16-990001

State of California

Secretary of State

Corporate Disclosure Statement
(Domestic Stock and Foreign Corporations)

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FILED
Secretary of State
State of California
JAN 07 2016

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There is no fee for filing the Corporate Disclosure Statement.

IMPORTANT — PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. CORPORATE NAME
Microsoft Corporation

C1268807

Independent Auditor

2. NAME OF THE INDEPENDENT AUDITOR THAT PREPARED THE MOST RECENT AUDITOR'S REPORT
Deloitte & Touche LLP

3. DESCRIPTION OF OTHER SERVICES, IF ANY, PERFORMED BY THE INDEPENDENT AUDITOR NAMED IN ITEM 2
See Item 3 Attachment

4. NAME OF THE INDEPENDENT AUDITOR EMPLOYED BY THE CORPORATION ON THE DATE OF THIS STATEMENT, IF DIFFERENT FROM ITEM 2

Directors and Executive Officers

5. NAMES OF DIRECTORS	COMPENSATION	SHARES	OPTIONS	BANKRUPTCY	FRAUD
1) See Item 5 Attachment				☐ YES ☐ NO	☐ YES ☐ NO
2)				☐ YES ☐ NO	☐ YES ☐ NO
3)				☐ YES ☐ NO	☐ YES ☐ NO

IF THE CORPORATION HAS ADDITIONAL DIRECTORS, COMPLETE ITEM B OF THE ATTACHMENT (FORM SI-PTA).

6a. NAMES OF EXECUTIVE OFFICERS	COMPENSATION	SHARES	OPTIONS	BANKRUPTCY	FRAUD
1) See Item 6 Attachment				☐ YES ☐ NO	☐ YES ☐ NO
2)				☐ YES ☐ NO	☐ YES ☐ NO
3)				☐ YES ☐ NO	☐ YES ☐ NO
4)				☐ YES ☐ NO	☐ YES ☐ NO
5)				☐ YES ☐ NO	☐ YES ☐ NO

6b. CHIEF EXECUTIVE OFFICER (if not named in 6a)	COMPENSATION	SHARES	OPTIONS	BANKRUPTCY	FRAUD
See Item 5 Satya Nadella	$18,294,270	487,282	0	☐ YES ☒ NO	☐ YES ☒ NO

6c. ADDITIONAL EXECUTIVE OFFICERS (if not named in 6a or 6b)		
1)	☐ BANKRUPTCY	☐ FRAUD
2)	☐ BANKRUPTCY	☐ FRAUD
3)	☐ BANKRUPTCY	☐ FRAUD

IF MORE SPACE IS NEEDED, ENTER ADDITIONAL INFORMATION IN ITEM D OF THE ATTACHMENT (FORM SI-PTA).

Loans to Members of the Board of Directors

7. NAMES OF DIRECTORS	DESCRIPTION OF LOAN (INCLUDING AMOUNT AND TERMS)
1)	
2)	
3)	

IF THE CORPORATION HAS MADE ADDITIONAL LOANS TO DIRECTORS, COMPLETE ITEM C OF THE ATTACHMENT (FORM SI-PTA).

Additional Statutory Disclosures

8. Has an order for relief been entered in a bankruptcy case with respect to the corporation during the preceding 10 years? ☐ YES ☑ NO

9. Has the corporation or any of its subsidiaries been a party to, or any of their property been subject to, any material pending legal proceedings, as specified by Item 103, Part 229 of SEC Regulation S-K? If yes, attach a description. ☐ YES ☑ NO

10. Has the corporation been found legally liable in any material legal proceeding during the preceding five years? If yes, attach a description. ☑ YES ☐ NO

11. By submitting this Corporate Disclosure Statement to the Secretary of State, the corporation certifies the information contained herein, including any attachments, is true and correct.

Keith R. Dolliver	[signature]	Assistant Secretary	11/20/2015
TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM	SIGNATURE	TITLE	DATE

SI-PT (REV 01/2013)   APPROVED BY SECRETARY OF STATE

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State of California
Secretary of State

Attachment to Corporate Disclosure Statement
(Domestic Stock and Foreign Corporations)

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IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

A. CORPORATE NAME Microsoft Corporation

B. Additional Directors (Continued from Item 5 on Form SI-PT)

	NAMES OF DIRECTORS	COMPENSATION	SHARES	OPTIONS	BANKRUPTCY	FRAUD
4)					☐ YES ☐ NO	☐ YES ☐ NO
5)					☐ YES ☐ NO	☐ YES ☐ NO
6)					☐ YES ☐ NO	☐ YES ☐ NO
7)					☐ YES ☐ NO	☐ YES ☐ NO
8)					☐ YES ☐ NO	☐ YES ☐ NO
9)					☐ YES ☐ NO	☐ YES ☐ NO
10)					☐ YES ☐ NO	☐ YES ☐ NO
11)					☐ YES ☐ NO	☐ YES ☐ NO
12)					☐ YES ☐ NO	☐ YES ☐ NO
13)					☐ YES ☐ NO	☐ YES ☐ NO
14)					☐ YES ☐ NO	☐ YES ☐ NO
15)					☐ YES ☐ NO	☐ YES ☐ NO
16)					☐ YES ☐ NO	☐ YES ☐ NO
17)					☐ YES ☐ NO	☐ YES ☐ NO
18)					☐ YES ☐ NO	☐ YES ☐ NO

IF THE CORPORATION HAS ADDITIONAL DIRECTORS, ATTACH ADDITIONAL PAGES AS NEEDED.

C. Additional Loans to Members of the Board of Directors (Continued from Item 7 on Form SI-PT)

	NAMES OF DIRECTORS	DESCRIPTION OF LOAN (INCLUDING AMOUNT AND TERMS)
4)		
5)		
6)		
7)		
8)		

IF THE CORPORATION HAS MADE ADDITIONAL LOANS TO DIRECTORS, ATTACH ADDITIONAL PAGES AS NEEDED.

D. Additional Information (Please reference item number from Form SI-PT or Form SI-PTA, as applicable)

Item 3 from Form SI-PT (See Attachment)

Item 5 from Form SI-PT (See Attachment)

Item 6 from Form SI-PT (See Attachment)

Item 10 from Form SI-PT (See Attachment)

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Corporate Name: **Microsoft Corporation**

California Disclosure Statement
Item 3 of Form SI-PT

Services provided by the Independent Auditor other than audits of statutory financial statements of the domestic and international entities as required include: assurance and related services; audits and attest services not required by statute or regulations; audits of employee benefit plans; due diligence related to mergers, acquisitions, and investments; revenue and license compliance procedures related to performance of the review or audit of Microsoft's financial statements; accounting consultations about the application of generally accepted accounting principles to proposed transactions; advice about controls associated with the completeness and accuracy of software licensing revenue; tax compliance and return preparation; tax planning and advice; training activities, and economic, industry, and accounting subscriptions and surveys.

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5. Name of Director	Fees Paid in Cash ($)	Shares (1)	Total Compensation ($)		Options Granted	Bankruptcy	Fraud
Steven A. Ballmer	25,000	827	62,500	(2)	0	No	No
Dina Dublon	65,000	1,601	140,000	(3)	0	No	No
William H. Gates III	25,000	827	62,500	(4)	0	No	No
Maria Klawe	100,000	3,329	250,000	(5)	0	No	No
Teri L. List-Stoll	74,750	2,459	172,250	(5)(6)	0	No	No
David F. Marquardt	50,000	1,601	125,000	(7)	0	No	No
G. Mason Morfit	115,000	3,329	265,000	(5)	0	No	No
Satya Nadella	N/A	N/A	18,294,270	(8)	0	No	No
Charles H. Noski	137,500	3,328	287,500	(5)(9)	0	No	No
Helmut Panke	130,000	3,329	280,000	(5)	0	No	No
Charles W. Scharf	65,000	2,192	162,500	(5)(10)	0	No	No
John W. Stanton	88,206	2,690	209,266	(5)(11)	0	No	No
John W. Thompson	100,000	12,763	675,000	(5)	0	No	No

(1) Includes shares that were issued on the date of grant or deferred under the Deferred Compensation Plan for Non-Employee Directors.

(2) Mr. Ballmer retired from the Board on August 19, 2014.

(3) Ms. Dublon retired from the Board on December 3, 2014.

(4) In December 2014, Mr. Gates waived his future cash and equity retainers.

(5) Non-employee directors, except for Messrs. Gates, Nadella and Thompson, received a total annual retainer of $250,000 per year with $150,000 of the retainer provided in the form of a stock award. Each Committee chair and each member of the Audit Committee received an additional annual retainer of $15,000. The Independent Chairman received a total annual retainer of $675,000 per year with $575,000 of the retainer provided in the form of a stock award. These amounts are prorated for partial years of service. The retainer is paid quarterly in arrears. Quarterly periods are measured beginning with the annual shareholders meeting. At the end of each quarterly period, we pay 25% of the total annual retainer to each director. Retainers are pro-rated for directors who join or leave the Board or have a change in Board role during a quarterly period. Directors may elect to defer and convert to equity all or part of their annual cash retainer, and to defer receipt of all or part of their annual equity retainer under the Deferred Compensation Plan for Non-Employee Directors. Amounts deferred are maintained in bookkeeping accounts that are deemed invested in Microsoft common stock, and dividends paid on the deferred equity are deemed to be invested in our common stock. We calculate the number of shares credited by dividing each quarterly amount deferred by the closing market price of our common stock on the originally scheduled payment date. Accounts in the plan are distributed in shares of Microsoft common stock, with payments either in installments beginning on separation from Board service or in a lump sum amount paid no later than the fifth anniversary after separation from Board service.

(6) Ms. List-Stoll's compensation began October 1, 2014 when she joined the Board.

(7) Mr.Marquardt retired from the Board on December 3, 2014.

(8) Mr. Nadella's total compensation includes, salary, bonus, 401(k) matching, and the value of imputed income received under our broad-based benefits program. Mr. Nadella received 487,282 shares in the form of stock awards as an employee. He received no compensation for services as a director while he was an employee.

(9) Mr. Noski's compensation was increased as a result of the Audit Committee chair retainer increase effective December 3, 2014.

(10) Mr. Scharf's compensation began October 1, 2014 when he joined the Board.

(11) Mr. Stanton's compensation began July 30, 2014 when he joined the Board.

EXECUTIVE OFFICERS

Corporate Disclosure Statement
Item 6
of Form SI-PT

Corporate Name: **MICROSOFT CORPORATION**

6a. Name of Officer	Total Compensation ($)		Shares (#)		Options (#)	Bankruptcy	Fraud
B. Kevin Turner	12,195,414	(1)	600,210	(2)	0	No	No
Bradford L. Smith	6,800,682	(1)	263,231	(2)	0	No	No
Margaret L. Johnson	14,533,595	(1)	299,127	(2)	0	No	No
Amy E. Hood	8,754,963	(1)	284,155	(2)	0	No	No
Christopher C. Capossela	5,363,590	(1)	199,706	(2)	0	No	No

(1) All amounts in this column are calculated using cash compensation plus the grant date fair value of equity awards under Accounting Standards Codification Topic 718 based on the market price as of the date of grant of common stock awarded, reduced by the present value of estimated future dividends because the awards are not entitled to receive dividends prior to vesting.

(2) All amounts in this column are calculated using the grant date fair value of equity awards under Accounting Standards Codification Topic 718 based on the market price as of the date of grant of common stock awarded, reduced by the present value of estimated future dividends because the awards are not entitled to receive dividends prior to vesting.

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Corporate Name: **Microsoft Corporation**

California Disclosure Statement
Item 10 of Form SI-PT

In December 2009, the European Commission adopted a decision that rendered legally binding commitments offered by Microsoft to address the Commission's concerns about the inclusion of Web browsing software in Windows. Among other things, Microsoft committed to display a "Browser Choice Screen" on Windows-based PCs in Europe where Internet Explorer is set as the default browser. Due to a technical error, we failed to deliver the requisite software to enable that display to PCs that came preinstalled with a version of Windows 7 called Windows 7 Service Pack 1. After conducting an investigation and issuing a Statement of Objections in October 2012, the Commission concluded that Microsoft failed to comply with the 2009 commitments and imposed a fine of €561 million (approximately $733 million) in March 2013.