



# Micro Focus Employee Share Purchase Plan

July 2022



# 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 pay period 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 anywhere from \$10 per pay period, up to a maximum of 10% of your gross base salary per pay period for 2 years.

### Purchase

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

### Your Shares

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

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\* For US and Puerto Rico employees, ADRs listed on the NYSE - For Canadian employees, Ordinary Shares listed on the London Stock Exchange



# How does ESPP work?

## 01

### Contribute

Subject to your participation in previous offers, you can contribute anywhere from \$10 per pay period, up to a maximum of 10% of your gross base salary per pay period

[More info ›](#)

## 02

### Purchase

Contributions are made over 2 years, and will be deducted from each payroll, after which they will be used to purchase Micro Focus shares.

[More info ›](#)

## 03

### Your Shares

At the end of the offer period, and subject to your available capacity under the various ESPP limits, 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 ›](#)





# You can contribute

Subject to your participation in previous offers, you can contribute anywhere from \$10 per pay period, up to a maximum of 10% of your gross base salary per pay period.

**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 is limited to 10% of your gross base salary (before taxes and deductions), up to a maximum of \$25,000 USD per year (or your local currency equivalent). However, you may not be able to save as much as this depending on how the other limits imposed by the ESPP impact you.

For US participants, US IRS legislation means you can only purchase ESPP shares worth \$25,000 every calendar year (calculated using the share price at the date of offer).

In addition, for all participants Micro Focus has imposed a further cap on the number of shares that may be purchased for this offer of 10,000\*

Any contributions you make will be taken from your net salary (after taxes and deductions).

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



# Purchase

Contributions are made over 2 years, and will be deducted from each pay period, after which they will be used to purchase Micro Focus shares.

**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.

US and Puerto Rico participants will purchase Micro Focus ADRs that are listed on the New York Stock Exchange.

Canadian participants will purchase Micro Focus shares that are listed on the London Stock Exchange and priced in GBP. Therefore contributions will be converted into GBP at the end of the offer when shares are purchased.





# Your Shares

At the maturity and subject to your available capacity under the various ESPP limits, 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 your available headroom under the IRS limits, where applicable, or if lower 10,000 shares for this offer.

**This share price will then be discounted by 15%.**

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

Monthly contribution amount: **\$100**

Total contributions over 24 months: **\$4,800**

Share price at the start of ESPP: **\$5**

This price will be set on 19 July 2022

Share price at the end of ESPP: **\$7**

Lower share price is discounted by 15%:  $(85\% \times \$5) =$  **\$4.25**

$\$4,800 / \$4.25 =$  **1,129.412 purchased**

**Total value of 1,129.412 shares at \$7 = \$7,905.88**

**Increase in value: \$3105.88**



# Key Dates

## Invitation opens

**July 4, 2022**

You will receive an email inviting you to join ESPP.

## Invitation closes

**July 18, 2022**

You must submit your application by 17.00 (EST).

## Base Price Set

**July 19, 2022**

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

## First contribution

**September 2022**

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

## Maturity

**October 1, 2024**

Micro Focus shares will be purchased with your contributions. 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 opposite.

## Using the same figures as before:

Contribution each payroll amount: **\$100** Total contributions over 48 pay periods: **\$4,800**

Share price at the start of offer period: **\$5** - This price will be set on 19 July 2022

Share price at the end of offer period: **\$7**

### Number of Shares:

The lower share price either at the start of the offer period is used to calculate the value of the discount you receive: **\$5**

Lower share price discounted by 15%:  $(85\% \times \$5) = \$4.25$

Total contributions divided by the discount  $(\$4,800/\$4.25) = 1,129.412 \text{ shares}^*$

Total value of shares :  $1,129.412 \text{ shares at } \$7 = \$7,905.88$

Increase in Value: **\$3105.88**

### 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:

Value of 1,129.412 shares\* at the \$7 example price at the end of the plan: \$7,905.88

Benefit received: \$3105.88

\*Total contribution divided by the discount price, or 10,000 shares if lower

Subject to your participation in previous ESPP offers, the maximum IRS headroom available to purchase additional ESPP shares in 2024:  $\$75,000 \text{ USD} - (1,129.412 \times \$5) = \$69,352.94$

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 is limited to 10% of your gross base salary (before taxes and deductions), however, you may not be able to save that much depending on the other limits imposed by the ESPP.

For US participants, US IRS legislation means you can only purchase under the ESPP \$25,000 USD of shares every calendar year, as valued at the share price at the date of offer. In addition, for all participants Micro Focus imposes a further cap on the number of shares that may be purchased to 10,000.

Your contributions will be made 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 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, please access your Portal account and complete the withdrawal process. Contributions will be returned to you as quickly as possible.

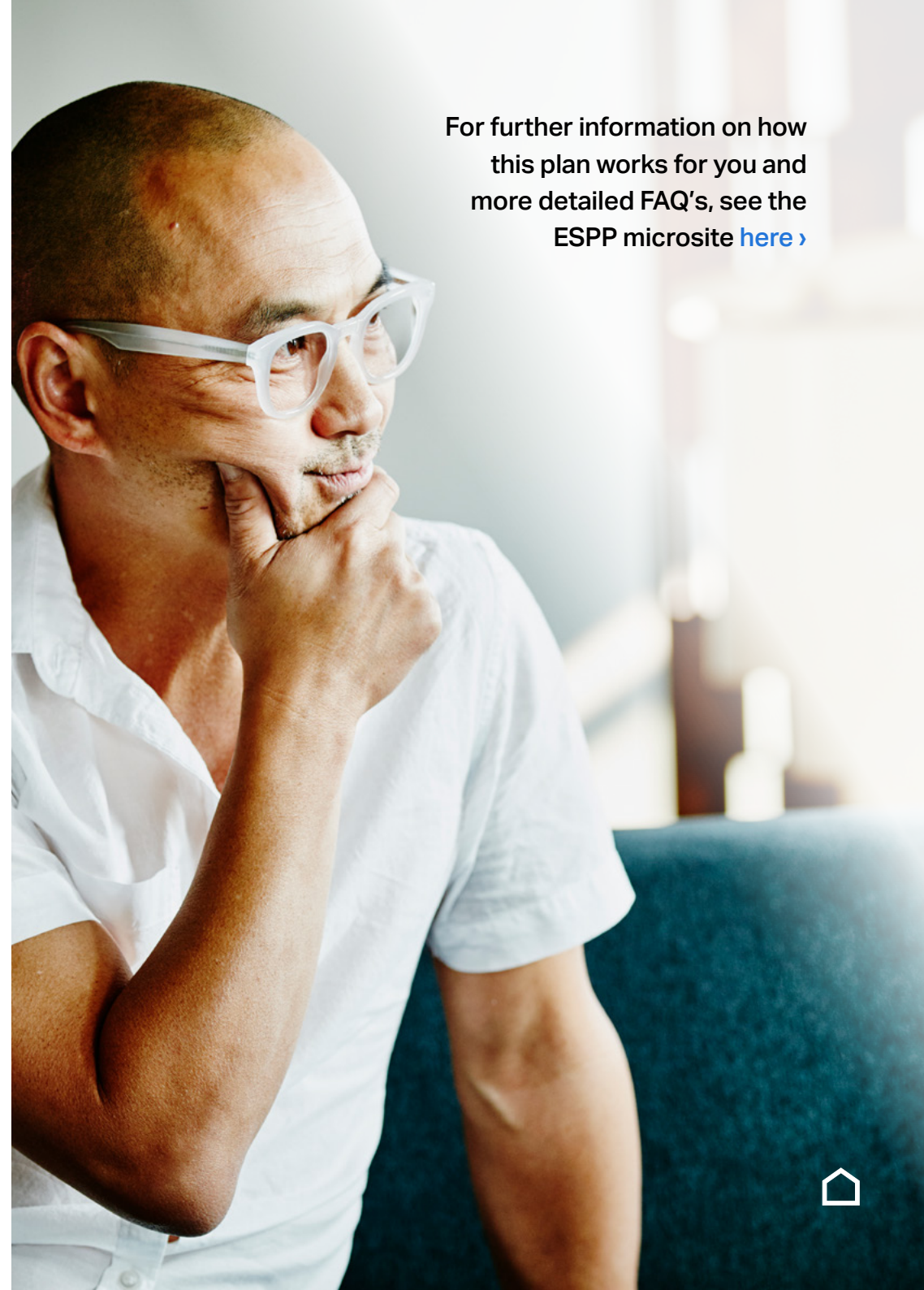
### **I leave before the end of the 2 years because of redundancy, injury, disability, retirement with company consent or my employment is transferred to another company?**

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.

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.computershare.com/microfocus/us](http://www.computershare.com/microfocus/us) ›
2. Choose **"Activate Account"** and follow the online prompts to enter your **Employee ID** and **PIN**
3. Then click on the link to enroll and follow the **enrollment steps**

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To make an informed decision about the ESPP, 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 located on [www.computershare.com/microfocus/us](http://www.computershare.com/microfocus/us) under Plan Documentation. If you have questions, contact a Plan Representative toll-free at 866-654-2954 or 781-575-2465, Monday – Friday from 3:00 am to 9:00 pm ET, excluding holidays

This brochure provides you with the key features of the Micro Focus Employee Stock Purchase Plan (ESPP). It does not include the complete ESPP details as these are contained in the official ESPP documents, which legally govern the administration of the ESPP. Every effort has been made to ensure the accuracy of the information contained here. In the event of a conflict or difference between what is written here and what is contained in the ESPP documents, the ESPP documents will prevail. Neither the ESPP documents nor this brochure constitutes an offer or contract of continued employment with the Company or any of its subsidiaries.

## Contact us:

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

 866-654-2954 or 781-575-2465

 [www.microfocusshareplans.com](http://www.microfocusshareplans.com) ›

 [www.computershare.com/microfocus/us](http://www.computershare.com/microfocus/us) ›

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Please call Computershare toll-free at 866-654-2954 or 781-575-2465 (outside the US and for Canada) with your enquiries. Lines open Monday – Friday from 3:00 am to 9:00 pm ET, excluding holidays.



# 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](http://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.computershare.com/microfocus/us](http://www.computershare.com/microfocus/us) under 'Plan Documentation'). 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.

