions necessary to resolve any regulatory objections to the merger.

In addition, during or after the statutory waiting periods and clearance of the merger, and even after completion of the merger, either the Antitrust Division, the FTC, or other governmental authorities could challenge or seek to block the merger under the antitrust laws, as it deems necessary or desirable in the public interest. Other competition agencies with jurisdiction over the merger could also initiate action to challenge or block the merger. In addition, in some jurisdictions, a competitor, customer or other third party could initiate a private action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Microchip and Micrel cannot be sure that a challenge to the merger will not be made or that, if a challenge is made, Microchip and/or Micrel will prevail.

Dividends

The holders of Microchip common stock will receive dividends if and when declared by the Microchip Board of Directors out of legally available funds or, in the case of stock dividends, out of authorized and available shares of Microchip common stock. Microchip has been declaring and paying quarterly cash dividends on Microchip common stock since the third quarter of fiscal year 2003. Microchip's total cash dividends paid were \$286.5 million, \$281.2 million and \$273.8 million in fiscal year 2015, fiscal year 2014 and fiscal year 2013, respectively. The Microchip Board of Directors is free to change Microchip's dividend practices at any time and to increase or decrease the dividend paid, or not to pay a dividend, on Microchip common stock on the basis of Microchip's results of operations, financial condition, cash requirements and future prospects, and other factors deemed relevant by the Microchip Board of Directors. Microchip's current intent is to provide for ongoing quarterly cash dividends depending upon market conditions and Microchip's results of operations.

Under the terms of the merger agreement, Micrel is permitted to pay holders of its common stock regular quarterly dividends consistent with past practice, up to \$0.05 per share per quarter. Otherwise, Micrel is generally prohibited from paying dividends on its common stock during the pendency of the merger.

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Listing of Microchip Shares

It is a condition to the completion of the merger that the shares of Microchip common stock to be issued to Micrel shareholders, and such other shares of Microchip common stock to be reserved for issuance in connection with the merger, be approved for listing on NASDAQ prior to the effective time of the merger subject to official notice of issuance.

Delisting and Deregistration of Micrel Common Stock

Upon completion of the merger, shares of Micrel common stock currently listed on NASDAQ will cease to be listed on NASDAQ and will subsequently be deregistered under the Exchange Act.

Dissenters Rights

Pursuant to California law, shareholders of Micrel will not have dissenters rights under Merger Agreement.

Litigation Related to the Merger

In connection with the merger, beginning on May 15, 2015, three putative class action lawsuits were filed in the Superior Court of California, County of Santa Clara, captioned *W. Allan v. Micrel, Inc. et al.*, Case No. 1-15-cv-280762, *P. Alajajian v. Micrel, Inc. et al.*, Case No. 1-15-cv-280875, and *S. Stein v. J. Bourgoin, et al.*, Case No. 1-15-cv-280890, by, respectively, purported Micrel shareholders William Allan, Philip Alajajian, and Shiva Stein. The actions name as defendants Micrel, the members of the Micrel Board of Directors, Microchip, Merger Sub, and Merger Sub 2. The complaints allege that some or all members of the Micrel Board of Directors breached their fiduciary duties by approving the merger, and that the other defendants aided and abetted those alleged breaches. The complaints seek class certification, preliminary and permanent injunctive relief, and damages. Micrel and Microchip believe the lawsuits are without merit and intend to defend vigorously against them.

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THE MERGER AGREEMENT

The following section summarizes material provisions of the merger agreement, which is included in this proxy statement/prospectus as Annex A and is incorporated herein by reference in its entirety. The rights and obligations of Micrel and Microchip are governed by the express terms and conditions of the merger agreement and not by this summary or any other information contained in this proxy statement/prospectus. Micrel shareholders and Microchip stockholders are urged to read the merger agreement carefully and in its entirety, as well as this proxy statement/prospectus, before making any decisions regarding the merger.

The merger agreement is included in this proxy statement/prospectus only to provide public disclosure regarding its terms and conditions as required by U.S. federal securities laws, and is not intended to provide any factual information about Micrel or Microchip. The merger agreement contains representations and warranties by each of the parties to the merger agreement. These representations and warranties:

were made only for purposes of the merger agreement and as of specific dates and may be subject to more recent developments;

may not be intended as statements of fact, but rather as a way of allocating the risk between the parties in the event the statements therein prove to be inaccurate;

have been qualified by certain disclosures that were made between the parties in connection with the negotiation of the merger agreement, which disclosures are not reflected in the merger agreement itself; and

may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors.

Accordingly, the representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated by reference into this proxy statement/prospectus. See [Where You Can Find More Information](#) .

This summary is qualified in its entirety by reference to the merger agreement.

Terms of the Merger

The merger agreement provides that, subject to the terms and conditions of the merger agreement, and in accordance with the CCC, at the effective time of the merger, Merger Sub will be merged with and into Micrel and, as a result of the merger, the separate corporate existence of Merger Sub will cease and Micrel will continue as the interim surviving company (interim surviving company) and become a wholly owned subsidiary of Microchip (the merger). As soon as practicable following the merger on the closing date, Micrel will be merged with and into Merger Sub 2, the separate corporate existence of Micrel will cease and Merger Sub 2 (the surviving company) will continue as the surviving limited liability company (second merger and, together with the merger, the mergers). For U.S. federal income tax purposes, it is intended that the mergers will qualify as a reorganization within the meaning of Section 368(a) of the Code and that the merger agreement will be adopted as a plan of reorganization within the

meaning of Treasury Regulations Section 1.368-2(g). Each share of Micrel common stock issued and outstanding at the effective time of the merger will be converted into a right to receive either cash or Microchip common stock, as described below. See Consideration to be Received in the Merger .

The rights of Micrel shareholders who receive Microchip common stock as merger consideration will be governed by the Microchip charter and the Microchip bylaws after the completion of the merger.

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Effective Time and Completion of the Merger

The closing of the merger will occur on a date and at a time to be agreed upon by Micrel, Microchip and Merger Sub, which date will be no later than the second business day after all of the conditions to the merger set forth in the merger agreement and described in the section entitled "Conditions to Completion of the Merger" beginning on page 74 of this proxy statement/prospectus are satisfied or waived, or at such other date as agreed to by the parties. The merger and the second merger will become effective when the applicable agreements of merger have been duly filed with the California Secretary of State or at a later time as agreed to by the parties and specified in the agreement of merger.

At the effective time of the merger, Microchip will become the sole owner of Micrel and its business. Therefore, current shareholders of Micrel will cease to have direct ownership interests in Micrel or rights as shareholders of Micrel, will not participate directly in any future earnings or growth of Micrel, will not benefit directly from any appreciation in value of Micrel and will not bear directly the future risks of Micrel's operations.

Following the completion of the merger, Micrel's common stock will be delisted from NASDAQ and deregistered under the Exchange Act. As a result, Micrel will be a privately held corporation, and there will be no public market for Micrel's common stock. This will make certain provisions of the Exchange Act, such as the requirement of furnishing a proxy or information statement in connection with special meetings, no longer applicable to Micrel. After the effective date of the merger, Micrel will also no longer be required to file periodic reports with the SEC on account of Micrel's common stock.

The directors and officers of Merger Sub immediately prior to the effective time of the merger will be the directors and officers, respectively, of the interim surviving company, each to hold office in accordance with the articles of incorporation and bylaws of the interim surviving company until their respective successors are duly appointed and qualified.

At the effective time of the second merger, which will be as soon as practicable after the effective time on the closing date of the merger, and as part of a single integrated plan, the initial directors and officers of Merger Sub 2 shall be the directors and officers of the interim surviving company.

Microchip and Micrel currently expect the closing of the merger to occur early in the third quarter of calendar year 2015. However, as the merger is subject to various regulatory approvals and the satisfaction or waiver of other conditions described in the merger agreement, it is possible that factors outside the control of Microchip and Micrel could result in the merger being completed at an earlier time, a later time or not at all.

Consideration to be Received in the Merger

At the effective time of the merger, by virtue of the merger, each share of Micrel common stock issued and outstanding immediately prior to the effective time of the merger will be cancelled and converted into the right to receive at the shareholder's election, either (x) \$14.00 in cash (the per share cash amount) or (y) shares of Microchip common stock to be calculated by dividing (a) the per share cash amount by (b) the average closing sale price for a share of Microchip common stock, rounded to the nearest one-tenth of a cent, as reported on NASDAQ for the ten most recent trading days ending on the second to last trading day immediately prior to the effective time of the merger (the stock consideration), without interest and less any applicable tax withholdings, other than shares of Micrel common stock owned by Microchip, Micrel or any direct or indirect wholly owned subsidiary of Microchip or Micrel immediately prior to the effective time of the merger, which will be cancelled without any consideration paid therefor;

An election form is being mailed under separate cover. In order to make a valid election, Micrel shareholders must return their properly completed and signed election form to the exchange agent prior to the election deadline. If you are a Micrel shareholder and you do not return your election form by the election deadline or improperly complete or do not sign your election form, you will receive cash, shares of Microchip common stock or a mixture of cash and shares of Microchip common stock, based on what is available after giving effect to the valid elections made by other shareholders, as well as to the adjustments described below.

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If you are a Micrel shareholder, you may specify different elections with respect to different shares held by you (e.g. if you have 100 shares, you could make a cash election with respect to 50 shares and a stock election with respect to the other 50 shares).

Cash Election

The merger agreement provides that each Micrel shareholder who makes a valid cash election (the cash electing shares) will have the right to receive, in exchange for each share of Micrel common stock held by such holder an amount of cash equal to the per share cash amount, or the cash consideration . Micrel shareholders electing cash consideration may have their aggregate cash consideration proportionately reduced and may receive a portion of their consideration in Microchip common stock, despite their elections, as more fully described below under Proration .

Stock Election

The merger agreement provides that each Micrel shareholder who makes a valid stock election will have the right to receive the stock consideration.

Non-Election Shares

If you are a Micrel shareholder and you do not make an election to receive cash or Microchip common stock in the merger or your elections are not received by the exchange agent by the election deadline, or your forms of election are improperly completed and/or are not signed, you will be deemed not to have made an election. We sometimes refer to shares as to which no election or an invalid election has been made as non-election shares . Shareholders not making an election may be paid in only cash, in only Microchip common stock or in a mix of cash and shares of Microchip common stock depending on, and after giving effect to, the number of valid cash elections and stock elections that have been made by other Micrel shareholders using the adjustments described below.

Proration

The aggregate number of shares of Micrel common stock as of immediately prior to closing that holders elect to be paid in Microchip common stock must be equal to or greater than 42% of the shares of Micrel common stock issued and outstanding as of immediately prior to closing (the minimum stock percentage). If necessary, the minimum stock percentage will also be increased to enable the rendering of tax opinions that the mergers are reorganizations .

If the stock election is less than the minimum stock percentage (such difference is referred to as shortfall number), then:

(1) if the shortfall number is less than or equal to the aggregate number of non-electing shares, then (A) all cash electing shares shall be converted into the right to receive the cash consideration and (B) the non-electing shares of each holder of shares of Micrel s common stock shall be converted into the right to receive the stock consideration in respect of that number of non-electing shares that is equal to the product obtained by multiplying (I) the number of non-electing shares of such holder by (II) a fraction, the numerator of which is the shortfall number and the denominator of which is the aggregate number of non-electing shares, with the remaining number of such holder s non-electing shares being converted into the right to receive the cash consideration; and

(2) if the shortfall number exceeds the aggregate number of non-electing shares, then (I) all non-electing shares shall be converted into the right to receive the stock consideration and (II) a number of cash electing shares of each holder of shares of Micrel s common stock shall be converted into the right to receive the stock consideration equal to the

product obtained by multiplying (I) the number of cash electing shares of

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such holder by (II) a fraction, the numerator of which is the amount by which the shortfall number exceeds the aggregate number of non-electing shares and the denominator of which is the aggregate number of cash electing shares, with the remaining number of such holder's cash electing shares being converted into the right to receive the cash consideration.

Aggregate Stock Election Cap

If the aggregate stock consideration payable to holders of Micrel common stock who elect stock would be greater than 35,000,000 shares of Microchip common stock then (i) all non-election shares shall be converted into the right to receive the cash consideration, (ii) all cash electing shares shall be converted into the right to receive the cash consideration and (iii) all stock electing shares shall be converted into the right to receive an amount equal to the product of (i) the stock consideration and (ii) a fraction, the numerator of which is 35,000,000 and the denominator of which is the aggregate stock consideration without giving effect to the 35,000,000 cap.

The purpose of the aggregate stock election cap is to address the possibility that a very substantial decline in Microchip's common stock price prior to the merger could result in Microchip being required to issue a number of shares that would require stockholder approval for the issuance of the stock consideration under NASDAQ rules. The parties consider it unlikely that this cap will be approached.

Adjustment to Merger Consideration

If, during the period between the date of the merger agreement and the effective time of the merger, any change in the outstanding shares of Micrel occurs as a result of any reclassification, recapitalization, stock split (including a reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend, or any record date for any such purpose is established, the cash and/or stock consideration and any other amounts payable pursuant to the merger agreement will be appropriately adjusted.

Fractional Shares

Microchip will not issue fractional shares of Microchip common stock pursuant to the merger agreement. Instead, each Micrel shareholder who would have otherwise been entitled to receive a fraction of a share of Microchip common stock (after aggregating all shares represented by the certificates and book-entry shares delivered by such holder) will receive an amount of cash (without interest) equal to the fractional share to which the holder is entitled multiplied by the per share cash amount.

Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration

The conversion of Micrel common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As soon as reasonably practicable after the effective time of the merger, the exchange agent will exchange certificates representing shares of Micrel common stock for merger consideration to be received in the merger pursuant to the terms of the merger agreement. Wells Fargo Bank, N.A. will be the exchange agent in the merger and will receive your election form and exchange certificates for the merger consideration and perform other duties as explained in the merger agreement.

Election Form

Micrel will mail election forms, which will include a letter of transmittal, to Micrel shareholders. Each election form will allow you to make cash or stock elections or a combination of both.

The election deadline is 5:00 p.m., California time, on [], 2015.

If you wish to elect the type of merger consideration you will receive in the merger, you should carefully review and follow the instructions that will be set forth in the election form. Shareholders who hold their shares of

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Micrel common stock in street name or through a bank, broker or other nominee should follow the instructions of the bank, broker or other nominee for making an election with respect to such shares of Micrel common stock. Shares of Micrel common stock as to which the holder has not made a valid election prior to the election deadline will be treated as non-election shares.

To make a valid election, each Micrel shareholder must submit a properly completed election form, together with stock certificates duly endorsed in blank or otherwise in a form acceptable for transfer on the books of Micrel (except with respect to book-entry shares, in which case you should follow the instructions set forth in the election form), to the exchange agent at or prior to the election deadline in accordance with the instructions on the election form.

An election form will be properly completed only if accompanied by certificates (or book-entry transfer of uncertificated shares) representing all shares of Micrel common stock covered by the election form (or customary affidavits and indemnification regarding the loss or destruction of such certificates, as will be described in the election form). If you cannot deliver your stock certificates to the exchange agent by the election deadline, you may deliver a notice of guaranteed delivery promising to deliver your stock certificates, as will be described in the election form, so long as the actual stock certificates are in fact delivered to the exchange agent within three business days after the execution of such guarantee of delivery.

Generally, an election may be changed, but only by written notice received by the exchange agent prior to the election deadline accompanied by a properly completed and signed revised election form. A Micrel shareholder may also revoke his, her or its election by submitting a written notice to the exchange agent or withdrawing the certificates representing the shares of Micrel common stock covered by the election form, in each case, prior to the election deadline. If an election is revoked, or the merger agreement is terminated, and any certificates (or guarantees of delivery, as appropriate) have been transmitted to the exchange agent, the exchange agent will promptly return those certificates (or guarantees of delivery, as appropriate) to the shareholder who submitted such documents, or, in the case of shares of Micrel common stock tendered by book-entry transfer, the exchange agent will credit an account maintained by such shareholder promptly following the termination of the merger or revocation of the election. Micrel shareholders will not be entitled to revoke or change their elections following the election deadline. As a result, if you have made elections, you will be unable to revoke your elections or sell your shares of Micrel common stock during the interval between the election deadline and the date of completion of the merger.

Once Micrel shareholders have tendered their Micrel stock certificates to the exchange agent, they may not transfer their shares of Micrel common stock represented by those stock certificates until the merger is completed, unless they revoke their election by written notice to the exchange agent that is received prior to the election deadline.

Shares of Micrel common stock as to which the holder has not made a valid election prior to the election deadline, including as a result of revocation, will be deemed non-election shares. The determination of the exchange agent will be binding as to whether an election has been properly made or revoked. If it is determined by the exchange agent that any purported cash election or stock election was not properly made, the purported election will be deemed to be of no force or effect and the holder making the purported election will be deemed not to have made an election for these purposes, unless a proper election is subsequently made on a timely basis.

The exchange agent will make all computations as to the allocation and the proration contemplated by the merger agreement and any such computation will be conclusive and binding on the holders of Micrel common stock.

Exchange of Certificates

As soon as practical after the closing of the merger, the exchange agent will mail a letter of transmittal to only those persons who were Micrel shareholders at the effective time of the merger and who have not previously

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submitted an election form and properly surrendered shares of Micrel common stock to the exchange agent. This mailing will contain instructions on how to surrender certificated and book-entry shares of Micrel common stock (if these shares have not already been surrendered) in exchange for the merger consideration the holder is entitled to receive under the merger agreement.

In the event of a transfer of ownership of shares of Micrel common stock that is not registered in the transfer or stock records of Micrel, any merger consideration payable with respect to such shares of Micrel common stock may be payable to the transferee if certificates or book-entry shares are presented to the exchange agent, accompanied by all documents evidencing such transfer and payment of any related transfer taxes.

If a certificate for Micrel common stock has been lost, stolen or destroyed, the exchange agent will issue the consideration properly payable under the merger agreement upon receipt of an affidavit as to that loss, theft or destruction and, if required by Microchip or the exchange agent, the posting of a bond in such amount as Microchip or the exchange agent deems reasonably necessary as indemnity against any claim that may be made.

From and after the effective time of the merger, all holders of certificates representing shares of Micrel common stock or book-entry shares will cease to have any rights as shareholders of Micrel other than the right to receive the merger consideration and the stock transfer books of Micrel will be closed.

Withholding

The exchange agent will be entitled to deduct and withhold from the cash consideration or cash in lieu of fractional shares, cash dividends or distributions payable to any Micrel shareholder the amounts it is required to deduct and withhold under any federal, state, local or foreign tax law. If the exchange agent withholds any amounts, these amounts will be treated for all purposes of the merger as having been paid to the shareholders from whom they were withheld.

Conversion of Shares in the First Merger

At the effective time, each common stock of Merger Sub outstanding immediately prior to the effective time of the merger will be converted into and become one share of the common stock of the interim surviving company and will constitute the only outstanding shares of capital stock of the interim surviving company with respect to the merger.

Conversion of Shares in the Second Merger

At the effective time of the second merger, solely by virtue of the second merger, each of the membership interests of Merger Sub 2 that was issued and outstanding immediately prior to the effective time of the second merger will be converted into one validly issued, fully paid and non-assessable membership interest in the entity surviving the merger of Micrel and Merger Sub 2. In addition, each share of the common stock of the surviving corporation that was issued and outstanding immediately prior to the effective time of the second merger will be cancelled. No consideration will be delivered in exchange for such shares.

Treatment of Micrel Equity Awards

If the merger is completed, Micrel roll-over award shares will be assumed by Microchip and converted into Microchip equity awards as follows:

Assumed Micrel Restricted Stock Units. Upon consummation of the merger, each outstanding and unvested Micrel restricted stock unit that does not vest by its terms upon consummation of the merger will be assumed by Microchip and converted into a restricted stock unit with respect to whole shares of Microchip common stock, on substantially the same terms and conditions as applied to such Micrel restricted stock unit immediately prior to the consummation of the merger, with the number of shares

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of Microchip common stock subject to each such assumed restricted stock unit determined by multiplying the number of unvested Micrel shares subject to the award by the exchange ratio, which is the quotient, rounded to the nearest one ten thousandth, obtained by dividing the per share cash amount by the average closing sale price for a share of Microchip common stock, rounded to the nearest one-tenth of a cent, as reported on NASDAQ for the ten most recent trading days ending on the second to last trading day immediately prior to the effective time of the merger.

Assumed Micrel Stock Options. Upon consummation of the merger, each outstanding and unvested Micrel stock option that does not vest by its terms upon consummation of the merger will be assumed by Microchip and converted into a stock option with respect to whole shares of Microchip common stock, on substantially the same terms and conditions applied to such Micrel stock option immediately prior to the consummation of the merger, with the number of shares of Microchip common stock subject to each such assumed stock option determined by multiplying the number of unvested Micrel shares subject to the stock option by the exchange ratio, rounded down to the nearest share. The per share exercise price of each assumed Micrel stock option shall be equal to the quotient, rounded up to the nearest whole cent, obtained by dividing the exercise price per share at which such assumed Micrel stock option is exercisable immediately prior to the consummation of the merger by the exchange ratio.

In addition, if the merger is completed, Micrel cancelled award shares will be cancelled and Microchip will pay each holder of any such equity award as follows:

Cancelled Micrel Restricted Stock Units. Upon consummation of the merger, each outstanding Micrel restricted stock unit or portion thereof not assumed by Microchip as described above will be cancelled and the holder thereof will receive a cash payment with respect to each share of Micrel stock subject to the cancelled award equal to the per share cash amount, less applicable tax withholding.

Cancelled Micrel Stock Options. Upon consummation of the merger, each outstanding Micrel stock option or portion thereof not assumed by Microchip as described above and that has an applicable exercise price less than the per share cash amount will be cancelled and the holder thereof will receive a cash payment with respect to each share subject to the cancelled stock option equal to the difference between the per share cash amount and the exercise price of the applicable Micrel stock option. For stock options with an applicable exercise price greater than or equal to the per share cash amount, no payment will be received.

Based upon [] outstanding shares of Micrel common stock, [] outstanding Micrel roll-over award shares and [] outstanding Micrel cancelled award shares on the record date for the Micrel special meeting, Microchip will issue an aggregate of [] shares of Microchip common stock to holders of Micrel common stock as of immediately prior to closing, and reserve an aggregate of [] shares of Microchip common stock in respect of Microchip equity awards issued to holders of Micrel roll-over award shares as of the consummation of the closing and pay aggregate cash consideration of \$[] to holders of Micrel cancelled award shares as of immediately prior to closing, in each case in connection with the merger, although these numbers may change based on the number of outstanding shares of Micrel common stock, Micrel roll-over award shares and Micrel cancelled award shares on the closing date.

Special Meeting

Micrel has agreed that it will, as promptly as practicable following the date of the merger agreement and in no event later than 40 days after the commencement of the mailing of this proxy statement/prospectus to Micrel's shareholders,

establish a record date for, call, give notice of, convene and hold the special meeting. In addition, Micrel has agreed to use its reasonable best efforts to secure Micrel's shareholders' adoption of the merger agreement. Micrel may delay the special meeting under certain circumstances, including if Micrel reasonably determines that such a delay is necessary to solicit sufficient proxies to secure Micrel's shareholders' adoption of the merger agreement.

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Representations and Warranties

In the merger agreement, Micrel has made customary representations and warranties to Microchip, Merger Sub and Merger Sub 2 with respect to, among other things:

the due organization, valid existence, good standing, power and authority of Micrel and its subsidiaries;

the required vote of Micrel's shareholders;

its authority to enter into the merger agreement and to complete the transactions contemplated by the merger agreement, the enforceability of the merger agreement against Micrel and the inapplicability of state anti-takeover statutes;

its capitalization, including the number of shares of Micrel common stock issued and outstanding and the number of shares of Micrel common stock underlying outstanding options and other stock-based awards;

the absence of conflicts with, creation of liens upon, or defaults under Micrel's or its subsidiaries' constituent documents, certain agreements or applicable laws as a result of entering into the merger agreement and the consummation of the merger;

the required consents and approvals of governmental entities in connection with the transactions contemplated by the merger agreement;

its SEC filings since January 1, 2013, including financial statements contained therein;

its internal controls and compliance with the Sarbanes-Oxley Act of 2002;

the absence of undisclosed liabilities;

its conduct of business and absence of certain changes, except as contemplated by the merger agreement, including that since March 31, 2015 there has been no fact, event, change, development or set of circumstances that has had or would reasonably be expected to have a material adverse effect on Micrel, and no damage, destruction or other casualty loss with respect to any real property of Micrel that would be material to Micrel and its subsidiaries, taken as a whole;

matters with respect to Micrel's material contracts;

its compliance with laws and permits;

the absence of certain litigation or investigations;

information relating to Micrel's customers and suppliers;

tax matters;

compliance with environmental laws and regulations and other environmental matters;

matters related to employee benefit plans;

labor and employment matters;

intellectual property matters;

insurance matters;

the absence of undisclosed related party transactions;

the absence of undisclosed brokers' fees and expenses;

the receipt by the Micrel Board of Directors of the opinion from Credit Suisse; and

the inapplicability of anti-takeover statutes, and the absence of a rights plan designed to have the effect of delaying, deterring or discouraging any acquisition of control of Micrel.

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In the merger agreement, Microchip, Merger Sub and Merger Sub 2 have made customary representations and warranties to Micrel with respect to, among other things:

the due organization, valid existence, good standing, power and authority of Microchip and Merger Sub and Merger Sub 2;

the authority of each of Microchip, Merger Sub and Merger Sub 2 to enter into the merger agreement and to complete the transactions contemplated by the merger agreement and the enforceability of the merger agreement against each of Microchip, Merger Sub and Merger Sub 2;

the absence of conflicts with, creation of liens upon, or defaults under Microchip's, Merger Sub's or Merger Sub 2's constituent documents, certain agreements or applicable laws as a result of entering into the merger agreement and the consummation of the merger;

the required consents and approvals of governmental entities in connection with the transactions contemplated by the merger agreement;

the absence of certain litigation or investigations;

the absence of undisclosed liabilities;

its SEC filings since January 1, 2012, including financial statements contained therein;

its capitalization, including the number of shares of Microchip common stock issued and outstanding and the number of shares of Microchip common stock underlying outstanding options and other stock-based awards;

its conduct of business and absence of certain changes, except as contemplated by the merger agreement, including that since December 31, 2014 there has been no fact, event, change, development or set of circumstances that has had or would reasonably be expected to have a material adverse effect on Microchip;

the accuracy and compliance with applicable securities laws of the information supplied by Microchip, Merger Sub and Merger Sub 2 in this proxy statement/prospectus;

the operations of Merger Sub;

the sufficiency of funds to pay the aggregate consideration to be paid to holders of Micrel common stock and to perform their other obligations contemplated by the merger agreement;

the absence of stock ownership of Micrel; and

the reorganization qualification of the merger.

Many of the representations and warranties in the merger agreement are qualified by a materiality or material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would, as the case may be, be material or have a material adverse effect, taken as a whole).

Under the merger agreement, a material adverse effect with respect to Micrel and its subsidiaries or Microchip and its subsidiaries is generally defined as any fact, event, circumstance, change or effect that, individually or when taken together with all other facts, events, circumstances, changes or effects, is or is reasonably likely to have a material adverse effect on the business, operations, assets, financial condition or results of operations of such person and its subsidiaries, taken as a whole, provided, however, that in no event will any facts, events, circumstances, changes or effects resulting from or arising out of any of the following, either alone or in combination, be taken into account when determining whether a material adverse effect has occurred or may, would or could occur:

general economic conditions in the United States or any other country or region in the world (or changes therein), general conditions in the financial markets in the United States or any other country or region in the world (or changes therein) or general political conditions in the United States or any

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other country or region in the world (or changes therein), except to the extent that such facts, events, circumstances, changes or effects have a disproportionate impact on such person and its subsidiaries, taken as a whole, relative to other participants in the industries in which such person and its subsidiaries conduct business;

general conditions in the industries in which such person or any of its subsidiaries conduct business (or changes therein), except to the extent that such facts, events, circumstances, changes or effects have a disproportionate impact on such person and its subsidiaries, taken as a whole, relative to other participants in the industries in which such person and its subsidiaries conduct business;

changes in laws (including rules and regulations), orders or judgments by any governmental entity, or generally accepted accounting principles (as applied in the United States), or the interpretation thereof, except to the extent that such facts, events, circumstances, changes or effects have a disproportionate impact on such person and its subsidiaries, taken as a whole, relative to other participants in the industries in which such person and its subsidiaries conduct business;

acts of war, terrorism or sabotage in the United States or any other country or region in the world (or any escalation with respect thereto), except to the extent that such facts, events, circumstances, changes or effects have a disproportionate impact on such person and its subsidiaries, taken as a whole, relative to other participants in the industries in which such person and its subsidiaries conduct business;

earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires or other natural disasters, weather conditions and other similar events in the United States or any other country or region in the world, except to the extent that such facts, events, circumstances, changes or effects have a disproportionate impact on such person and its subsidiaries, taken as a whole, relative to other participants in the industries in which such person and its subsidiaries conduct business;

any failure by such person to meet published analysts' estimates, internal or external projections or forecasts of revenues, earnings or other financial or business metrics, in and of itself (although the underlying causes of any such failure may be taken into account in determining whether a material adverse effect has occurred);

any decline in the market price or change in the trading volume of the shares of common stock of such person, in and of itself (although the underlying causes of any such decline or change may be taken into account in determining whether a material adverse effect has occurred);

the public announcement or pendency of the merger agreement or the transactions contemplated by the merger agreement;

any action taken (or omitted to be taken) by Micrel at the written request of Microchip, Merger Sub or Merger Sub 2 or by Microchip, Merger Sub or Merger Sub 2 at the written request of Micrel; or

any action taken by such person or any of its subsidiaries that is expressly required pursuant to the merger agreement.

The representations and warranties contained in the merger agreement will not survive the effective time of the merger.

Conduct of Business

Covenants of Micrel Relating to Conduct of Its Business

Except as expressly required or permitted by the merger agreement, as disclosed in the disclosure letter, or as approved in advance by Microchip in writing (which approval cannot be unreasonably withheld, conditioned or delayed), from the date of the merger agreement until the consummation of the merger or its earlier termination, Micrel and each of its subsidiaries will carry on its business in the ordinary course consistent with past practice and will use commercially reasonable efforts to keep available the services of its directors, officers and key employees and to preserve its relationships with customers, suppliers, distributors, licensors, licensees and others with which it has significant business dealings.

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In addition, except as expressly required or permitted by the merger agreement, as disclosed in the disclosure letter, or as approved in advance by Microchip in writing (which approval cannot be unreasonably withheld, conditioned or delayed), from the date of the merger agreement until the consummation of the merger or its earlier termination, Micrel will not and will not permit any of its subsidiaries to, with certain exceptions:

amend its articles of incorporation or bylaws or comparable organizational documents;

issue, sell or deliver (whether through the issuance or granting of options, warrants, commitments, subscriptions, rights to purchase or otherwise) any securities of Micrel or any of its subsidiaries, except (i) the issuance and sale of shares of Micrel common stock pursuant to existing Micrel equity awards, (ii) grants to newly hired employees issued pursuant to certain specified binding commitments and (iii) pursuant to Micrel's employee stock purchase plan;

acquire or redeem, directly or indirectly, any securities of Micrel or any of its subsidiaries other than (i) in full or partial payment of the exercise price and any applicable taxes pursuant to any exercise, vesting or settlement of Micrel equity awards or (ii) pursuant to the forfeiture of any Micrel equity awards;

split, combine or reclassify any shares of common stock, declare, set aside or pay any dividend or other distribution in respect of any shares of capital stock, or make any other actual, constructive or deemed distribution in respect of the shares of capital stock other than regular quarterly cash dividends by Micrel with customary record and payment dates on shares of Micrel common stock not in excess of \$0.05 per share;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization;

incur or assume any long-term or short-term debt or issue any debt securities;

assume, guarantee, endorse or otherwise become liable or responsible for the obligations of any other person;

make any loans, advances or capital contributions to or investments in any other person;

mortgage or pledge any of Micrel's or its subsidiaries' material assets or voluntarily create or suffer to exist any lien thereupon other than in the ordinary course of business consistent with past practice;

except as may be required by applicable law or as required by the terms of any existing Micrel benefit plan as in effect on the date of the merger agreement:

enter into, adopt, amend (including acceleration of vesting), modify or terminate any bonus, profit sharing, compensation, severance, termination, option, restricted stock, restricted stock unit, appreciation right, performance unit, stock equivalent, share purchase agreement, pension, retirement, deferred compensation, employment, severance or other employee benefit agreement, trust, plan, fund or other arrangement for the compensation, benefit or welfare of any director, officer, employee, consultant or independent contractor in any manner;

increase in any manner the compensation or fringe benefits of any director, officer, employee or independent contractor;

pay any special bonus or special remuneration to any director, officer, employee, consultant or independent contractor; or

pay any benefit not required by any plan or arrangement as in effect as of the date of the merger agreement;

forgive any loans to any employees, officers or directors of Micrel or any of its subsidiaries, or any of their respective affiliates;

make any deposits or contributions of cash or other property to or take any other action to fund or in any other way secure the payment of compensation or benefits under an Micrel benefit plan or

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agreements subject to such plans or any other contract of Micrel or its subsidiaries other than deposits and contributions that are required pursuant to the terms of an Micrel benefit plan or any agreements subject to such plans in effect as of the date of the merger agreement;

enter into, amend, or extend any collective bargaining agreement;

other than terminations or demotions in the ordinary course of business consistent with past practice, hire, terminate, demote or promote or offer to hire or promote any employee or potential employee, or encourage any employee to resign from or terminate his or her relationship with Micrel or any of its subsidiaries, in each case, other than as expressly contemplated by the merger agreement; *provided* that Micrel and its Subsidiaries may replace an employee that terminates his or her employment with Micrel upon (i) Micrel providing Microchip with a written notice of the proposed replacement and (ii) Microchip failing to make a reasonable objection to such replacement within five (5) Business Days; *provided* further that Micrel and its subsidiaries shall be entitled to hire or offer to hire any employees or potential employee after July 31, 2015 without the consent of Microchip;

acquire, sell, lease, license or dispose of any property or assets material to Micrel and its subsidiaries, taken as a whole, in any single transaction or series of related transactions;

make any change in any of the accounting principles or practices used by Micrel;

(i) make or change any material tax election, (ii) amend any material tax return, (iii) settle or compromise any material liability for taxes, (iv) adopt or change any material tax accounting method or (v) consent to any extension or waiver of any limitation period with respect to any material claim or assessment for taxes;

enter into any lease or sublease of real property or modify, amend or exercise any right to renew any lease or sublease of real property, or waive or violate any term or condition thereof or grant any consents thereunder, other than extensions of expiring leases not to exceed a period of six months;

abandon, cancel or knowingly allow to lapse or fail to maintain or protect any material intellectual property rights owned by or exclusively licensed to Micrel or any of its subsidiaries;

acquire any other entity or any equity interest therein;

other than in the ordinary course of business consistent with past practice, enter into, renew, amend or grant any release or relinquishment of any material rights under any material contract;

incur any new capital expenditures that, individually or in the aggregate, would create obligations to Micrel or any of its subsidiaries in excess of \$200,000;

settle or compromise any material pending or threatened legal proceeding;

revalue in any material respect any of its properties or assets including writing-off notes or accounts receivable other than in the ordinary course of business consistent with past practice;

change pricing or royalties set or charged by persons who have licensed intellectual property rights to Micrel or any of its subsidiaries;

enter into or amend any material agreement pursuant to which any other party is granted development, manufacturing or similar rights of any type or scope with respect to any products or technology of Micrel or any of its subsidiaries;