

MICROSOFT CORP  
Form 4  
May 20, 2014

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Morfit G Mason

(Last) (First) (Middle)

ONE LETTERMAN  
DRIVE, BUILDING D, 4TH  
FLOOR

(Street)

SAN FRANCISCO, CA 94129

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
MICROSOFT CORP [MSFT]

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/19/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
See Remarks

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
|                                 |                                      |  |                                | Code  | V   | Amount   |                                   |
| Common Stock                    | 05/19/2014                           |  | A                              | 611 (1)   | A   | \$ 0   | 611 D (2) (3)                     |
| Common Stock                    |                                      |  |                                |   |   | 7,370,501  | I See footnotes (3) (4)           |
| Common Stock                    |                                      |  |                                |   |   | 66,865,530   | I See footnotes (3) (5)           |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |             |
|---|---------------|-----------|---------|-------------|
|   | Director      | 10% Owner | Officer | Other       |
| Morfit G Mason<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129                       | X             |           |         | See Remarks |
| ValueAct Holdings, L.P.<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129              | X             |           |         | See Remarks |
| ValueAct Co-Invest Master Fund, L.P.<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129 | X             |           |         | See Remarks |
| ValueAct Capital Master Fund, L.P.<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129   | X             |           |         | See Remarks |
| VA Partners I, LLC<br>ONE LETTERMAN DRIVE<br>BUILDING D, 4TH FLOOR<br>SAN FRANCISCO, CA 94129                   | X             |           |         | See Remarks |

ValueAct Capital Management, L.P.  
 ONE LETTERMAN DRIVE  
 BUILDING D, 4TH FLOOR X See Remarks  
 SAN FRANCISCO, CA 94129

ValueAct Capital Management, LLC  
 ONE LETTERMAN DRIVE  
 BUILDING D, 4TH FLOOR X See Remarks  
 SAN FRANCISCO, CA 94129

ValueAct Holdings GP, LLC  
 ONE LETTERMAN DRIVE  
 BUILDING D, 4TH FLOOR X See Remarks  
 SAN FRANCISCO, CA 94129

## Signatures

By:/s/ G. Mason Morfit 05/20/2014  
 \*\*Signature of Reporting Person Date

VALUEACT HOLDINGS, L.P., By: VALUEACT HOLDINGS GP, LLC, its General  
 Partner, By: /s/ George F. Hamel. Jr., Chief Operating Officer 05/20/2014  
 \*\*Signature of Reporting Person Date

VALUEACT CO-INVEST MASTER FUND, L.P., By: VA PARTNERS I, LLC, its General  
 Partner, By: /s/ George F. Hamel. Jr., Chief Operating Officer 05/20/2014  
 \*\*Signature of Reporting Person Date

VALUEACT CAPITAL MASTER FUND, L.P., By: VA PARTNERS I, LLC, its General  
 Partner, By: /s/ George F. Hamel. Jr., Chief Operating Officer 05/20/2014  
 \*\*Signature of Reporting Person Date

VA PARTNERS I, LLC, By: /s/ George F. Hamel. Jr., Chief Operating Officer 05/20/2014  
 \*\*Signature of Reporting Person Date

VALUEACT CAPITAL MANAGEMENT, L.P., By: VALUEACT CAPITAL  
 MANAGEMENT, LLC, its General Partner, By: /s/ George F. Hamel. Jr., Chief Operating  
 Officer 05/20/2014  
 \*\*Signature of Reporting Person Date

VALUEACT CAPITAL MANAGEMENT, LLC, By: /s/ George F. Hamel. Jr., Chief  
 Operating Officer 05/20/2014  
 \*\*Signature of Reporting Person Date

VALUEACT HOLDINGS GP, LLC, By: /s/ George F. Hamel. Jr., Chief Operating Officer 05/20/2014  
 \*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1)

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Represents stock award which is fully vested on the date of grant. The stock award reported hereunder was made pursuant to the Issuer's Director compensation policy. The securities reported herein were awarded to Mr. Morfit pursuant to the Issuer's Director compensation policy.

(2) Under an agreement with ValueAct Capital, G. Mason Morfit is deemed to hold the restricted share units for the benefit of ValueAct Capital Master Fund, L.P. and indirectly for (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P.

(3) Each reporting person listed herein disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that such person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

(4) The securities reported herein are directly beneficially owned by ValueAct Co-Invest Master Fund, L.P. and may be deemed to be indirectly beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Co-Invest Master Fund, L.P. , (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Co-Invest Master Fund, L.P. , (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P. G. Mason Morfit is a member of the management board of ValueAct Holdings GP, LLC.

(5) The securities reported herein are directly beneficially owned by ValueAct Capital Master Fund, L.P. and may be deemed to be indirectly beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P. , (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P. , (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P. G. Mason Morfit is a member of the management board of ValueAct Holdings GP, LLC.

### Remarks:

#### Explanation of Responses:

-The reporting persons herein may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934.

- G. Mason Morfit, a member of the management board of ValueAct Holdings GP, LLC, serves on the board of directors of the

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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