Australia Employee Tax Guide

Employee Share Purchase Plan

Introduction

The following is a summary of the tax treatment of awards made under the Micro Focus Employee Share Purchase Plan (the "Plan"). This summary assumes that you have been resident in Australia during the lifecycle of the award (i.e. from the beginning of the Savings Period to the Sale of shares) and that you are not subject to taxes (including Social Tax) in relation to the plan in any other jurisdiction.

The tax treatment as explained herein is intended as a guide only. It is limited to a general description of the national tax laws, and is not intended to address city, regional, or other local tax laws that may be applicable to you. It may not apply to your particular tax or financial situation, and we are not in a position to assure you of any particular tax result. Therefore, we recommend that you consult with your own independent tax advisor regularly to determine the consequences of taking or not taking any action concerning your shares, and to determine how the tax or other laws in Australia apply to your specific situation.

This information was last reviewed in January, 2021

Summary Table

Award	• The ESPP allows you to purchase Micro Focus shares at a discount. • You are **not subject to taxation on equity** at this point.
Purchase	• You will **be subject to tax** at this point. • The taxable amount is the market value of the shares at the date of Purchase less the price paid for the shares. • You are **responsible for paying any taxes due.** • **Micro Focus is responsible for reporting the income.** • You are also **responsible for reporting the income.**
Sale	• The date you sell Micro Focus shares. • This event may generate additional income known as Capital Gain (CG), or a loss. • If there is a **Capital Gain** on the sale of shares, tax is due in the tax year of sale. • You are responsible for calculating the tax and reporting this capital gain.

Please note: if the shares are sold within 30 days of acquisition, tax will be due on the sale proceeds less the price paid to acquire the shares (if any) and any incidental costs associated with selling the shares (e.g., broker fees). In this case, the taxing point will be the date of sale.

Reporting / Tax Withholding

How will any benefits under the ESPP be reported?

It will be your duty to report the ESPP benefits in your individual tax return, due by October 31.

Sale

Will I pay any tax when I sell my shares?

Selling your shares may generate additional income known as Capital Gain (CG), or a loss in the tax year of sale. This will be your responsibility to report if applicable.

As the calculation of capital gains can be complex and may be subject to certain exemptions, we recommend that you consult your personal financial/tax advisor.
