

## **MICRO FOCUS INTERNATIONAL PLC - Employee Share Purchase Plan<sup>1</sup> ("ESPP") – Cash Settled ESPP - Participant Agreement**

**This Agreement is between you and Micro Focus International plc ("Micro Focus").**

Micro Focus's registered office is at The Lawn, 22-30 Old Bath Road, Newbury, Berkshire, RG14 1QN United Kingdom (registration number 05134647).

### **1 Terms and Conditions**

By applying to join the cash settled version of ESPP set out at schedule 2 of the ESPP rules (the "Cash Settled ESPP"), you acknowledge that you have read and understood and agree to be bound by the terms of this Agreement and the ESPP rules. A copy of the ESPP rules can be found at [www.equateplus.com](http://www.equateplus.com) under "Library, Documents". Unless otherwise defined in this Agreement, capitalised terms used here are defined in the ESPP rules. In the event of any conflict between this Agreement, the ESPP rules and/or applicable legislation, the ESPP rules and applicable legislation will take precedence. By applying to join the Cash Settled ESPP you confirm that you have also read the explanatory brochure which summarises how the Cash Settled ESPP works and which can be found [www.equateplus.com](http://www.equateplus.com) under "Library, Documents" (the "Cash Settled ESPP Brochure").

### **2 Key terms of participating in the Cash Settled ESPP:**

You understand and agree that:

#### **2.1 Acceptance of Offer, Offer Price Discount and Phantom Gain**

- In applying to join the Cash Settled ESPP, you are applying to accept the Offer set out in the Cash Settled ESPP Brochure / email inviting you to apply to join the Cash Settled ESPP (the "Invitation").
- The Offer, and your acceptance of it, is intended to become effective on the date specified in the Invitation (subject to any Dealing Restrictions which may apply to Micro Focus at such time, in which case it will become effective when those Dealing Restrictions lift). The Offer will then continue until 1 October 2024 when it will end (the "Offer Period").
- On the date the Offer becomes effective, you will be granted a "Phantom Option". Your Phantom Option is a right to receive a cash sum calculated by reference to a price per Share ("the Offer Price") equal to a 15% discount to the lower of the Micro Focus share price at:
  - the start of the Offer Period; and
  - the date on which your Phantom Option is exercised – this will normally be the end of the Offer Period, other than in certain circumstances where your Phantom Option is exercised early (see below).

"Micro Focus share price" for this purpose will mean the closing middle market quotation of a Share (as set out in London Stock Exchange's Daily Official List) on the dealing day preceding the relevant date or, if the Committee so determines, the average of the closing middle market quotations on the five dealing days preceding such date.

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<sup>1</sup> The formal title of the plan is the Micro Focus Employee Stock Purchase Plan 2006. For the avoidance of any doubt, any references in this Agreement to "the ESPP" and "the ESPP rules" are to the Micro Focus Employee Stock Purchase Plan 2006 and the rules of the Micro Focus Employee Stock Purchase Plan 2006 respectively.

- The cash sum which you may receive on the exercise of your Phantom Option shall be calculated as follows:
  - The number of “Phantom Shares” (including any fractions thereof) you could have acquired will be calculated by taking the total contributions made by you over the Contribution Period (see below) and dividing that amount by the Offer Price (provided that the number of Phantom Shares shall not exceed 10,000).
  - The total value of your Phantom Shares will be then be calculated by multiplying the number of Phantom Shares you could have acquired by the Micro Focus share price on the date of exercise.
  - The total cash amount you are entitled to receive on exercise will then comprise of:
    - the refund of your aggregate contributions made over the Contribution Period; plus
    - the payment to you of an additional cash sum representing the “gain” made on exercise of your Phantom Option – being the amount by which the total value of your Phantom Shares exceeds your aggregate contributions (your “Phantom Gain”).
  - As Micro Focus Shares are listed on the London Stock Exchange and priced in British Pounds Sterling, your Phantom Gain will be calculated based on such exchange ratio as the Committee determines to be appropriate.
- For the avoidance of any doubt, your Phantom Option will not give you any right to acquire or receive Shares or any interest in Shares – any exercise of your Phantom Option will always be settled in cash in accordance with schedule 2 of the ESPP rules and the terms of this Agreement.

## **2.2 Salary Contributions and Automatic Exercise of Phantom Options**

- Subject to the limits below, as part of the enrolment process you will be required to elect the cash amount you wish to contribute to the Cash Settled ESPP each month from your “net” salary (this means after tax and deductions). This amount will be fixed from the start of the Offer Period and (subject to the annual limit checks) cannot normally be amended – however, you can stop or restart your contributions at any time (see below).
- Subject to your participation levels in previous offerings of the ESPP, you can contribute a minimum of your local currency equivalent of £10 and up to a maximum of 10% of your “gross” base salary (this means before tax and deductions) per month across all ESPP plans that are running and in which you participate. This is limited to no more than USD 25,000 (or your local currency equivalent) per annum. Additional limits on payrolls deductions and/or minimum salary rules imposed by legislation may apply in certain countries.
- For the purpose of the 10% limit your salary information will be based as at 17 June preceding the date of the Offer.
- Contributions will be deducted monthly from your “net” salary, and by applying to join the Cash Settled ESPP, you authorise your employer to deduct the amount chosen by you in the enrolment portal from your net salary each month between September 2022 and August 2024 (inclusive) (the “Contribution Period”) for the purposes of your participation in the Cash Settled ESPP.

- At the end of the Offer Period (or earlier in certain circumstances – see below), your Phantom Option will be automatically exercised. This means that you will be entitled to receive your Phantom Gain and your aggregate contributions will be refunded to you<sup>2</sup>.
- Your Phantom Gain (subject to any deductions for taxes – see below) and your aggregate contributions will be delivered to you (normally via your local payroll) as soon as practicable following the end of the Offer Period (or earlier where your Phantom Option is exercised early – see below). Your Phantom Gain and your aggregate contributions may be paid to you separately on different dates and/or via different payment methods in certain circumstances.
- You can stop or restart your contributions at any time during the Contribution Period by notifying your local payroll department, but you cannot make up any missed contributions. Any notice to stop or restart deductions will normally take effect within 30 days of receipt of such notice, or such later date as your local payroll department may specify.
- If you leave employment with the Group you will not be able to make any further contributions and your participation in the Cash Settled ESPP will cease. Your accumulated contributions will be returned to you as soon as practicable following your cessation. What happens to your Phantom Option then will depend on the reason you are leaving:
  - If you leave employment for one of the reasons set out in rule 11.3(a) to (c) of the ESPP rules, your Phantom Option will be automatically exercised on your behalf and you will receive your Phantom Gain as soon as practicable following your cessation (note that this may be paid separately to the refund of your aggregate contributions). You do not need to take any action to exercise your Phantom Option because you will be deemed to have given notice of exercise for the purposes of rule 11.3 of the ESPP rules<sup>2</sup>.
  - If you leave employment for any reason other than those set out in rule 11.3(a) to (c) of the ESPP rules, your Phantom Option will automatically lapse and you will not be entitled to receive any Phantom Gain.
- If any of the events set out in rule 19.1 to 19.5 of the ESPP rules (which deal with takeovers and other corporate events relating to Micro Focus) occur, your employer's obligation to make deductions from your salary under this Agreement will normally end immediately and your Phantom Option shall be automatically exercised upon such event, unless the provisions of 19.6 (voluntary or compulsory exchange of Phantom Options in certain circumstances) or 19.7 (lapse of Phantom Options in certain circumstances) of the ESPP rules apply. Where your Phantom Option lapses pursuant to rule 19.7, you will be deemed to have withdrawn from the Cash Settled ESPP (see below).
- In the event that that the ESPP (including the Cash Settled ESPP) is terminated in accordance with rule 14 of the ESPP rules, your employer's obligation to make deductions from your salary under this Agreement will end immediately. The Committee may determine that your Phantom Option shall be automatically exercised in part. Your contributions shall be returned to you as soon as practicable.

### **2.3 Withdrawal from the Cash Settled ESPP**

- You can withdraw from the Cash Settled ESPP at any time via [www.equateplus.com](http://www.equateplus.com). Please note that withdrawal does not take effect immediately and in order for withdrawal to be effective prior to the end of the Offer Period, you will need to have completed the withdrawal

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<sup>2</sup> If for any reason you do not wish for this to happen, you must follow the process to withdraw from the Cash Settled ESPP so that your withdrawal is effective before your Phantom Option is exercised (i.e. normally before the end of the Offer Period or before early exercise on cessation of your employment in certain circumstances, as applicable) – see below.

process by no later than 14 days prior to the end of the Offer Period. Your contributions will be returned to you as soon as practicable following such closure.

## **2.4 Transferring Employment within the Group**

- If you transfer to a different country but remain employed by a Participating Corporation, then subject to reenrolment (if required) you will remain in the ESPP. Micro Focus will determine whether it is necessary to change the currency in which your Contributions are made and/or held and/or converted and/or the maximum and minimum monthly contribution limits and/or whether you may be required to enter into a new participant agreement with Micro Focus and the relevant administrator.

## **3 Rights are non transferable**

The Offer is personal to you as an employee of the Group and the Offer and any rights you may have under the Cash Settled ESPP shall not be assignable or transferable. Any purported assignment or transfer shall be null and void and of no effect and may, at the discretion of the Committee, be treated as a notice of withdrawal from the Cash Settled ESPP.

## **4 Independent Advice**

If you are in doubt about any aspect of the Cash Settled ESPP, you should obtain independent professional advice. You are advised to exercise caution in relation to the Cash Settled ESPP. You are not obliged to apply to join the Cash Settled ESPP and may withdraw at any time.

## **5 English Language**

By applying to join the Cash Settled ESPP, you acknowledge that the sole operative documents which govern the Cash Settled ESPP will be the English language version only. Any translations that are provided are for information only, Micro Focus will only communicate with you in English during the provision of the Cash Settled ESPP. In the event of any conflict between the English language version of a plan document and any translation, the English language version shall prevail.

## **6 Rights**

Participation in the Cash Settled ESPP is a discretionary offer and is not part of your salary; it will not be included in calculating any benefits or severance pay. Participation in the Cash Settled ESPP is governed by the ESPP rules and does not form part of your contract of employment. There is no guarantee that the Cash Settled ESPP will be operated in future years or, if it is operated, that you will be eligible for participation in it. Your participation in the Cash Settled ESPP does not obligate your employer to continue your employment during any period and in applying to participate in the Cash Settled ESPP you waive all and any rights to compensation or damages in relation to the Cash Settled ESPP, including any loss or reduction of rights or expectations under the Cash Settled ESPP. Applying or not applying to join the Cash Settled ESPP will not change your employment terms in any way. Micro Focus has the right unilaterally not to offer the Cash Settled ESPP in the future or to amend its terms in any way.

## **7 Data Protection**

For the purposes of this Offer your data will be processed in accordance with Micro Focus' data privacy policies at <https://microfocusinternational.sharepoint.com/sites/Legal/Pages/policies.aspx>.

## **8 Tax**

Your Phantom Gain will be paid net of any Tax Liability as may be required by law. For such purposes, Tax Liability only includes any tax or social security contributions liabilities arising in

connection with your Phantom Option and for which any member of the Group is obliged to account to the relevant authority. Please note that in some countries you may be personally responsible for accounting to the relevant tax authorities for any tax and/or social security that arises in connection with your Phantom Option and/or additional personal tax liabilities may arise as a result of your participation in the Cash Settled ESPP. By applying to join the Cash Settled ESPP you acknowledge and agree that you are personally responsible for accounting to the relevant tax authorities in respect of all such tax liabilities.

## **9 Personal responsibility**

By applying to join the Cash Settled ESPP you confirm that you understand that it is your responsibility to comply with all local legal and/or personal tax reporting requirements that may arise as a result of your participation in the Cash Settled ESPP. This may include, but is not limited to:

- local foreign exchange rules regarding what funds you can send in and out of your country and/or any associated reporting requirements which may apply;
- foreign asset reporting obligations requiring you to declare what assets you hold overseas; and
- tax and/or social security reporting requirements (see above).

## **10 Terms Applying to Participants in Specific Countries**

Additional terms and conditions apply in certain countries. These are set out below. By applying to join the Cash Settled ESPP you confirm that you have read and understood the terms which apply to you.

### **Country**

### **Additional Terms and Conditions**

#### **Philippines**

The intention is that any Phantom Gain will be funded by and paid to you directly from the Company, rather than being funded by the local Group entity which employs you and delivered via your local payroll.

#### **Ukraine**

The intention is that any Phantom Gain will be funded by and paid to you directly from the Company, rather than being funded by the local Group entity which employs you and delivered via your local payroll.

As your salary is denominated in US dollars, the intention is that:

- your contributions will be deducted and held by the Company in US dollars during the Offer Period; and
- at the end of the Offer Period (or earlier where your Phantom Option is exercised earlier or you withdraw from the Cash Settled ESPP), your contribution fund will be converted into local currency (based on such exchange ratio as the

Committee determines to be appropriate) and returned to you directly from the Company.

Whilst your full US dollar contribution fund will be returned to you in local currency, due to currency fluctuation, this may be less or more in local currency than was originally deducted from your net salary.

You will be required to sign a document providing your written consent for the amount you have elected to contribute to the ESPP each month to be deducted from your net salary. You will be contacted after enrolment about how to provide this.