

**This Letter is important and explains the impact of the Acquisition on your US ESPP Options. Please read this Letter carefully as it requires your immediate attention.**

If you are in any doubt as to the contents of this Letter or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

3 October 2022



Dear Participant

**Micro Focus Employee Stock Purchase Plan 2006 (“ESPP”) and the recommended cash offer for Micro Focus International plc by Open Text Corporation through its wholly-owned subsidiary, Open Text UK Holding Limited**

The boards of Micro Focus International plc (“**Micro Focus**”) and Open Text Corporation (“**OpenText**”) announced on 25 August 2022 that they had reached agreement on the terms of the recommended cash acquisition by OpenText, through its wholly-owned subsidiary, Open Text UK Holding Limited (“**Bidco**”) of the entire issued and to be issued ordinary share capital of Micro Focus (the “**Acquisition**”).

**This letter does not require you to take any action.**

### **Why are we writing to you?**

We are writing to explain how the Acquisition will affect your US ESPP Options.

**Please read everything in this letter and everything sent with it carefully (the “Letter”). The contents are important.**

This Letter only applies to US ESPP Options. If you hold other options or awards you will receive separate letters about the effect of the Acquisition on your other options or awards. Please also read those letters carefully.

In this Letter:

- Part A describes the effect of the Acquisition on your US ESPP Options; and
- Part B explains the key words and phrases used in this Letter.

## Part A

### 1. The Acquisition

The Acquisition will take place through what is called a “scheme of arrangement” (the “**Scheme**”). This is a procedure which must be approved by Micro Focus Shareholders and the Court on a date referred to in this Letter as “**Court Sanction**”. The Acquisition is currently due to complete a few days after Court Sanction (referred to as “**Completion**”). Full details about the Scheme are set out in the Scheme Document dated 20 September 2022. You can find a copy of the Scheme Document on the Micro Focus website at <https://www.microfocus.com/en-us/investors> and the OpenText website at <https://investors.opentext.com>. This Letter should be read with the Scheme Document.

### 2. What are the terms of the Acquisition?

Micro Focus Shareholders will be entitled to receive £5.32 in cash for each Micro Focus Share they own.

### 3. When is Completion likely to take place?

Completion is currently expected to take place in the first quarter of 2023.

You will be updated when the timing is confirmed. The expected timeline of key events is available in the Scheme Document.

### 4. How does the Acquisition affect my US ESPP Options?

Normally, you would continue saving until the end of the term of your two-year ESPP offer period, at which time your US ESPP Options would be automatically exercised to use your savings to buy Micro Focus Shares at the Option Price. However, if Court Sanction takes place your US ESPP Options for which the two-year offer period has not ended will be automatically exercised to the extent of your savings at the date of Court Sanction.

### 5. What do I need to do?

You do not need to do anything to exercise your US ESPP Options or for your Micro Focus Shares acquired on the exercise to be acquired by Bidco. This will happen automatically.

### 6. When will I receive the money?

The cash you receive for the Micro Focus Shares you acquire on the automatic exercise of your US ESPP Options on Court Sanction will be paid to you by Micro Focus as soon as reasonably practicable after Completion once it has received the funds from Bidco (it is expected that funds will be received within 14 days of Completion).

### 7. How does the Acquisition affect my US ESPP Options that mature before Court Sanction?

If you hold US ESPP Options which mature and are exercised before Court Sanction, and if you still hold the Micro Focus Shares acquired on exercise at that time, then those Micro Focus Shares

will fall within the Scheme, in the same way as Micro Focus Shares held by all other shareholders, as set out in the Scheme Document.

## **8. What if the Acquisition does not complete?**

If Court Sanction does not happen for any reason, your US ESPP Options will continue as normal under the ESPP rules.

## **9. What happens if I leave employment with the Micro Focus Group?**

### **(A) Leaving the Micro Focus Group before Court Sanction**

The leaver provisions under rule 11 of the ESPP will apply in the normal way if you leave the Micro Focus Group before your US ESPP Options are exercised. This means that:

- If you qualify as a “good leaver” under the rules of the ESPP (for example, if you leave because of injury, disability, redundancy or reaching normal retirement age in accordance with the terms of your employment contract), and you have previously informed Micro Focus that you would like your US ESPP Options to be exercised following your leaving, your US ESPP Options will be exercised by Micro Focus on your behalf within three months of your leaving (or such longer period as the Micro Focus Remuneration Committee may determine), unless the Micro Focus Remuneration Committee decides that it will be automatically exercised at the end of the normal 24-month offer period.
- If you do not qualify as a “good leaver” under the rules of the ESPP (for example, if you resign), your unexercised US ESPP Options will lapse on the date your employment ends and your savings will be returned to you.

### **(B) Leaving the Micro Focus Group after Court Sanction**

Because your US ESPP Options will have been automatically exercised on Court Sanction, they will not exist after this point and so leaving after Court Sanction will have no effect. Your leaving will not affect when you receive your cash payments.

## **10. What are the tax implications?**

For US tax purposes, the general tax consequences of selling shares acquired through US ESPP Options (including Micro Focus Shares acquired upon the automatic exercise of US ESPP Options on Court Sanction) depends on whether you satisfy certain holding period requirements.

The holding period requirements are generally satisfied only if you do not dispose of the Micro Focus Shares until the later of: (i) two years after the applicable US ESPP Option was granted to you; and (ii) one year after the applicable US ESPP Option was exercised. If you dispose of any Micro Focus Shares after satisfying the holding period requirements, the disposition is considered a “Qualifying Disposition”; if you dispose of any Micro Focus Shares prior to satisfying the holding period requirements, the disposition is considered a “Disqualifying Disposition”. The automatic sale of Micro Focus Shares in the Acquisition will constitute a disposition for these purposes.

If the sale of any of your Micro Focus Shares in the Acquisition is a Qualifying Disposition, you will generally recognize compensation income in the year of Completion based on the excess of the value of the Micro Focus Shares at the time the applicable US ESPP Option was granted over the exercise price paid by you. If, however, the price paid for the Micro Focus Shares in the Acquisition is less than the applicable exercise price, you will recognize no compensation income. The amount of compensation income recognized by you (if any) will increase your tax basis in the Micro Focus Shares. The remainder of any gain (or loss) on the sale of the Micro Focus Shares in the Acquisition will be taxable as capital gain (or loss).

If the sale of any of your Micro Focus Shares in the Acquisition is a Disqualifying Disposition, you will generally recognize compensation income in the year of Completion based on the excess of the value of the Micro Focus Shares at the time the US ESPP Option was actually exercised over the exercise price paid by you. The amount of compensation income recognized by you will increase your tax basis in the Micro Focus Shares. The remainder of any gain (or loss) on the sale of the Micro Focus Shares in the Acquisition will be taxable as capital gain (or loss).

In the case of the Micro Focus Shares you acquire on the automatic exercise of your US ESPP Options on Court Sanction, the sale in the Acquisition will be treated as a Disqualifying Disposition because the Micro Focus Shares will not have been held for at least a year after exercise.

Please note that neither Micro Focus, Bidco nor Computershare can provide you with personal tax advice. **If you are in any doubt as to the effect the Acquisition will have on your personal tax position, you are strongly recommended to seek your own independent financial and/or tax advice.**

#### **11. What if I participate in other Micro Focus share plans?**

If you participate in other Micro Focus share plans you will receive a separate letter about your other awards. Please read those letters carefully as the treatment of any options or awards under those plans will be different from the treatment of your US ESPP Options.

#### **12. What if I have questions?**

If you have any questions relating to your US ESPP Options, please contact Computershare via [www.computershare.com/microfocus/us](http://www.computershare.com/microfocus/us) or by calling 866-654-2954 (if you are calling from the US) or 866-654-2954 (if you are calling from outside the US).

Please note that no legal, tax or financial advice on the merits of the Acquisition or its effect on your US ESPP Options can be provided. If you are in any doubt about the contents of this Letter you should seek your own independent financial and/or tax advice about the effect of the Acquisition on your US ESPP Options.

None of Micro Focus, OpenText, Bidco nor Computershare can give you investment advice. If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent legal or financial adviser, who (where relevant) is authorised and appropriately regulated under the Financial Services and Markets Act 2000, or an appropriately authorised financial adviser if you are in a territory outside the UK.

### 13. Important notes

Nothing in this Letter constitutes financial advice to any holder of shares, share awards or share options in Micro Focus, OpenText or Bidco.

If you have received this Letter electronically, you can ask for a hard copy of this Letter, free of charge, by contacting Computershare on 866-654-2954 (if you are calling from the US) or 866-654-2954 (if you are calling from outside the US) or writing to: Computershare, Plans Corporate Actions, The Pavilions, Bridgwater Road, Bristol, BS13 8AE stating your name and the address to which the hard copy should be sent. You can also ask that any other documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

If there are any differences between the information in this Letter and the rules of the ESPP or any relevant legislation, the rules and the legislation will prevail.

Yours faithfully



For and on behalf of  
Micro Focus International plc

Yours faithfully



For and on behalf of  
Open Text UK Holding Limited

**Part B**  
**Glossary**  
**Words and phrases used in this Letter and what they mean**

**“Acquisition”** means the proposed acquisition of the entire issued, and to be issued, share capital of Micro Focus by OpenText (other than Micro Focus Shares already held by or on behalf of OpenText, if any) to be implemented by way of the Scheme, or should OpenText so elect (with the consent of the Panel and subject to the terms of the Cooperation Agreement), by way of a Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;

**“Bidco”** means Open Text UK Holding Limited, a company incorporated in England and Wales with registered number 14311122;

**“Bidco Directors”** means the directors of Bidco as at the date of this Letter;

**“Bidco Group”** means Bidco and its subsidiary undertakings from time to time;

**“Completion”** means the date on which the Scheme takes effect;

**“Court”** means the High Court of Justice in England and Wales;

**“Court Sanction”** means the date on which the Court sanctions the Scheme under section 899 of the Companies Act 2006;

**“ESPP”** means the Micro Focus Employee Stock Purchase Plan 2006, as amended;

**“Micro Focus”** means Micro Focus International plc, a company incorporated in England and Wales with registered number 05134637 and with its registered office address at The Law, Old Bath Road, Newbury, Berkshire, RG14 1QN;

**“Micro Focus Directors”** means the directors of Micro Focus as at the date of this Letter;

**“Micro Focus Group”** means Micro Focus and its subsidiary undertakings from time to time;

**“Micro Focus Shareholders”** means registered holders of Micro Focus Shares from time to time;

**“Micro Focus Shares”** means ordinary shares of £0.10 each in the capital of Micro Focus;

**“OpenText”** means Open Text Corporation, a corporation incorporated pursuant to the federal laws of Canada, with corporation number 1083064-4;

**“OpenText Directors”** means the directors of OpenText as at the date of this Letter;

**“OpenText Group”** means OpenText and its subsidiary undertakings from time to time;

**“Remuneration Committee”** means the Remuneration Committee of Micro Focus;

**“Scheme”** means the proposed scheme of arrangement under Part 26 of the Companies Act between Micro Focus and holders of Scheme Shares, as set out in Part IV (*The Scheme of Arrangement*) of the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Micro Focus and OpenText;

**“Scheme Document”** means the document setting out the terms of the Scheme dated 20 September 2022 sent to Micro Focus Shareholders;

**“Takeover Code”** means the City Code on Takeovers and Mergers, as amended from time to time; and

**“US ESPP Options”** means options over Micro Focus Shares granted under the ESPP to employees and former employees of Micro Focus and its subsidiaries and who are resident in the US for tax purposes (or otherwise subject to US tax).

## Important Notes

The release, publication or distribution of this Letter in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction.

This Letter does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer to subscribe for or buy, any securities by any person in any jurisdiction: (a) in which such offer or invitation is not authorised; (b) in which the person making such offer or invitation is not qualified to do so; or (c) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation or where the making of such offer, solicitation or invitation would impose any unfulfilled registration, qualification, publication or approval requirements on Micro Focus, Bidco or any of their respective directors, officers, agents, affiliates and advisers. No action has been taken nor will be taken in any jurisdiction by any such person that would permit a public offering of any securities in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Letter other than in any jurisdiction where action for that purpose is required. Neither Micro Focus nor Bidco nor their respective directors, officers, agents, affiliates or advisers accept any responsibility for any violation of any of these restrictions by any other person.

The Micro Focus Directors, whose names are set out in paragraph 2.1 of Part VIII of the Scheme Document, accept responsibility for the information contained in this Letter (including expressions of opinion), other than information for which responsibility is taken by the Bidco Directors and the OpenText Directors as set out below. To the best of the knowledge and belief of the Micro Focus Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bidco Directors, whose names are set out in paragraph 2.2 of Part VIII of the Scheme Document, accept responsibility for the information contained in this Letter (including any expressions of opinion) relating to Bidco, the Bidco Directors and their respective immediate families and the related trusts of and persons connected with the Bidco Directors, and persons acting in concert with Bidco (as such term is defined in the Takeover Code). To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The OpenText Directors, whose names are set out in paragraph 2.3 of Part VIII of the Scheme Document, accept responsibility for the information contained in this Letter (including any expressions of opinion) relating to OpenText, the OpenText Group, the OpenText Directors and their respective close relatives, related trusts of and persons connected with the OpenText Directors, and persons acting in concert with OpenText (as such term is defined in the Takeover Code). To the best of the knowledge and belief of the OpenText Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.