



Micro Focus Employee Share Purchase Plan

February 2022
Invitation



Welcome To Our Employee Share Purchase Plan (ESPP)

ESPP gives you the opportunity to save money and share in any future success of Micro Focus.

ESPP is an easy way to contribute every month directly from your pay and acquire Micro Focus shares at a discount to their market value.

This brochure tells you the key facts which you need to know about the plan; we hope you will read on and consider joining.

ESPP - the key benefits

Shares are purchased at a **15% discount** on the **lowest price**, either at the start of the offer period or at maturity

Contribute

Subject to your participation in previous offers, you can contribute from the equivalent of just £10 per month, up to a maximum of 10% of your monthly gross base salary per month, over 2 years.

Purchase

You will purchase Micro Focus shares based on the share price at either the start of the offer period or at maturity; whichever is lower

Your Shares

The shares will be delivered to your online account for you to manage as you wish



How does ESPP work?

01

Contribute

Subject to your participation in previous offers, you can contribute from £10 per month, up to a maximum of 10% of your monthly gross base salary per month or your local currency equivalent.

[More info ›](#)

02

Purchase

Contributions are made over 2 years, so you will make up to 24 monthly contributions* which will be used to purchase Micro Focus shares.

* In Mexico enrollment and deductions are made from each semi-monthly payroll, therefore 48 in total.

[More info ›](#)

03

Your Shares

At maturity, and subject to a maximum of 10,000 shares*, you will buy Micro Focus shares based on the share price at either the:

- start of the offer period; or
- at maturity, whichever is lower

This share price will then be discounted by 15%.

[More info ›](#)

* Offer limits prior to 2021 of 3,000 Shares per offer remain unaltered.





You can contribute

Subject to your participation in previous offers, from £10 per month, or your **local currency equivalent** up to a maximum of 10% of your monthly gross base salary per month

Gross base salary - Your base salary before tax and deductions

The contribution - This is taken from your **net salary** (your salary after tax and deductions).

More Information

The maximum amount you can contribute will be capped at 10% of your monthly gross base salary (before taxes and deductions), up to a maximum of \$25,000 USD per year (or your local currency equivalent) across all ESPP plans that are running.

Subject to the 10,000 share* limit you may not be able to save as much as this and your contributions will be scaled back automatically should this be the case based on the discounted offer price.

Your contributions will be made from your net salary (after taxes and deductions)

IMPORTANT INFORMATION EARLY WITHDRAWAL OF SAVINGS

Due to FX fluctuations and as all contributions are converted to, and held in, GBP, (or USD for Israeli participants) whilst your full contribution fund will be returned to you this may not be the same amount in local currency that was originally collected from you.

* Offer limits prior to 2021 of 3,000 Shares per offer remain unaltered.



Purchase

Contributions are made over 2 years, so you will make up to 24 monthly contributions* which will be used to purchase Micro Focus shares.

* In Mexico enrollment and deductions are made from each semi-monthly payroll, therefore 48 in total.

You cannot change your monthly contribution, but should your circumstances change during the offer period you can:

- ✓ **close your ESPP account at any time** before maturity and your money will be refunded to you. Please remember if you do this, you will lose the right to buy shares.
- ✓ **stop and restart your monthly contributions.** Missed contributions will mean you will purchase fewer shares, as you cannot make up any missed contributions.

As Micro Focus shares are listed on the London Stock Exchange and priced in British pounds (GBP), your local currency contributions will be converted into GBP, and held until shares are bought.

Israeli participants will purchase Micro Focus ADRs that are listed on the New York Stock Exchange and priced in US dollars (USD). Therefore contributions will be converted into USD on a monthly basis, and held until shares are bought.

Due to regulatory requirements, Australian participants' contributions will be held in Australian dollars over the two year period and converted to GBP when the shares are bought.

You can find out more about currency conversion and where your contributions are held [here](#).





Your Shares

At the end of the offer period you will buy Micro Focus shares* based on the share price at either the:

- start of the offer period;
- or as at maturity, whichever is lower

* Subject to a maximum of 10,000 shares for this offer.

Let's look at an example of what this could mean:

Monthly contribution amount: **£200**

Total contributions over 24 months: **£4,800**

Share price at the start of ESPP: **£4**

This price will be set on 01 March 2022

Share price at the end of ESPP: **£6**

Lower share price is discounted by 15%: **£3.40**

$£4,800 / £3.40 = 1,411.7647$ shares

Total value of 1,411.7647 shares at £6 = £8,470.59

Increase in value: £3,670.59



Key Dates

Invitation opens

14 February 2022

You will receive an email inviting you to join ESPP.

Invitation closes

28 February 2022

You must submit your application by 17.00 (UK Time).

Base Price Set

01 March 2022

The start of the offer. Your application to join the ESPP becomes effective and the base price is set.

First contribution

March 2022

Your first contribution will be deducted directly from your net pay.

Maturity

01 April 2024

Micro Focus shares will be purchased with your contributions on the first business day following maturity. You can decide whether to sell them, or keep them and become a Micro Focus shareholder.



Frequently Asked Questions

Q

How many shares will I get?

Please use the [calculator](#) to find out how many shares you may be able to acquire under the ESPP. An example of how these are calculated is described below.

To make it easy for you to understand the value of the benefit received under the ESPP, the shares which you acquire will be described as either "Contribution Shares" or "Discount Shares".*

Contribution Shares are those shares equal in value to the contributions that you have made to the plan, using the market price at the end of the offer period.

Discount Shares represent the value of the "discount" which you receive as a result of the difference in value between the contributions which you have made and the total value of the shares received (based on the market price at the end of the offer plan period).

Note that there is no legal or practical difference between these two "categories" of shares once acquired.

Using the same figures as before:

Monthly contribution amount: **£200** Total contributions over 24 months: **£4,800**

Share price at the start of ESPP: **£4** - This price will be set on 01 March 2022

Share price at the end of ESPP: **£6**

Number of Contribution Shares:

Number of shares equal in value to your contributions (£4,800/£6): **800 shares**

Number of Discount Shares:

The lower share price either at the start and end of the offer period is used to calculate the value of the discount which you receive: **£6**

Lower share price is discounted by 15%: **£3.40**

Total number of shares: Total contributions divided by the discount price (£4,800/£3.40): **1,411.7647 shares**

Total number of shares minus Contribution Shares (1,411.7647 - 800) : **611.7647 shares**

What happens to my shares?

If you decide to keep some or all of your Micro Focus shares at the end of the ESPP offer period, they will be held in a Share Plan account managed by Computershare - our ESPP administrator. You can view your shares online and place deals at the click of a button.

Summary:

Effectively, in acquiring 800 shares for a total contribution of £4,800 you will have acquired:

Total number of shares: **1,411.7647** Contribution Shares: **800 @ £6**

Discount Shares: **611.7647 @ £nil**

Value of 1,411.7647 shares at the £6 example price at the end of the plan: £8,470.59

Benefit received: £3,670.59

Please note, this example has been provided for illustrative purposes only. Remember, share prices can fall as well as rise.

The maximum amount you can contribute per month will be capped at 10% of your monthly gross base salary (before taxes and deductions), up to a maximum of \$25,000 USD per year (or your local currency equivalent) across all Micro Focus ESPP offers that you are participating in. Subject to a maximum cap of 10,000 shares, which may mean that contributions are scaled back. Your contributions will be deducted from your net salary (after taxes and deductions).

[FAQ cont... >](#)





What happens if...

We realise that over 2 years your personal circumstances can change.

I want to stop contributing to my ESPP?

You don't always have to close your account. You may suspend your monthly contributions by contacting your payroll department. If this happens, you will be able to purchase fewer shares at the end of ESPP as you cannot make up any missed contributions.

I want to close my account?

If you want to instruct us to return your contributions, you can do so via your "Task Bar" in EquatePlus. Contributions* will be returned to you via Payroll as quickly as possible.

I leave before the end of the two years because of redundancy, injury, disability, retirement with company consent or my employment is transferred to another company?

You will no longer be able to contribute to the ESPP, but will be able to use your accumulated savings to acquire shares at the discounted price. Please [click here](#) for more details.

I leave before the end of the two years due to resignation?

You will no longer be able to contribute to the ESPP and your contributions will be returned to you via payroll*. You will not be able to purchase shares.

* As all contributions are converted to, and held in, GBP, (or USD for Israeli participants) whilst your full contribution fund will be returned to you this may not be the same amount in local currency that was originally collected from you.



For further information on how this plan works for you and more detailed FAQ's, see the ESPP microsite [here](#) ›



What Are The Next Steps?

It's easy, join online:

1. Visit: www.equateplus.com ›
2. Log in using your **User ID***
3. Follow the **simple instructions**


You will receive an email confirming that your application has been accepted.


* User ID – this can be found on your email invitation


Please read the Terms and Conditions (including the Micro Focus ESPP rules and the participant agreement you will be required to enter into if you decide to participate) before applying to join the Micro Focus ESPP. They can be found at www.equateplus.com under 'Document Library' or alternatively by calling the helpline on 0370 707 1045 to request a copy. You will be deemed to have read these documents and that you agree to all Terms and Conditions if you apply. Call charges will vary depending on the country you are calling from.

Contact us:

If you have any questions, please get in touch with our specialist team at Computershare.

 0370 707 1045*

 www.microfocusshareplans.com ›

 www.equateplus.com ›

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About Computershare

The Micro Focus ESPP is administered by Computershare Plan Managers. Computershare is an award-winning, global provider of share plans with over 35 years' experience in the industry. You can find out more about them at www.computershare.com.

Does this booklet tell me everything I need to know about the Micro Focus ESPP?

This brochure is only a general guide to how ESPP works. The plan is governed by the Micro Focus ESPP rules and the participant agreement (a copy of which can be found online at www.equateplus.com under 'Document Library'). In the event of any conflict between this brochure, the ESPP rules, the participant agreement and any applicable legislation, the ESPP rules, the participant agreement and applicable legislation will take precedence. Specific provisions in the ESPP rules and participant agreement mean that you waive any claim to compensation in respect of ESPP when you leave employment. No financial or investment advice is provided in this brochure. If you are in any doubt as to whether or not you should participate in the ESPP you should seek advice from your own independent financial adviser. Remember, the value of shares can go down as well as up. Please also note that, as all contributions are converted to, and held in, GBP, whilst your full contribution fund will be returned to you if you withdraw from the ESPP or leave employment this may not be the same amount in local currency that was originally collected from you.

