

**MICRO FOCUS INTERNATIONAL PLC**  
**WORLDWIDE CODE OF BUSINESS CONDUCT AND ETHICS**

**Dear Colleagues**

Micro Focus International plc ("Micro Focus" or "Company") is committed to maintaining the highest standards of conduct. The Board requires a culture of integrity and takes a zero tolerance approach towards dishonesty, bribery and corruption in all parts of Micro Focus' business operations and in every part of the Micro Focus Group. To this end, Micro Focus has developed, and the Board has approved, the Worldwide Code of Business Conduct and Ethics ("Code") and accompanying appendices which are appended to this letter.

The Code sets out the business practices and principles of behaviour that are required of you as a Micro Focus Staff Member or Intermediary.

Micro Focus requires every Staff Member, Intermediary, Business Partner, subsidiary or other party acting on behalf of the Micro Focus Group, wherever they may be located, to abide by the Code.

The founding "principles" of the Code are as follows:

1. **Integrity**; we strive to act with integrity in everything Micro Focus does;
2. **Anti-bribery and corruption**; we prohibit bribery and corruption in Micro Focus' business dealings;
3. **Limiting risk**; we endeavour actively to assess the risks posed to the business and to prescribe clear methods to limit those risks;
4. **Policies and Procedures**; we aim to set out clear and comprehensive standards of behaviour that are expected from all of Micro Focus' Staff Members and Intermediaries;
5. **Support**; we are here to provide support and a safe and secure means of raising any concerns to Micro Focus' Staff Members and Intermediaries; and
6. **Monitoring**; we will regularly monitor compliance with the standards of behaviour set out in the Code.

**Policies and Procedures**

The Code addresses the standards of behaviour that are required in order to achieve Micro Focus' commitment to ethical business conduct. The Code adopts a risk based approach in order to manage bribery and target the key risks to the business. The more detailed policies and procedures that support and underpin this commitment are set out in the accompanying appendices and form part of the Code, all of which are publicly available and accessible on Micro Focus' website and intranet. The Code is to be supplemented by the following policies and procedures:

- (a) *Letter from the Chairman and revised Model Code 1 July 2005(2)* on insider dealing;
- (b) *Micro Focus Disclosure Procedures Policy*
- (c) *Micro Focus IT Security Policy* ;
- (d) *Micro Focus Employee Handbook* and such other Micro Focus policies and procedures from time to time in force; and

In addition, your *Contract of Employment/Agreement for services and/or Proprietary information and Inventions Agreement* will set out obligations which supplement the Code.

## Government Guidance

The Code takes into account the UK Government's guidance on procedures relevant to commercial organisations in order to prevent bribery ("**Guidance**"). The Guidance sets out six principles for bribery prevention, as follows:

1. **Proportionate procedures** – which means implementing and applying the policies and procedures that reflect the bribery risks that Micro Focus faces to everyone involved with Micro Focus and making them clear and effective.
2. **Top level commitment** – which means that the Board is committed to establishing a culture across Micro Focus in which bribery is unacceptable;
3. **Risk assessment** – which means seeking to know and keep up to date with the bribery risks in Micro Focus' sector and market, as well as considering the risks that face those with whom Micro Focus conducts business and how these may be managed;
4. **Due diligence** – which means knowing who we are doing business with and being in a position to feel confident that business relationships are transparent, ethical and do not involve the payment of bribes in connection with Micro Focus' business;
5. **Communication (including training)** – which means Micro Focus' commitment to embedding an anti-bribery culture within the Group and communicating it to all those associated with Micro Focus, including with reference to recruitment and remuneration policies as well as training on practical business issues; and
6. **Monitoring and review** – which means making sure that the policies and procedures are operated and effective.

The Guidance reflects good practice, however, the Code will be reviewed and updated, as required.

## Points of Contact

If you would like to ask questions about the Code, voice concerns or clarify any areas of uncertainty, please contact your manager, the Group Compliance Officer ("**GCO**") or appropriate other person as identified in [Exhibit A](#) to the Code.

## Violations of the Code

You should be alert to possible violations of the Code by others. You should report suspected violations, without fear of any form of retaliation. Violations of the Code will not be tolerated. Any Micro Focus Staff Member who violates the standards set out in the Code will be subject to disciplinary action, which may range from a warning to termination of employment. Any Intermediary or Business Partner found to be culpable for illegal activity may be reported to the relevant authorities. Illegal activity may lead to criminal charges or civil proceedings being brought against them.

Bribery committed by Micro Focus' Business Partners and other Intermediaries may also lead to the suspension of business dealings with that party and/or to those parties being removed from Micro Focus' list of approved suppliers. The GCO is responsible for maintaining and updating Micro Focus' list of Business Partners and Intermediaries and documenting the removal of parties from those lists in light of any issues of the kind outlined in this Code.

Where there is no stated guideline in the Code, it is the responsibility of each Staff Member and Intermediary to apply common sense, together with high ethical standards, in making business decisions. If you are in doubt, you should consult your Manager or the GCO. Cases in which any illegality is suspected must be reported to the GCO.

## **Training**

Every Staff Member will take part in Micro Focus' ethical business training programme. The training course will include a review of the specific risks faced by Micro Focus together with a review of Micro Focus' anti-bribery and corruption policies and procedures. Enhanced training will be provided to Staff Members in high risk areas. Micro Focus encourages its Business Partners to participate in its training program, which is available on Micro Focus' website and extranet.

All Intermediaries that are identified as in "high risk" areas will be required to take part in Micro Focus' ethical business training programme as determined by the Compliance Committee.

## **Ongoing monitoring and implementation**

The Board will be briefed regularly by the GCO upon the effectiveness of the Code, and issues of business ethics, and will consider the extent to which the Code needs to be updated. The Code will be reviewed, as necessary every year by the GCO and the Board to ensure that it is fit for purpose.

Thank you for playing your part in ensuring that Micro Focus maintains the highest ethical standards in its business dealings.

Yours sincerely



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**Kevin Loosemore**

Executive Chairman, Micro Focus International plc

**30 June 2011**

## MICRO FOCUS INTERNATIONAL PLC

### WORLDWIDE CODE OF BUSINESS CONDUCT AND ETHICS

#### Introduction

The Board of Directors of Micro Focus International plc is committed to maintaining the highest standards of business conduct and ethics throughout the Micro Focus group of companies ("Micro Focus"). This Worldwide Code of Business Conduct and Ethics ("Code") reflects the business practices and principles of behaviour that support that commitment.

Micro Focus expects every Staff Member, Intermediary, subsidiary, Business Partner or other party acting on behalf of and all those associated with Micro Focus, wherever they may be located, to read and understand the Code and its application to the performance of his or her business responsibilities and to comply with the Code.

The Code cannot possibly describe every practice or principle related to ethical conduct. The Code addresses certain behaviours that are particularly important to proper dealings with the people and entities with whom Micro Focus interact but reflects only a part of Micro Focus' commitment. The following policies of Micro Focus supplement or amplify the Code in certain areas and should be read in conjunction with the Code: namely the *Letter from the Chairman and revised Model Code 1 July 2005(2)* on insider dealing, the *Micro Focus IT Security Policy*, the *Micro Focus Employee Handbook* and such other Micro Focus policies and procedures from time to time in force (the latest versions of which are attached to this Code and available on the Micro Focus intranet and/or from Human Resources and Legal). In addition a *Contract of Employment, Agreement for Services and/or Proprietary Information and Inventions Agreement* will set out obligations which supplement the Code. It is the responsibility of each Staff Member and Intermediary to apply common sense, together with high personal ethical standards, in making business decisions where there is no stated guideline in the Code.

If you would like to ask questions about the Code, voice concerns or clarify uncertain areas, please contact your manager, the Group Compliance Officer ("GCO") or the other persons identified in Section 1.9 below. In addition, you should be alert to possible violations of the Code by others and report suspected violations, without fear of any form of retaliation (as further described in Section 1.10). Violations of the Code will not be tolerated. Any Staff Member who violates the standards in the Code may be subject to disciplinary action, which may range from a warning to termination of employment and in the case of Intermediaries, may range from a warning to termination of their engagement with Micro Focus and, in appropriate cases, to civil legal action or referral for criminal prosecution against the Staff Member or Intermediary. No such disciplinary action against the Staff Member, nor the Code, shall alter the "at will" employment policy of Micro Focus in certain countries as described in the *Micro Focus Employee Handbook*.

In this Code and accompanying Appendices:

- (a) References to "Staff Members" includes officers, directors, management and those with a contract of employment with Micro Focus. It does not include agents, intermediaries, sales representatives, distributors and other parties providing service for or on behalf of Micro Focus;
- (b) References to "Business Partners" include all contractual parties with whom Micro Focus carries on business; and
- (c) References to "Intermediaries" include agents, sales representatives, distributors, systems integrators, subsidiaries, contractors, ISVs, alliance and joint venture partners, and any party that is engaged in performing services for or on behalf of Micro Focus in business. It does not include Staff Members nor does it apply to suppliers providing goods or services only to Micro Focus. A party who is not performing services for or on behalf of Micro Focus will not constitute an Intermediary.

## 1. Compliance Standards, Management and Procedures

### *The Board of Directors.*

- 1.1 The Board of Directors ("**Board**") is responsible for the design and implementation of this Code as part of its role in establishing a culture whereby bribery and corruption are unacceptable. The Board has ultimate responsibility for the review and approval of Micro Focus' policies and procedures. The Board is also responsible for the following:
- 1.1.1 appointing a senior officer accountable for oversight of the Code, namely the GCO; and
  - 1.1.2 ensuring that throughout the business, Staff Members including management, understand the Code and that the rules and principles within it are followed.

### *Group Compliance Officer*

- 1.2 The GCO oversees Micro Focus' legal compliance and ethics program. The GCO is identified in Exhibit A. In addition to fielding questions or concerns with respect to potential violations of this Code, the GCO is responsible for:
- 1.2.1 distributing copies of the Code annually via email to each Staff Member with a reminder that each Staff Member is responsible for reading, understanding and complying with it. Each Staff Member will be required to agree to comply with the Code. The Code will be communicated to Intermediaries, who are expected to comply with it;
  - 1.2.2 managing Micro Focus' ethical and reputational risks, working closely with the Board and Micro Focus' Compliance Committee and Micro Focus' Audit Committee in order to achieve this aim;
  - 1.2.3 supervising the Compliance Committee's role in relation to anti-bribery and corruption risk;
  - 1.2.4 being the escalation point of contact for Staff Members, Intermediaries or others who are concerned about breaches of this Code by Micro Focus Staff, Members, Intermediaries, customers, suppliers or others;
  - 1.2.5 reporting to the Board and Audit Committee; and
  - 1.2.6 otherwise promoting an atmosphere of responsible and ethical conduct.
- 1.3 Not every issue is suitable for the GCO to deal with and the Code identifies circumstances in which the initial decision-maker should be a manager or another function within the business.

### *Compliance Committee*

- 1.4 The Compliance Committee has overall responsibility for (i) the business ethics risk assessment process, including its implementation, review and monitoring (ii) agreeing the terms of the Code and the policies associated with it and recommending these to the Board for approval (iii) implementation of the Code, training and monitoring compliance with the Code and (iv) providing assistance to the GCO in the exercise of his or her functions. As part of this role, the Compliance Committee is responsible for updating the Code as needed and alerting Staff Members and Intermediaries of any updates, with appropriate approval of the Audit Committee and the Board, in order to reflect changes in the law, Micro Focus' operations, good practice, and to reflect Micro Focus' experience.

### ***Management Commitment and Support***

- 1.5 The Board will fully support the GCO and the Compliance Committee in the exercise of their functions. In turn, the Board requires that all Staff Members and Intermediaries fully support the GCO and Compliance Committee, provide the GCO with feedback and comment and (where appropriate) reports upon the effectiveness of Micro Focus' policies and procedures, to ensure that the highest standards are maintained.
- 1.6 At least once a year, Micro Focus' internal audit function, external auditors and the GCO and Compliance Committee will hold a joint meeting in order to decide upon the preparation of the annual internal audit program to assess the nature and extent of the risks of bribery to which Micro Focus is exposed, with reference to the nature, scale and location of Micro Focus' activities. Further detail is set out in Micro Focus' Risk Assessment Policy, at [Appendix 6](#) of this Code.

### ***What a Staff Member should do on encountering a Non-Compliance Situation***

- 1.7 If a Staff Member encounters a situation that seems to breach the Code or is considering a course of action and is not sure that it is the correct action to take, the Staff Member should discuss the matter promptly with his or her line manager or Country or Regional Manager, or in the case of an Intermediary, with their Micro Focus contact or with the GCO. If a Staff Member or Intermediary is aware of suspected or actual violations of Code standards by others, they have a responsibility to report it.
- 1.8 Micro Focus has adopted a Whistleblowing Policy in order to encourage Staff Members and Intermediaries to report any malpractice or illegal acts or omissions by other Staff Members and Intermediaries. The Whistleblowing Policy can be found on the Micro Focus intranet and at [Appendix 8](#) of this Code.
- 1.9 A Staff Member's most immediate resource is his or her immediate line manager, with an Intermediary's most immediate resource being his or her Micro Focus contact, followed by the GCO as appropriate. The line manager or Micro Focus contact may have the information the Staff Member or Intermediary needs, or may be able to refer the question to another appropriate source. There may, however, be times when a Staff Member or Intermediary prefers not to go to his or her line manager or to their Micro Focus contact. In these instances, the Staff Member should feel free to discuss a concern with the Group HR Director, the GCO, the Executive Chairman, the Chair of the Micro Focus Audit Committee, ascending in that order, and in the case of an Intermediary, the GCO, if the Staff Member or Intermediary feels the levels below may not be able to deal effectively with the issue. Contact details are listed in [Exhibit A](#).
- 1.10 Whether a Staff Member chooses to speak with his or her manager or to any of the above, or an Intermediary chooses to speak with their Micro Focus contact or, where necessary, to the GCO they should do so without fear of any form of retaliation. Micro Focus will take disciplinary action against any Staff Member or Intermediary who attempts to retaliate against anyone speaking up in good faith about a breach of the Code, up to and including termination of employment of the Staff Member or termination of the engagement of the Intermediary.

## **2. Legal Compliance - You must obey the law.**

- 2.1 Obeying the law, both in letter and in spirit, is the foundation of this Code. Violations of domestic or foreign laws, rules and regulations may subject an individual, as well as Micro Focus, to civil and/or criminal penalties.
- 2.2 The laws of the countries in which Micro Focus operates must be adhered to by Micro Focus and its Staff Members and Intermediaries. If a Staff Member or Intermediary is in a country and is not aware of the law relating to the business that party is transacting for Micro Focus, it is that party's responsibility to obtain appropriate legal advice.
- 2.3 All Staff Members and Intermediaries, at every level within the business and all those associated with Micro Focus, wherever they are located, are expected to behave ethically and with personal integrity. All Staff

Members and Intermediaries are to perform their duties in the best interests of Micro Focus and in accordance with the rules of this Code.

- 2.4 All Staff Members should be aware that conduct and records, including emails, are subject to internal and external audits (as further detailed in the Micro Focus IT Security Policy which is available on the Intranet and in the Micro Focus Employee Handbook). Intermediaries should be aware that all transactions and holdings related to Micro Focus must be available for audit at any time.
- 2.5 If a Staff Member has a question in the area of legal compliance, it is important that he or she does not hesitate to seek answers from his or her manager or the GCO and Intermediaries should direct questions to their Micro Focus contact or to the GCO.

### **3. Anti-bribery Policy**

#### ***Bribery is Prohibited***

- 3.1 Bribery is prohibited, whether direct or indirect, and whether carried out by Staff Members, Intermediaries, Business Partners or other third parties associated with Micro Focus.
- 3.2 A bribe amounts to an advantage (financial or otherwise), which is sought, received, offered, promised or given as an inducement or reward for the improper performance of an official or business activity, or in circumstances where it is illegal or improper to seek, receive, offer, promise or give the advantage. An example of bribery is a situation whereby, in order to approve a contract, a prominent official is offered a personal benefit or advantage. The advantage offered need not be money – it could come in other forms such as free travel, hospitality, gifts, offers of employment etc. Any benefit is capable of being a bribe.
- 3.3. It may be that the local culture and economy may make something which is "OK" in Country A "not OK" in Country B, however Micro Focus prohibits bribery in any form and in any country.
- 3.4 If a Staff Member or Intermediary suspects a situation may involve bribery then that suspicion should be acted upon. Micro Focus will obtain appropriate legal advice as necessary. Micro Focus does not wish or expect a Staff Member or Intermediary to make a legal judgment as to whether the situation does or does not involve bribery - if in doubt Staff Members or Intermediaries should speak out.
- 3.5 Further details of Micro Focus' Anti-Bribery Policy are contained in Appendices 1-4.

#### ***Gifts and Hospitality***

- 3.6 Business entertainment and gifts can create goodwill and sound working relationships. They should not be used to gain an improper business advantage or constitute bribery. As a general rule:
  - 3.6.1 all gifts and hospitality above \$250 in value, whether given, received or declined, must be registered by completing the Gifts and Hospitality Registration Form on the Micro Focus Intranet;
  - 3.6.2 in the case of Staff Members, the prior written approval of your line manager ("Line Manager") is required for the giving and receipt of all gifts and hospitality above \$250 in value;
  - 3.6.3 in relation to Staff Members, the prior written approval from any two of the Executive Chairman, Chief Financial Officer, President of Sales, GCO or Group HR Director is required for any the following:
    - (a) the giving or receipt of gifts and hospitality where the value exceeds \$1,000 (or its equivalent) per recipient per year;

- (b) the giving or receiving of all gifts and hospitality in connection with government officials and public sector bodies – in general, these should be rigorously avoided;
  - (c) paying for or receiving payment for travel or overnight accommodation for or from third parties; and
  - (d) any gift or hospitality offered to a spouse, relative or partner of the recipient.
- 3.6.4 no entertainment at which the host is not present should be offered;
- 3.6.5 no gifts or hospitality should be offered to or received by any relative of the recipient (i.e. their spouse save for exceptional circumstances such as dining out at the home of the recipient or the spouses of all the attendees have been invited to the event as "couples");
- 3.6.6 there should be a genuine business basis for all gifts and hospitality;
- 3.6.7 the appropriateness of any gift or hospitality should be judged by reference to what a reasonable person in the UK would think of the gift/hospitality provided; and
- 3.6.8 Intermediaries acting for or on behalf of Micro Focus should not make or accept any gifts or hospitality on behalf of Micro Focus.
- 3.7 Micro Focus prohibits gifts that are:
  - 3.7.1 excessive in value. Any gift is likely to be excessive if it would cause embarrassment if details of the gift were published in the media;
  - 3.7.2 made in cash;
  - 3.7.3 susceptible of being construed as a bribe or kickback;
  - 3.7.4 in violation of any laws;
  - 3.7.5 made without there being any genuine business context; and
  - 3.7.6 made contrary to normal industry, or Micro Focus, practice.
- 3.8 This principle applies to Micro Focus' transactions everywhere in the world, even where the practice is said to be "a way of doing business."
- 3.9 Under many laws with international reach, such as the U.S. Foreign Corrupt Practices Act and the UK Bribery Act, giving anything of value to a government official or an officer of another business so as to obtain or retain business or favourable treatment is likely to be a criminal act subject to prosecution.
- 3.10 Staff Members are encouraged to donate any gifts that they receive to the Micro Focus Charity Committee.
- 3.11 Further detail is set out in Micro Focus' Gifts and Hospitality Policy, at [Appendix 1](#).

***Charitable and Political Donations***

- 3.12 No donations, sponsorship or support to charities or political parties, causes or campaigns may be made on behalf of Micro Focus unless in accordance with Micro Focus' Policy on Charitable and Political Donations. Micro Focus' policy on Charitable and Political Donation is attached as [Appendix 2](#). For the avoidance of doubt, Intermediaries acting for or on behalf of Micro Focus should not make any political or charitable donations or sponsorships, whether indirectly or directly, on behalf of Micro Focus.



### ***Facilitation payments are Prohibited***

- 3.13 Facilitation Payments are prohibited by Micro Focus, notwithstanding that in some non-UK jurisdictions, they have not been criminalised. A "Facilitation Payment" is a small payment which is made in order to acquire or accelerate performance of a non-discretionary task, usually performed by a state official, to which the business is properly entitled. Further details of Micro Focus' Facilitation Payments and Blackmail/Extortion Policy is at [Appendix 3](#).

### ***Due Diligence and the Appointment of Distributors and other Intermediaries***

- 3.14 Micro Focus needs a full understanding of who we are carrying out business with and who is representing us. As such, an Intermediary including, without limitation, a distributor, intermediary, agent or other independent party providing services for or on behalf of Micro Focus can only be appointed pursuant to the Intermediaries Policy, attached to the Code as [Appendix 4](#).
- 3.15 As it may not be possible and/or commercially viable for Micro Focus to retrospectively vet all the parties referred to at paragraph 3.14 above that it has already appointed, Micro Focus has undertaken an assessment of the areas that are considered to be High Risk in order to review appointments that have been made, with reference to the principles set out in the Intermediaries Policy, including the anti-bribery clauses. The High Risk areas are set out in [Exhibit B](#).

## **4. Anti-Fraud Policy**

- 4.1 Micro Focus is committed to preventing, detecting, investigating, monitoring and reporting all forms of fraudulent activity by any Staff Member or Intermediary and those working for or connected with Micro Focus.
- 4.2 Micro Focus has developed an Anti-Fraud Policy, which sets out the controls and measures that Micro Focus has put in place in order to prevent and deter fraudulent activity, the investigatory measures to be undertaken where there are instances of fraud, and the sanctions that may be applied in these circumstances. The Anti-Fraud Policy sets out the business practices and principles that are expected of all Staff Members and Intermediaries and all those working for/connected with Micro Focus. Micro Focus' Anti-Fraud Policy is set out at [Appendix 5](#).

## **5. Risk Assessment**

- 5.1 Micro Focus has carried out a risk assessment in order to assess the areas where the business is at greatest risk of bribery and corruption. In carrying out the risk assessment, Micro Focus has referred to sources such as Transparency International's Corruption Perceptions Index, which highlights and ranks countries by their perceived levels of corruption and therefore by the likely level of risk.
- 5.2 Micro Focus' risk assessment has been applied in preparing this Code in order to ensure that it is able to meet and deal with those risks. In particular, Micro Focus' risk assessment has focused upon the countries and sectors of its business operations identified in [Exhibit B](#) as High Risk.
- 5.3 Micro Focus will continue to carry out a risk assessment each year in accordance with [Appendix 6](#).

## **6. No Insider Trading**

- 6.1 Staff Members who have access to confidential (or "inside") information are not permitted to use or share that information for stock trading purposes or, except to conduct Micro Focus' business, for any other purpose.

- 6.2 All non-public information about Micro Focus or about companies with which Micro Focus does business is considered confidential information. To use such non-public information in connection with buying or selling securities, including “tipping” others who might make an investment decision on the basis of this information, is both unethical and illegal. In addition, to the extent a Staff Member is trading in Micro Focus shares (stock) including the exercise of options, Micro Focus has adopted a separate insider trading policy, as set out in the *Letter from the Chairman and the revised Model Code 1 July 2005 (2) and any subsequent revision thereof (“Chairman’s Letter and Model Code”)*, to which a Staff Member is bound as a condition of a Staff Member’s employment.
- 6.3 A Staff Member should consult the Chairman’s Letter and Model Code for more specific information. All Staff Members are considered to be an “Employee Insider” for the purposes of the Model Code and must obtain prior clearance from Micro Focus for any trade in Micro Focus’ shares or exercise of options. In addition, no share trading or exercise of options is permitted during any Micro Focus designated Close Period.
- 6.4 The Chairman’s Letter and Model Code are available on the Intranet and in the Employee Handbook.

## 7. International Business Laws

- 7.1 Staff Members and Intermediaries providing services for or on behalf of Micro Focus are required to comply with the applicable laws in all countries to which they travel and where Micro Focus does business, including laws prohibiting bribery, corruption or the conduct of business with individuals, companies or countries. The fact that in some countries certain laws are not enforced or that violation of those laws is not subject to public criticism will not be accepted as an excuse for non-compliance.
- 7.2 This Code obviously cannot set out or even refer to all the applicable laws. It is the responsibility of Staff Members and Intermediaries to make sure that they are law-abiding in what they do.
- 7.3 Staff Members and Intermediaries should be aware that certain UK laws may apply to Micro Focus regardless of where in the world the business is conducted, including for example the Bribery Act 2010 (**the “Act”**), and Staff Members and Intermediaries will also comply with those laws in the conduct of business. Among other things the Act makes bribing a foreign public official an offence, and makes a company liable for bribes paid to gain or keep business by persons, acting on behalf of Micro Focus.
- 7.4 In addition, Staff Members and Intermediaries should be aware of, comply with and report any violation by Micro Focus, a customer, supplier or partner of those laws, rules and regulations which govern the export and re-export of Micro Focus’ products from the UK, European Union and US in particular.
- 7.5 Staff Members and Intermediaries should also be aware that certain U.S. laws, rules and regulations govern the conduct of business outside the U.S., including:
- 7.5.1 The Foreign Corrupt Practices Act, which prohibits directly or indirectly giving anything of value to a government official to obtain or retain business or favourable treatment, and requires the maintenance of accurate books of account, with all company transactions being properly recorded;
  - 7.5.2 U.S. Embargoes, which restrict or, in some cases, prohibit companies, their subsidiaries and their employees from doing business with certain other countries identified on a list that changes periodically (including, for example, Angola (partial), Burma (partial), Cuba, Iran, Iraq, North Korea, Sudan and Syria) or specific companies or individuals;
  - 7.5.3 Export Controls, which restrict travel to designated countries or prohibit or restrict the export of goods, services and technology to designated countries, denied persons or denied entities from the U.S., or the re-export of U.S. origin goods from the country of original destination to such designated countries, denied companies or denied entities; and

- 7.5.4 Anti-boycott Compliance, which prohibits U.S. companies and their foreign affiliates from taking any action that has the effect of furthering or supporting a restrictive trade practice or boycott that is fostered or imposed by a foreign country against a country friendly to the U.S. or against any U.S. person.
- 7.6 If a Staff Member or an Intermediary has a question as to whether an activity is restricted or prohibited, he or she should seek assistance before taking any action.

**8. Conflicts of Interest**

- 8.1 A conflict of interest may occur when an individual's personal interest interferes with the performance of his or her duties in the best interests of Micro Focus. A conflicting personal interest could result from an expectation of personal gain now or in the future.
- 8.2 If Staff Members and Intermediaries have any questions about a potential conflict of interest or become aware of an actual or potential conflict of interest they should discuss the matter with, in the case of Staff Members, their manager or the GCO, and in relation to Intermediaries, with their Micro Focus contact or the GCO. Managers may not authorise conflict of interest matters relating to Staff Members without first seeking the approval of the GCO. The GCO is responsible for authorising any conflict of interest matters relating to Intermediaries. Officers and directors of Micro Focus International plc may seek authorisation in respect of Staff Member conflicts of interest from the Audit Committee. Factors that may be considered in evaluating a potential conflict of interest are, among others:
- 8.4.1 any potential adverse or beneficial impact on Micro Focus' business;
  - 8.4.2 any potential adverse or beneficial impact on Micro Focus' relationships with Micro Focus' customers or suppliers or other service providers;
  - 8.4.3 whether it would enhance or support a competitor's position;
  - 8.4.4 the extent to which it would result in financial or other benefit to the Staff Member or Intermediary;
  - 8.4.5 the extent to which it would appear improper to an outside observer.
- 8.5 Loans to, or guarantees of obligations of, a Staff Member or Intermediary or their family members by Micro Focus could constitute an improper personal benefit to the recipients of these loans or guarantees, depending on the facts and circumstances. Some loans are expressly prohibited by law. Micro Focus requires that its Board of Directors approve any loans to Staff Members or Intermediaries or guarantees given in favour of Staff Members or Intermediary loans from third parties.

**9. Approvals Required for Signing of Contracts; No Side Letters. *Applicable to Staff Members.***

- 9.1 No person is entitled to make commitments on behalf of Micro Focus unless he or she is:
- 9.1.1 a director of the relevant Micro Focus company which is making the commitment;
  - 9.1.2 a legal officer or other signatory designated by the board of the relevant Micro Focus company which is making the commitment;
  - 9.1.3 a person mandated by the board as a bank signatory of the relevant Micro Focus company which is making the commitment;
- 9.2 A person making the commitment (as permitted under Section 9.1) will require the prior authority of the board of the relevant Micro Focus company or be within an approved written delegation of authority and

will obtain prior internal approvals from finance, legal, commercial and other relevant groups in accordance with the Micro Focus Chart of Approvals.

9.3 All contracts, amendments, declarations and commitments (whether for selling, purchasing or administration) must be reviewed and approved by finance and legal before signature by Micro Focus. No side letter or other correspondence making representations or commitments on behalf of Micro Focus are permitted and each Staff Member has a duty to disclose any such side letters or other correspondence of which he or she becomes aware.

9.4 At the end of each Quarter, all sales managers, senior managers and finance personnel are individually required to confirm that they have complied with Micro Focus' Code and its Chart of Approvals by signing the Representation Letter substantially in the form set out in Appendix 9.

**10. Maintenance of Corporate Books and Records; Financial Integrity and Reporting.** *Applicable to Staff Members.*

10.1 All transactions and holdings relating to Micro Focus must be recorded in proper detail, and according to the accounting standards applicable from time to time. Such records must be available for audit at any time. No such records may be held elsewhere than at Micro Focus premises and/or on Micro Focus systems, and all such records should be accessible to authorised staff members at all times.

10.2 No funds or property belonging to Micro Focus may be hidden or disguised from audit or other scrutiny for any reason whatsoever.

10.3 No supporting documentation such as invoices or receipts may be forged or post-dated.

10.4 The integrity of Micro Focus' records and public disclosure depends on the validity, accuracy and completeness of the information supporting the entries to the books of account. The making of false or misleading entries, whether they relate to financial results or test results, is strictly prohibited. It is important that the books, records and accounts accurately and fairly reflect, in reasonable detail, the assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities. Micro Focus requires that:

10.4.1 no entry has been or will be made in Micro Focus' books and records that intentionally hides or disguises the nature of any transaction or of any of Micro Focus' liabilities, or misclassifies any transactions as to accounts or accounting periods;

10.4.2 all transactions are and will be supported by appropriate documentation. Predating an agreement, or requesting any person, including a customer, to predate the date of execution of an agreement is prohibited;

10.4.3 terms of sales transactions be reflected accurately in the documentation for such transactions;

10.4.4 Staff Members comply with Micro Focus' system of internal controls at all times;

10.4.5 no cash or other assets have been or will be maintained for any purpose in any unrecorded or "off-the-books" fund; and

10.4.6 no Staff Member, other than a member of the finance department, may exert pressure on a member of the finance department to book or recognise revenue to achieve revenue targets; provided that, the supplying of information at the request of the finance department, the Audit Committee or the independent auditors shall not be deemed a violation of this Code; and provided further that a Staff Member requesting an understanding from a member of the finance department of the revenue recognition implications of potential or actual transactions with a customer shall not be deemed a violation of this Code.

10.5 Micro Focus' accounting records are also relied upon to produce reports for Micro Focus' management, stockholders and creditors, as well as for governmental agencies. Micro Focus relies upon Micro Focus' accounting and other business and corporate records in preparing the periodic and current reports that Micro Focus files with the appropriate regulatory authorities. It is imperative that these reports provide full, fair, accurate, timely and understandable disclosure and that they fairly present Micro Focus' financial condition and results of operations. Staff Members who collect, provide or analyse information for or otherwise contribute in any way in preparing or verifying these reports should strive to ensure that Micro Focus' financial disclosure is accurate and transparent. In addition:

10.5.1 no Staff Member may take or authorise any action that would cause Micro Focus' financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the appropriate regulatory authorities or other applicable laws, rules and regulations;

10.5.2 all Staff Members must cooperate fully with Micro Focus' Accounting Department, as well as Micro Focus' independent public accountants and counsel, respond to their questions with candour and provide them with complete and accurate information to help ensure that Micro Focus' books and records, as well as Micro Focus' reports filed with the appropriate regulatory authorities, are accurate and complete; and

10.5.3 no Staff Member should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of Micro Focus' reports filed with the appropriate regulatory authorities or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of Micro Focus' reports accurate in all material respects.

10.6 In terms of Anti-Bribery compliance in particular, Staff Members should be vigilant to identify any payment or transaction which may be:

- (i) a bribe;
- (ii) a "facilitation payment";
- (iii) a payment related to other criminality such as money-laundering, blackmail or extortion;
- (iv) an unauthorised sales commission.

10.7 Any Staff Member who becomes aware of any departure from these standards has a responsibility to report his or her knowledge promptly to a manager, the GCO or one of the other persons described in [Section 1.9](#).

## **11. Antitrust and Competition**

11.1 Antitrust and competition laws are designed to protect the competitive process and generally prohibit:

11.1.1 agreements, formal or informal, with competitors that harm competition or customers, including price fixing and allocations of customers, territories or contracts;

11.1.2 agreements, formal or informal, that establish or fix the price at which a customer may resell a product;

11.1.3 the sharing of certain kinds of information, such as pricing, production and inventory, which should never be exchanged with competitors, regardless of how innocent or casual the exchange may be and regardless of the setting, whether business or social; and

- 11.1.4 abuses of a dominant position, which might need to be applicable if there are any markets in which Micro Focus has substantial market power (as evidenced, for example, by a market share of 40% or more).
- 11.2 Micro Focus and its Staff Members and Intermediaries must adhere to the applicable antitrust and competition laws of the countries and jurisdictions in which it operates.
- 11.3 The Board and senior management take overall responsibility and are ultimately accountable for ensuring that Micro Focus instils and enforces a general culture of competition compliance within the business. However, all Staff Members and Intermediaries are required to play their part in this competition compliance culture by complying with the relevant competition laws (including [Section 11.1](#)) and with the competition compliance policies put in place by Micro Focus from time to time.
- 11.4 Activities which risk breaching competition law will be subject to disciplinary sanctions and may expose Micro Focus and its Staff Members and Intermediaries to civil and/or criminal liability. Understanding the requirements of antitrust and unfair competition laws of the various jurisdictions where Micro Focus does business can be quite difficult and Staff Members and Intermediaries are urged to seek assistance from their manager or the GCO whenever they have a question relating to these laws.
- 12. Protection and Proper Use of Company and Third Party Assets. *Applicable to Staff Members.***
- 12.1 All Staff Members are expected to protect Micro Focus' assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on Micro Focus' profitability. Micro Focus' property, such as office supplies, computer equipment, buildings and products, are expected to be used for legitimate business purposes, although incidental personal use may be permitted as further detailed in the *Micro Focus Security Policy and Procedure*. Piracy of third party intellectual rights is prohibited such as, but not limited to, the illegal downloading to Micro Focus computers of software, music, video/film or other copyrighted works by third parties.
- 13. Confidentiality and Non Disclosure Agreements. *Applicable to Staff Members.***
- 13.1 One of Micro Focus' most important assets is its confidential information. Staff Members who have received or have access to confidential information must take every precaution to keep this information confidential. Confidential information includes business, marketing and service plans, financial information, product architecture, source and object codes, engineering ideas, designs, databases, customer lists, pricing strategies, personnel data, personally identifiable information pertaining to Micro Focus' Staff Members, customers or other individuals (including, for example, names, addresses, telephone numbers and social security numbers), and similar types of information provided to us by Micro Focus' customers, vendors and partners. This information may be protected by patent, trademark, copyright, data protection and trade secret laws.
- 13.2 Except when disclosure is authorised or legally mandated by the owner of the information, Staff Members must not share Micro Focus' or Micro Focus' suppliers', partners' or customers' confidential information with any other party or with others within Micro Focus who have no legitimate business purpose for receiving that information. Doing so will constitute a violation of a Staff Member's contract of employment or other agreement that a Staff Member signed upon joining us. Unauthorised use or distribution of this information could also be illegal and result in civil liability and/or criminal penalties. Unauthorised posting or discussion of any information concerning Micro Focus' business, information or prospects, or that of Micro Focus' suppliers, partners or customers, on the Internet is prohibited. A Staff Member may not discuss Micro Focus' business, information or prospects in any "chat room", "message boards", "social network" or the like regardless of whether he or she uses his or her own name or a pseudonym.
- 13.3 A Staff Member must not enter into any non-disclosure agreement with a supplier, partner, customer or other third party in relation to Micro Focus business, either in the Employee's personal capacity or for and on behalf of Micro Focus nor accept any confidential information from a supplier, partner, customer or

other third party, without first obtaining the approval of the Staff Member's Head of Department. The Staff Member's Head of Department will be responsible for ensuring that the correct approvals have been obtained within Micro Focus, including without limitation, from the Legal Department and that the appropriate procedures are in place for managing the security and confidentiality of any confidential information to be received by Micro Focus. A Staff Member must comply with all such procedures.

**14. Media/Public Discussions. *Applicable to Staff Members.***

- 14.1 As a company listed on the London Stock Exchange, Micro Focus is required (subject to certain exceptions) to disclose all "inside information" that it becomes aware of. It is Micro Focus' policy, and Micro Focus is required, to disclose to the public such information through specific limited channels to avoid inappropriate publicity and to ensure that all those with an interest in Micro Focus will have equal access to information.
- 14.2 The disclosure of information is governed by the Micro Focus Disclosure Procedures Policy which is available on the Intranet and in the Employee Handbook.
- 14.3 All calls or correspondence received by a Staff Member which relates to or requires the disclosure of inside information shall be replied to with a "No Comment" and immediately referred to the Head of Corporate Communications, Executive Chairman, Chief Financial Officer or the GCO.
- 14.4 All other general enquiries or calls from financial analysts, investors or the financial media shall be referred to the Head of Corporate Communications. All general enquiries or calls from the media relating to commercial marketing shall also be referred to the Head of Corporate Communications. Any response to such general enquiries will be provided only by the Head of Corporate Communications and not by any other Staff Member.

**15. Equal Opportunities. *Applicable to Staff Members.***

- 15.1 Micro Focus aims to be an equal opportunity employer and has a policy for this purpose. Micro Focus' Equal Opportunities Policy and Procedure is set out in [Appendix 10](#). Micro Focus aims to provide a working and learning environment that will enable all Staff Members to fulfill their personal potential and in which the dignity of all individuals is respected.
- 15.2 The Company is committed to a policy of treating all of its staff and job applicants equally. No staff member or potential staff member will receive less favourable treatment or consideration on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

**16. No Harassment or Bullying. *Applicable to Staff Members.***

- 16.1 Micro Focus wishes to provide an environment that is free of harassment. Harassment can have a serious detrimental effect on working, studying and social conditions for staff and visitors to the Company. Micro Focus' Policy and Procedure on Anti-Harassment and Anti-Bullying is set out in [Appendix 11](#). This policy applies to all Staff Member's of Micro Focus, on and off the premises, including those working away from base. Any incident of harassment will be regarded extremely seriously and can be grounds for disciplinary action including dismissal.

## **17. Anti-Slavery and Human Trafficking Policy**

- 17.1 Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. The Company's Anti-Slavery Policy is set out in [Appendix 12](#).
- 17.2 Micro Focus has a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. The prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. All Staff Members, Intermediaries and Suppliers are required to avoid any activity that might constitute, lead to, or suggest a breach of this policy.

## **18. Reporting concerns and Whistleblowing**

- 18.1 Staff Members and Intermediaries and other persons associated with Micro Focus can report any concerns or issues regarding compliance with the Code to any of the following:
- 18.1.1 their Line Manager;
  - 18.1.2 a Human Resources ("HR") representative;
  - 18.1.3 Micro Focus' Legal Counsel; or
  - 18.1.4 the GCO and/or the Compliance Committee.
- 18.2 Any questions and concerns regarding the Code and/or the policies of Micro Focus can be raised with the GCO.
- 18.3 In addition, Micro Focus has established a Whistleblowing policy. This enables contact to be made on an anonymous basis. Allegations made in bad faith are contrary to this policy and may themselves be illegal. Micro Focus' Whistleblowing policy is set out in [Appendix 8](#) and is also on Micro Focus' intranet.

## **19. Training**

- 19.1 Every Staff Member is required to participate in the mandatory ethics training program within one month of joining Micro Focus, with regular refresher courses taking place when necessary. Training will also be targeted to the risks associated with the specific post.
- 19.2 Enhanced ethics training is to be provided to Staff Members who deal in areas of enhanced risk, such as procurement, finance, contracting and senior management, and to be made available to all Staff Members and Intermediaries who are identified as falling within a "high risk" area. The relevant Staff Members and Intermediaries are identified in [Exhibit B](#). This training will be arranged by the GCO and Group HR Director.
- 19.3 Micro Focus' policy on Training is set out in [Appendix 7](#).

## **20. Staff Appraisal and Remuneration.**

- 20.1 In carrying out the appraisal of a Staff Member, Micro Focus will have regard to whether, and to what extent, the Staff Member in question has complied with the Code. A Staff Member's performance may be downgraded if he or she has failed to comply with the Code or failed to take part in relevant training within a reasonable time. No Staff Member will lose any remuneration, including performance-related bonuses, or other benefits, for refusing to take action which would amount to a breach of the Code.



## **21. Application, Monitoring and Review**

- 21.1 The Code and the relevant policies and procedures apply to every area of Micro Focus' business, without exception. The Code is publicly available and can be accessed on Micro Focus' website and intranet and in the Employee Handbook.
- 21.2 The Company will aim to provide the Code and connected policies and procedures translated into relevant languages.
- 21.3 Where there are differences between the standards of conduct set out in this Code and the standards of conduct existing in local customs, laws or regulations, this Code should be applied unless the local requirement sets a higher standard.
- 21.4 The implementation of and compliance with this Code will be monitored on a regular basis by the Compliance Committee. The Code will be reviewed every year as part of a routine program of review of Micro Focus' policies and procedures. In particular, Micro Focus will review the areas of greatest ethical risk to the business. Further details of Micro Focus' monitoring program are set out at Appendix 12.

## **22. Issue Management**

- 22.1 Micro Focus is committed to lawful and honest conduct of its business and cooperation with legal and regulatory authorities.
- 22.2 If there is reason to believe that any illegality has occurred involving, in particular the payment or receipt of bribes or other corrupt or unethical activity, the GCO should be informed immediately. The GCO should immediately consult the Executive Chairman and/or the Compliance Committee. All relevant records must be preserved.
- 22.3 In circumstances where there is a suspicion of bribery, corruption, fraud or other serious illegality connected to Micro Focus and/or its staff and/or third parties such as Business Partners and other Intermediaries appointed by Micro Focus, Micro Focus will:
  - 22.3.1 appoint a senior person or persons to consider the matter. This should not include any director or a Staff Member with management responsibility for the business area affected;
  - 22.3.2 if necessary, appoint an independent law firm to carry out an investigation of the evidence and advise it of the legal consequences; and
  - 22.3.3 take legal advice as to whether it should make any reports to regulatory or prosecuting authorities such as the FSA or Serious Fraud Office, Serious Organised Crime Agency (for proceeds of crime issues) or local authorities in the territory in question.

**EXHIBIT A**  
**MICRO FOCUS CONTACT DETAILS**

Executive Chairman	Kevin Loosemore <a href="mailto:Kevin.Loosemore@microfocus.com">Kevin.Loosemore@microfocus.com</a>
Senior Independent Non-Executive Director	Karen Slatford <a href="mailto:karen.slatford@microfocus.com">karen.slatford@microfocus.com</a>
Chief Financial Officer	Mike Phillips <a href="mailto:Mike.Phillips@microfocus.com">Mike.Phillips@microfocus.com</a> Dir: +44 (0)1635 565459
Group Compliance Officer Group Secretary and General Counsel	Jane Smithard <a href="mailto:Jane.Smithard@microfocus.com">Jane.Smithard@microfocus.com</a> Dir: +44 (0)1635 565492 Mob: +44 (0)7836 367463 Fax: +44 (0)870 134 8091
Group HR Director	Karen Geary <a href="mailto:Karen.Geary@microfocus.com">Karen.Geary@microfocus.com</a> Dir: +44 1635 565320 Mob: + 44 (7971) 528303
Head of Corporate Communications	Tim Brill <a href="mailto:Tim.Brill@microfocus.com">Tim.Brill@microfocus.com</a> Dir: +44 1635 565364 Mob: +44(0)7765400819 Fax: +44 1635 565 272

**EXHIBIT B**  
**ENHANCED RISK AND HIGH RISK AREAS**

**1. Enhanced Risk Areas:**

- 1.1 The Staff Member roles that Micro Focus has identified as being in areas of enhanced risk are as follows and any other areas determined by the Company from time to time:

**CORPORATE FINANCE, LEGAL AND HUMAN RESOURCES, GOVERNMENT ACCOUNT SALES REPS, COUNTRY OR REGIONAL MANAGERS AND STAFF MEMBERS IN HIGH RISK AREAS, SENIOR MANAGERS, THE EXECUTIVE TEAM, THE BOARD.**

**2. High Risk Areas:**

- 2.1 Based upon objective risk assessment criteria the following are determined by the Company as potentially High Risk environments on the date of adoption of this Code. These may be supplemented or amended by the Company from time to time:

Countries:           **Those countries set out in Appendix 4, Exhibit 4A.**

Sectors:               **Those intermediaries dealing with Government Contracts in the High Risk countries.**

**MICRO FOCUS INTERNATIONAL PLC**  
**CODE OF BUSINESS CONDUCT AND ETHICS**  
**DETAILED POLICIES**

<b><u>Appendix 1</u></b>	<b>Gifts and Hospitality Policy</b>
<b><u>Appendix 2</u></b>	<b>Charitable and Political Donations Policy</b>
<b><u>Appendix 3</u></b>	<b>Facilitation Payments and Blackmail/Extortion Policy</b>
<b><u>Appendix 4</u></b>	<b>Intermediaries Policy</b>
	<b><u>Exhibit 4A</u></b> <b>High Risk Countries</b>
	<b><u>Exhibit 4B</u></b> <b>Standard Contract Clauses on Anti-Corruption</b>
<b><u>Appendix 5</u></b>	<b>Anti Fraud Policy</b>
	<b><u>Exhibit 5A</u></b> <b>Fraud Examples</b>
<b><u>Appendix 6</u></b>	<b>Risk Assessment Policy</b>
<b><u>Appendix 7</u></b>	<b>Training</b>
<b><u>Appendix 8</u></b>	<b>Whistleblowing Policy</b>
<b><u>Appendix 9</u></b>	<b>Representation Letter</b>
<b><u>Appendix 10</u></b>	<b>Equal Opportunities Policy and Procedure</b>
<b><u>Appendix 11</u></b>	<b>Policy and Procedure on Anti-Harassment and Anti-Bullying</b>
<b><u>Appendix 12</u></b>	<b>Anti-Slavery and Human Trafficking Policy</b>
<b><u>Appendix 13</u></b>	<b>Monitoring and Review</b>

**Referenced Policies in Intranet**

- 1. Letter from the Chairman and Model Code**
- 2. Disclosures Procedure Policy**
- 3. Security Policy and Procedure**
- 4. Micro Focus Employee Handbook**

## APPENDIX 1

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### GIFTS AND HOSPITALITY POLICY

##### General Rule

1. **All gifts and hospitality above \$250 in value, whether given or received, must be registered, approved and be for an acceptable purpose, as set out below. In addition all gifts and hospitality above \$250 in value which are declined must also be registered as set out below.**
2. In this policy
  - (a) the term "gift" shall include all tangible items received or given by Micro Focus Staff Members, including without limitation wines, spirits and other alcoholic beverages, confectionery, jewellery etc; and
  - (b) the term "hospitality" shall include all types of entertainment received or given by Micro Focus Staff Members such as meals, drinks, attendance at sporting and cultural events, receptions etc.

##### Registration

3. All gifts and hospitality above \$250 in value, whether given, received or declined by Micro Focus Staff Members in the course of Micro Focus' business must be registered by completing the Gifts and Hospitality Registration Form on the Micro Focus Intranet.
4. The Registration Form will record the date of the gift or hospitality, the name of the giver and recipient, the nature of the gift or hospitality, its approximate cash value, the business reason for giving or accepting the gift or hospitality and the name of the manager approving the gift or hospitality in accordance with this policy.
5. A copy of the Register of Gifts and Hospitality will be reviewed bi-annually by the Group Compliance Officer, including as part of the annual audit process, and may be reviewed by the Audit Committee at any time and for any reason.
6. Each year, the aggregate spend on gifts or hospitality as part of the annual audit broken down by Country will be reported to the Audit Committee and the Board.
7. Intermediaries acting for or on behalf of Micro Focus should not accept any gifts or hospitality on behalf of Micro Focus.

##### Approvals required

8. In relation to Staff Members the prior written approval of your line manager ("Line Manager") is required for the giving and receipt of all gifts/hospitality above \$250 in value.
9. In relation to Staff Members the prior written approval from any two of the Executive Chairman, Chief Financial Officer, President of Sales, Group Compliance Officer or Group HR Director is required for any the following:
  - (a) the giving or receipt of gifts and hospitality where the value exceeds \$1,000 (or its equivalent) per recipient per year;
  - (b) the giving or receiving of all gifts and hospitality in connection with government officials and public sector bodies – in general, these should be rigorously avoided;
  - (c) paying for or receiving payment for travel or overnight accommodation for or from third parties; and
  - (d) any gift offered to a spouse, relative or partner of the recipient.

## **Acceptable Purpose**

10. The provision or receipt of gifts or hospitality must always be for an acceptable purpose. It may be acceptable if the intended purpose is to improve the image or services of Micro Focus or to establish or cement commercial relationships (subject always to the provisos below that would make such gifts and hospitality unacceptable).
11. In every case, an assessment should be made as to whether:
  - (a) the gift or hospitality is being received/provided in a business context and in accordance with Micro Focus' normal business practice;
  - (b) the gift or hospitality is unrelated to any business operations/relationship between the parties (and if so, give consideration as to why it is being provided);
  - (c) whether the gift or hospitality is commensurate with industry norms;
  - (d) any reputational risks may arise as a result of the gift or hospitality being given or received;
  - (e) the timing of the gift or hospitality causes any issues (e.g. does it coincide with a key decision being taken, like the outcome of a pitch?); and
  - (f) how the gift or hospitality would be considered by a "reasonable person" in the UK.

## **Totality of the circumstances to be considered**

12. The level of expenditure must not be the only determining factor in assessing whether the gift or hospitality is acceptable. Even where the gift or hospitality appears to reflect industry norms, all of the circumstances (and the totality of the evidence) must be considered in assessing whether the gift or hospitality is acceptable, including its timing (i.e. whether a tender or other key date is imminent), whether it reflects industry norms, the level of influence of the recipient in awarding business and how lavish the gift is).

## **Acceptable Gifts and Hospitality**

13. Gifts and hospitality that are usually acceptable include:
  - (a) occasional meals or drinks with someone with whom we do business;
  - (b) occasional attendance at ordinary sports, theatre and other cultural events;
  - (c) gifts or hospitality of less than \$250 in value or of nominal promotional value, such as pens, calendars, or small promotional items; and
  - (d) gifts commemorating particular projects or achievements, with little or no commercial value.

## **Unacceptable Gifts and Hospitality**

14. Unacceptable gifts or hospitality will include the following:
  - (a) any gift or hospitality that would be susceptible to being construed as a bribe or kickback, or intended to influence the recipient to carry out a job or official duty in an improper way;
  - (b) gifts or hospitality to or from parties engaged in a tender or competitive bidding process in which Micro Focus is involved;
  - (c) any circumstance where there appears to be a strong and/or sufficient connection between the gift or hospitality and the intention to influence the recipient to carry out a job or official duty in an improper way;

- (d) any gift made in cash or cash equivalent (such as gift certificates, loans, securities, share-options etc);
- (e) any gift or hospitality which is offered in exchange for something in return;
- (f) any invitation to an event (for an example, a sporting event) in circumstances where the host is not present;
- (g) any gift or hospitality which you or someone else pays for personally to avoid having to report or seek approval;
- (h) any gift or hospitality which would be seen by third parties as excessive in value or extravagant, and would cause embarrassment if the details became public;
- (i) any gift or hospitality that does not reflect standard industry practice and is outside the scope of Micro Focus' normal business practice; and
- (j) any gift or hospitality offered to or received by a relative of the recipient (e.g. their spouse save for exceptional circumstances such as dining out at the home of the recipient or the spouses of all the attendees have been invited to the event as "couples").

#### **Intermediaries**

- 15. Intermediaries acting for or on behalf of Micro Focus must not make or accept any gifts or hospitality on behalf of Micro Focus.

#### **Reporting**

- 16. In any circumstances where a Line Manager has concerns in relation to the provision or receipt of gifts or hospitality, these concerns should immediately be reported to the Group Compliance Officer.

## APPENDIX 2

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### CHARITABLE AND POLITICAL DONATIONS POLICY

##### Political Donations

1. **All contributions to political parties, campaigning organisations, individual politicians or political candidates ("Political Contributions"), whether directly or indirectly, are prohibited unless approved by means of a Board Resolution.**
2. Any Political Contributions which are to be approved will be registered and/or publicised in accordance with the law of the country to which the political donation relates.
3. All Political Contributions will be individually declared in the annual report of Micro Focus.
4. In every case where a Political Contribution is made, an assessment should be made of any reputational and ethical risks that may arise. In particular, requests for political contributions should be examined with care in case they are an attempted disguise for bribery. Specific steps to be taken include the following:
  - A. check that that the recipient is registered under the laws of the local country;
  - B. check that the proposed recipient is not connected to any other business or to any politician or person who may have influence over any transaction in which Micro Focus is interested; and
  - C. the Group Compliance Officer must be informed of all Political Contributions in advance.

##### Charitable Donations

5. In every case where a charitable donation is made, an assessment should be made of any reputational and ethical risks that may arise. In particular, requests for charitable contributions should be examined with care in case they are an attempted disguise for bribery. Specific steps to be taken include the following:
  - A. check that that the charity is registered under the laws of the local country;
  - B. carry out due diligence to ensure that the proposed charity is not connected to any other business or to any politician or person who may have influence over any transaction in which Micro Focus is interested;
  - C. make full enquiries as to the purpose/use for the donations;
  - D. exercise extreme caution where a donation is proposed as part of a business deal;
  - E. always pay donations directly to the charity in question;
  - F. always obtain a receipt for any donation; and
  - G. always record the donation fully in the relevant accounts and records.
6. All charitable contributions will be registered and/or publicised in accordance with the law of the country in which the contribution was made.
7. All charitable contributions are to be approved by the Company's Charity Committee and all charitable contributions of a value above \$1000 must be approved by any two of the Group HR Director, the Chief Financial Officer ("CFO"), the Group Compliance Officer or the Executive Chairman.



### **Charitable Donations in High Risk Territories**

8. Any proposed charitable donation which relates to business or contracts in a high risk area ("High Risk Area")<sup>1</sup> cannot be made until Micro Focus carries out due diligence on the charity. The Group Compliance Officer, together with the Group HR Director and the CFO will determine the level of due diligence that is appropriate.

### **Sponsorship and Marketing**

9. All proposals for sponsorship of a particular entity by Micro Focus shall be subject to the same safeguards as charitable donations.

### **Reporting**

10. In any circumstances where a Staff Member has concerns in relation to any charitable or political donations, these concerns should immediately be reported to the Group Compliance Officer.

### **Intermediaries**

11. Intermediaries acting for or on behalf of Micro Focus should not make any political or charitable donations, whether directly or indirectly, on behalf of Micro Focus.

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<sup>1</sup> A High Risk Territory is a country or territory designated from time to time by the Compliance Committee. As at adoption of this policy these include Brazil, China, Greece, India, Italy, Korea, Mexico and South Africa and those dealing with Government contracts in these countries.

## APPENDIX 3

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### FACILITATION PAYMENTS AND BLACKMAIL/EXTORTION POLICY

##### Facilitation Payments

1. **Micro Focus prohibits the making of facilitation payments**
2. A facilitation payment is a small payment which is made in order to acquire or accelerate performance of a non-discretionary task, usually performed by a state official, to which the business is properly entitled. An example might be a payment made to a customs officer in exchange for the rapid processing of goods through customs. Such payments, though sometimes unofficially tolerated, are illegal in the vast majority of countries.
3. Regardless of the size of that payment, facilitation payments can lead to the situation where the company is held to ransom and always expected to make payments in order to carry out business. In addition, projects may be intentionally slowed in order to obtain a facilitation payment.
4. Facilitation payments are generally against the law in the country in question, although sometimes such laws are not enforced.
5. Micro Focus prohibits the making of all facilitation payments. The Group Compliance Officer is required to investigate all instances where facilitation payments are made with a view to ensuring that, in the future, facilitation payments cease to be made.
6. Notwithstanding that in certain jurisdictions, such as the United States, facilitation payments are not criminalised, they are illegal under UK law, which treats them as being the same as any other bribe.
7. Where demands are made for facilitation payments Staff Members and Intermediaries (who are subject to demands in respect of services provided by the Intermediary for or on behalf of Micro Focus), should explain that Micro Focus policy prohibits such payments. If appropriate, a receipt can be requested with the explanation that Company policy prohibits un-receipted payments – this sometimes discourages further requests.
8. In any circumstances where it appears that fees being sought may in fact be facilitation payments, the Group Compliance Officer is to be informed and advice/clarification sought as to the nature of the fee being sought, with reference to the legal position regarding the requirement for the payment of such fees in the jurisdiction in question.

##### Reporting

9. Any facilitation payment that is either demanded or made must be reported to the Group Compliance Officer.
10. Micro Focus will provide support to management, Staff Members and Intermediaries (who are subject to demands in respect of services provided by the Intermediary for or on behalf of Micro Focus), within those countries where facilitation payments are demanded and Staff Members and management can contact their line/Country or Regional Manager ("Country or Regional Manager") or the Group Compliance Officer in these circumstances, and Intermediaries can contact their Micro Focus contact or the Group Compliance Officer. In circumstances where a line or Country or Regional Manager, or an Intermediary contact, has any concerns in relation to facilitation payments, these should immediately be reported to the Group Compliance Officer. In case of a report of the making of a facilitation payment on behalf of Micro Focus the Group Compliance Officer should consider taking legal advice, and, among other things, making an appropriate disclosure to the Serious Organised Crime Agency pursuant to the Proceeds of Crime Act 2002.

## **Extortion**

11. In this context, "Extortion" means demands made on the basis of threats to a person's health or security or those of his family or dependents.
12. Micro Focus acknowledges the extremely difficult position of an individual who may be the victim of extortion. Extortion demands may be made by public officials or officers who may wield significant power (for example, to limit travel/confiscate passports or extract large sums of money) and be capable of acting with impunity.
13. Micro Focus does not expect Staff Members, or Intermediaries who face demands as a result of providing services for or on behalf of Micro Focus, to place themselves or their families or dependents at risk of harm if faced with extortion. Sometimes the only option may be to comply with the demand. Support will be provided to management Staff Members and Intermediaries who are faced with blackmail and extortion demands in these circumstances.
14. Any circumstances in which money or valuables are demanded with threats must be reported to the Group Compliance Officer who will make a report to the Board and will consider taking legal advice, and, among other things, making an appropriate disclosure to the Serious Organised Crime Agency pursuant to the Proceeds of Crime Act 2002.

## **Recording of Complaint**

15. In cases where Staff Members, or Intermediaries who, in the course of providing services for or on behalf of Micro Focus, are faced with blackmail or extortion demands and they feel there is no option but to meet those demands, Micro Focus will lodge a full report and official complaint with the relevant authorities in due course.
16. In all such cases, the Group Compliance Officer must be informed of and provided with a copy of the report prior to submission with the relevant authorities.

## **Training**

17. At present the risk of Staff Members and Intermediaries being subject to frequent demands for facilitation payments seems low and specific training in these matters is not considered necessary. However the Compliance Committee will keep the situation under review and if in future such training becomes necessary it will be provided.
18. The issue of facilitation payments (what they are/how they may be sought/how to resist making their payment) is to be incorporated into ethical business training sessions.

## APPENDIX 4

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### INTERMEDIARIES POLICY

1. **The purpose of this policy is to ensure that Micro Focus knows with whom it is doing business and is in a position to feel confident that business relationships are transparent, ethical and do not involve the payment of bribes in connection with Micro Focus' business.**
2. In this policy, the term "Intermediaries" include agents, sales representatives, distributors, systems integrators, subsidiaries, contractors, ISVs, alliance and joint venture partners, and any party that is engaged in performing services for or on behalf of Micro Focus in business. It does not include Staff Members nor does it apply to suppliers providing goods or services only to Micro Focus. A party who is not performing services for or on behalf of Micro Focus will not constitute an Intermediary. However, in some cases, it may be prudent for certain suppliers and/or joint venture partners to adopt the Micro Focus Code of Conduct ("Code") or appropriate parts of it, and these matters should be considered in any case where a relationship might cause reputational risk to Micro Focus.
3. The payment of bribes is prohibited by law and by the Company. An Intermediary may be accustomed to operating in an environment where bribery is commonplace and where laws in this area are not effectively enforced. Historically, some intermediaries have used funding provided by their principals to bribe government officials and others. Micro Focus must not allow confusion in this area to cause a breach of the law or the Code.
4. Every appointment of a new Intermediary in a High Risk Area is subject to the prior approval of the Compliance Committee.
5. For all new Intermediaries in a High Risk Area and for those Intermediaries that Micro Focus has already appointed ("existing Intermediaries") that are in High Risk Areas (as determined by Micro Focus from time to time as part of its risk assessment process), the Compliance Committee will determine the extent of due diligence to be carried out based on Micro Focus' risk assessment. Micro Focus has identified the following High Risk Areas in which Micro Focus conducts commercial business:  
  
**Countries: Those countries listed in Exhibit 4A.**  
  
**Sectors: Those dealing with Government contracts in the above countries.**
6. The high risk countries are determined by the Compliance Committee as part of its risk assessment using the Transparency International Corruption Perceptions Index (CPI). The Compliance Committee will review from time to time the high risk countries included in Exhibit 4A and amend the list accordingly when either the CPI is updated or other circumstances require the list of high risk countries to be reviewed.
7. The Compliance Committee shall decide whether a particular appointment or circumstances requires consideration by the Audit Committee or the Board.

#### **Requirement for a Genuine Business Need to appoint an Intermediary**

8. It is the responsibility of the Country or Regional Manager or relevant business unit ("Business Unit") to ensure that there is a genuine business need for the appointment or re-appointment of an Intermediary in his/her territory.

### **Intermediary Due Diligence in High Risk Areas**

9. For appointments of Intermediaries in High Risk Areas, the Country or Regional Manager or the Business Unit, as appropriate, wishing to appoint an Intermediary is primarily responsible for identifying and documenting the business reason for the appointment.
10. The Country or Regional Manager or the Business Unit, as appropriate, will send a request to appoint an Intermediary in a High Risk Area together with the business reason for the appointment to the Group Compliance Officer, the President of Sales and the CFO who together will determine the appropriate level of due diligence required to be undertaken in connection with the proposed appointment.
11. For existing Intermediaries in High risk Areas, the Group Compliance Officer will agree with the President of Sales and the CFO the Intermediaries for whom due diligence is appropriate and the appropriate level of the due diligence required to be undertaken.
12. The Country or Regional Manager or the Business Unit, as appropriate, assisted by the Group Compliance Officer, will conduct the due diligence required and a report will be submitted by the Group Compliance Officer to the Compliance Committee ("Due Diligence Report") who will review the proposed appointment.
13. The Compliance Committee will determine whether or not the appointment will be made or, in the case of existing Intermediaries, whether any action should be taken to safeguard the Company, including whether the Intermediary's appointment should continue.
14. The Due Diligence Report will:
  - A. assess the risk of appointing or, in the case of an existing Intermediary, of the appointment of the Intermediary in the High Risk Area;
  - B. consider the business case for the appointment;
  - C. assess any information obtained by Micro Focus as a result of the due diligence requested;
  - D. contain a written statement as to the existence and relevance of any "Red Flags". A "red flag" is shorthand for circumstances which indicate a risk to Micro Focus which will necessitate extra levels of vigilance. The existence of a red flag does not always mean that corruption is inevitable; merely that greater vigilance should be employed. Similarly, the absence of red flags is not a guarantee that no corruption will occur. Each case must be evaluated on its own facts; and
  - E. make a recommendation for action.
15. The Group Compliance Officer will be responsible for recording the decision of the Compliance Committee and communicating it to the Country or Regional Manager or Business Unit, as appropriate.

### **Intermediary Due Diligence for Non High Risk Areas**

16. For the appointment of new Intermediaries in non High Risk Areas, the Compliance Committee will determine generally the extent to which due diligence is required. The Country or Regional Manager or the Business Unit, as appropriate, will be responsible for determining the business reason for the appointment, for conducting the appropriate due diligence and for submitting the reason and due diligence to the Group Compliance Officer.
17. The Compliance Committee will determine the conditions for appointments to be made.

### **Written Contracts Required**

18. For all appointments of an Intermediary, whether or not in a High Risk Area, a written contract must be in place before any work can be undertaken in connection with Micro Focus business by an Intermediary.

19. Every contract must contain an express agreement not to pay bribes or make illegal payments and to adhere to all applicable laws relating to bribery and corruption. Appropriate clauses are set out in Exhibit 4B.
20. At the time of renewal of existing contracts, a review will be made of the contractual terms to assess whether the contract needs to be amended and updated so as to include reference to the appropriate clauses in Exhibit 4B.

### **Monitoring**

21. Intermediaries should submit activity reports for each of their services provided at least quarterly. These should be reviewed by Country or Regional Manager in the first instance but any concerns about under-performance, transparency or reputational risk must be communicated to the Group Compliance Officer immediately.
22. Intermediaries should immediately notify Micro Focus of any changes to the ownership, control and officers of their company to allow due diligence to be immediately undertaken upon those parties.
23. Micro Focus shall retain a record of Intermediary contracts and payments to Intermediaries for the purposes of audit.

### **Record Keeping**

24. All transactions and holdings relating to Micro Focus must be recorded in proper detail and according to the accounting standards applicable from time to time. Such records must be available for audit at any time. No such records may be held elsewhere than at Micro Focus' premises and/or on Micro Focus systems, and all such records should be accessible to authorised staff at all times.
25. Under no circumstances should any of Micro Focus's records relating to Intermediaries be destroyed, amended, tampered with or dealt with in any way which would mislead a third party inspecting those records. Any document-retention procedures which involve the destruction of documents held after periods of time should not apply to records kept pursuant to this Policy, unless this action is approved in writing by the Group Compliance Officer.
26. Micro Focus shall maintain in relation to each Intermediary, the Due Diligence Report and all connected documentation, as well as the results of its monitoring, reports on relevant audit procedures, the minutes of meetings of the Group Compliance Officer and/or the Board which are relevant, records of payments to Intermediaries and all relevant email and other internal communications.
27. These files should be maintained by the Group Compliance Officer.

### **Re-Appointment and Continuation**

28. Upon a proposal to reappoint the Intermediary, any due diligence undertaken, and continued due diligence, together with the findings of the principal contact, must be reviewed by the Compliance Committee. Another Due Diligence Report will need to be completed and another written agreement entered into (if the previous agreement has expired or is no longer suitable).
29. Reappointment should only take place where there is confirmation that there has not been a breach of the Code or this Policy, and Micro Focus will not suffer reputational damage.

### **Payments to Intermediaries**

30. Payments to all suppliers must be made via the standard payment channels used by Micro Focus for suppliers.
31. Cash payments (i.e. payments in currency notes or bills) are strictly prohibited. All payments are to be made directly to the contracting party.

32. No payments are to be made to third parties (other than the Intermediary), to numbered bank accounts or to special purpose vehicles.
33. No payment can be made other than in accordance with the contractual provisions and Micro Focus should reconcile all requests for payment with the Intermediaries contract prior to payment.
34. Payment must be made in the country in which the services take place unless there is a clear explanation on record as to lawful reasons for payments being made elsewhere.
35. Any proposal to vary the payment to the Intermediary must be approved by the Group Compliance Officer.
36. Expenses such as entertainment and travel will only be paid after approval from Micro Focus and must in all cases be supplemented by documentation such as receipts and explanations of the need for the expenditure etc.
37. An annual review by the Compliance Committee shall take place of all payments made to Intermediaries. A relationship with an Intermediary may be investigated by the Group Compliance Officer or Compliance Committee at any time and further information may be required.

EXHIBIT 4A

MICRO FOCUS INTERNATIONAL PLC

HIGH RISK COUNTRIES

(effective from 8 January 2015)

<b>Country/Territory</b>
Afghanistan
Albania
Algeria
Angola
Argentina
Armenia
Azerbaijan
Bahrain
Bangladesh
Belarus
Benin
Bolivia
Bosnia and Herzegovina
Brazil
Bulgaria
Burkina Faso
Burundi
Cambodia
Cameroon
Central African Republic
Chad
China
Colombia
Comoros
Congo Republic
Côte d'Ivoire
Croatia
Cuba
Democratic Republic of the Congo
Djibouti
Dominican Republic
Ecuador
Egypt
El Salvador
Eritrea
Ethiopia
Gabon
Gambia
Ghana
Greece
Guatemala
Guinea
Guinea-Bissau
Guyana
Haiti



Honduras
India
Indonesia
Iran
Iraq
Italy
Jamaica
Jordan
Kazakhstan
Kenya
Korea (North)
Kosovo
Kuwait
Kyrgyzstan
Laos
Lebanon
Lesotho
Liberia
Libya
Madagascar
Malawi
Mali
Mauritania
Mexico
Moldova
Mongolia
Montenegro
Morocco
Mozambique
Myanmar
Namibia
Nepal
Nicaragua
Niger
Nigeria
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Romania
Russia
Rwanda
Sao Tome and Principe
Saudi Arabia
Senegal
Serbia
Sierra Leone
Somalia
South Africa
South Sudan
Sri Lanka

Sudan
Suriname
Swaziland
Syria
Tajikistan
Tanzania
Thailand
The FYR of Macedonia
Timor-Leste
Togo
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan
Uganda
Ukraine
Uzbekistan
Venezuela
Vietnam
Yemen
Zambia
Zimbabwe

## EXHIBIT 4B

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus") ADDITIONAL STANDARD CLAUSES ON ANTI-CORRUPTION

#### 1. ANTI-CORRUPTION OBLIGATIONS

- 1.1 Company warrants that it, its employees, agents and sub-contractors:
- 1.1.1 do not represent Micro Focus or Micro Focus's interests, save as set forth in this Agreement;
  - 1.1.2 do not have or maintain any illegal or corrupt connections with Micro Focus or any servant or agent of Micro Focus; and
  - 1.1.3 do not have or maintain any illegal or corrupt connections with any customer or government of any country or any servant or agent thereof, in particular, but without limitation, any government official, government minister, candidate for political office or military or police officer.
- 1.2 Company shall exercise commercially reasonable diligence to guard against conflicts of interest among its employees, agents or sub-contractors. In the event that Company becomes aware that any conflict of interest involving its employees, agents or sub-contractors is reasonably likely to involve Micro Focus, Company shall take prompt, corrective action and advise Micro Focus of the conflict and the corrective action taken.
- 1.3 Company shall not and shall procure that its employees, agents and sub-contractors shall not offer, promise or give or request, accept or agree to accept from any person (whether for themselves or on behalf of another) any advantage, gift, payment, consideration or benefit of any kind which constitutes a bribe and/or an illegal or corrupt practice under the laws of any country, either directly or indirectly in connection with this Agreement or the business of Micro Focus ("the Anti-Corruption Obligation").
- 1.4 Company shall disclose in writing to Micro Focus details of any breach or alleged breach of the Anti-Corruption Obligation.
- 1.5 Where Company is privately registered or held, Company shall promptly inform Micro Focus of any changes to directors and/or shareholders which change the effective control of or controlling interest in the Company.

#### 2. TERMINATION

Micro Focus may terminate this Agreement immediately upon written notice to Company if Company or any of its employees, agents or sub-contractors has breached or is, in Micro Focus' reasonable opinion, likely to breach the Anti-Corruption Obligation. Upon termination of this Agreement pursuant to this Exhibit, Micro Focus shall be entitled to withhold any monies due under this Agreement to Company. Upon any termination of this Agreement (for whatever cause) this Exhibit (Anti-Corruption Policy) shall remain in effect together with such provisions which expressly or by necessary implication will survive termination.

#### 3. APPLICABLE LAW

Nothing in this Agreement shall exclude or limit the right of Micro Focus to seek protective and/or interim measures from a court with appropriate jurisdiction. The Parties agree that any breach of this Exhibit shall not be fully re-compensable by means of damages alone.

#### 4. MICRO FOCUS WORLDWIDE CODE OF BUSINESS CONDUCT AND ETHICS

Company's attention is hereby drawn to the Micro Focus Worldwide Code of Business Conduct and Ethics ("the Code") (as provided by Micro Focus on request or available on the Micro Focus website [www.microfocus.com/about/legal/code-of-conduct.aspx](http://www.microfocus.com/about/legal/code-of-conduct.aspx)) which governs the business dealings of Micro Focus and its intermediaries and which this Exhibit supports. Company should contact Micro Focus's Legal Department if any further information regarding the Anti-Corruption Policy is required.

## APPENDIX 5

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### ANTI-FRAUD POLICY

##### General Rules

1. Micro Focus requires all Staff Members at all times to act honestly and with integrity and to safeguard the Company resources for which they are responsible.
2. Micro Focus will not accept any level of fraud or corruption by Staff Members or Intermediaries; consequently, any case will be thoroughly investigated and dealt with appropriately.
3. Micro Focus remains committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.

##### Policy

4. This policy applies to any irregularity, or suspected irregularity, involving Staff Members as well as consultants, suppliers, contractors, distributors and/or other Intermediaries with a business relationship with the Company.
5. Micro Focus is committed to maintaining an honest, open and well-intentioned atmosphere within the Company. It is therefore, committed to the elimination of fraud and to the rigorous investigation of any such cases.
6. Every individual has the responsibility to report suspected fraud and Micro Focus wishes to encourage anyone who has reasonable suspicions of fraud to report them. Whilst there are formal channels for reporting concerns, Micro Focus has also published a 'Whistleblowing' Policy which aims to ensure that concerns can be raised and dealt with in an appropriate manner.
7. Staff Members raising genuine concerns will be protected and their concerns taken very seriously and dealt with in strict confidence.

##### What is fraud?

8. The term 'fraud' commonly includes activities such as theft, corruption, conspiracy, embezzlement, money laundering, bribery or extortion. The legal definition varies from country to country and it is only since the introduction of the UK's Fraud Act in 2006 that there has been a legal definition in England and Wales. Fraud essentially involves a person using deception to dishonestly make a gain for himself or another and/or create a loss (or risk of loss) for another.
9. The Fraud Act 2006 gives statutory definition of the criminal offence of fraud with three ways of committing it:
  - fraud by false representation – where a person makes any representation as to fact or law, express or implied, which they know to be untrue or misleading;
  - fraud by failing to disclose information – where a person fails to disclose information to another person where there is a legal duty to do so; and
  - fraud by abuse of position – where a person occupies a position where they are expected to safeguard, or not to act against, the financial interests of another person and abuses that position. A person may be regarded as having abused his position where the conduct was an omission rather than an act.
10. Major Fraud offences carry a maximum penalty of 10 years imprisonment in the UK, a fine or both.
11. All staff have a duty to familiarise themselves with the types of improprieties that might be expected to occur within their areas of responsibility and to be alert for any indications of irregularity. A non-exhaustive list of examples is included in Exhibit 5A.

## Responsibilities

12. The Chief Financial Officer is responsible for establishing and maintaining a sound system of internal control that supports the achievement of departmental policies, aims and objectives.
13. The system of internal control is designed to respond to and manage the whole range of risks that Micro Focus faces. The system of control is based on an on-going process to identify the principle fraud risks, to evaluate the nature and extent of those risks and to manage them effectively.
14. Overall responsibility for managing the risk of fraud has been delegated to the Compliance Committee whose responsibilities include:
  - promoting an anti-fraud culture and ensuring that all staff are aware of Micro Focus' Anti-Fraud Policy and their responsibilities in relation to combating fraud;
  - establishing appropriate mechanisms for reporting fraud risk issues;
  - ensuring that appropriate enquiry/investigation action is taken in suspected internal fraud cases and that appropriate disciplinary action is taken by Human Resources;
  - developing a fraud risk profile and undertaking a regular review of the fraud risks associated with each of the key organisational objectives in order to keep the profile current;
  - ensuring that an effective control environment to prevent fraud, commensurate to the level of fraud risk identified in the fraud risk profile, is in place;
  - monitoring the level of reported suspected fraud and resulting investigative enquiries and action;
  - monitoring breaches of physical security and investigative action in respect of IT-related theft;
  - monitoring appropriate action to recover assets;
  - ensuring that appropriate anti-fraud awareness training is available and that development opportunities are available to appropriate staff;
  - establishing an effective anti-fraud policy and Fraud Response Plan, commensurate to the level of fraud risk identified in the fraud risk profile;
  - establishing a mechanism for the preparation of an annual Fraud Report;
  - ensuring that vigorous and prompt investigations are carried out when appropriate; and
  - when fraud is established, ensuring that appropriate action is taken to minimise the risk of similar fraud occurring in the future.
15. Each manager within Micro Focus has responsibility for:
  - ensuring that an adequate system of internal control exists within their areas of responsibility and that the controls operate effectively;
  - preventing and identifying fraud and other irregularities in their area. Staff must assist management by reporting any suspected irregularities;
  - assessing the types of risk involved in the operations for which they are responsible;
  - regularly reviewing and testing the control systems for which they are responsible;
  - ensuring that the controls are being complied with and that their systems continue to operate effectively; and
  - implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

16. The Audit Committee: Audit Committee members have responsibility for reviewing Micro Focus internal control and risk management systems, including the design and implementation of anti-fraud measures. The Audit Committee should monitor the integrity of the financial statements, assess Micro Focus's performance in fraud prevention, review the investigation log of cases at least once a year and report any significant matters to the Board.
17. The Audit Committee should review arrangements by which Staff Members can confidentially raise concerns about possible wrongdoing, and the Audit Committee's objective should be to ensure that the arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.
18. If a suspicion involves the nominated fraud contact, Chief Financial Officer or an Executive Director, the matter should be reported directly to the Chairman of the Audit Committee.
19. The Group Compliance Officer is responsible for receiving reports of fraud and for the conduct of investigations. Legal advice will be sought as appropriate. Specific advice would include such issues as guidance on civil, internal and criminal responses and recovery of assets.
20. The Internal Auditors are responsible for:
  - delivering an opinion to the Board of Directors on the adequacy of arrangements for managing the risk of fraud and ensuring that Micro Focus promotes an anti-fraud culture;
  - assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk in the various aspects of Micro Focus' operations; and
  - ensuring that management reviews its risk exposures and has identified the possibility of fraud as a business risk.
21. The Group HR Director will consider any appropriate disciplinary action in the event of internal fraud, relevant aspects of external fraud or malicious allegation.
22. Every Staff Member and Intermediary is responsible for:
 

Acting with propriety in the use of Company resources and the handling and use of funds whether they are involved with cash or payments systems, receipts or dealing with suppliers

  - being alert to the possibility that unusual events or transactions could be indicators of fraud;
  - reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events; and
  - cooperating fully with whoever is conducting internal checks, reviews or investigations.

### **Reporting suspicions**

23. You should contact the Group Compliance Officer in the first instance if either *external* fraud (i.e. committed by a third party towards Micro Focus or another party), or *internal* fraud (i.e. involving a member of staff), is suspected.
24. All matters will be dealt with in confidence and in strict accordance with the UK's Public Interest Disclosure Act 1998. This Statute protects the legitimate personal interests of staff. Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported.
25. *You should remember that when you suspect a fraud, you should not discuss it with any other party either before or after reporting it to the appropriate person(s) unless given clearance to do so.*
26. No attempt must be made by anyone other than the Group Compliance Officer to investigate an alleged or suspected fraud as this could prejudice further enquiries.

## **Theft within Micro Focus**

27. Micro Focus views all cases of theft, no matter how small, as serious and may constitute gross misconduct. It may not be known whether the theft was conducted by a Staff Member or by an intruder on the premises. Therefore, in the first instance, staff must report all thefts, including IT related thefts, to Director – Worldwide Operations and Country Financial Controller.
29. Cases of theft may subsequently be referred to the Police for investigation. If the Police charge any Micro Focus Staff Member or contingent worker with theft, the Staff Member will be suspended from work pending the outcome. Following Police charges, Micro Focus reserves the right to conduct an internal investigation and implement disciplinary procedures.

## **What happens when you report your suspicions?**

30. The contact point will acknowledge receipt of your notification. The matter will be assessed and prioritised upon receipt and you will be notified whether an investigation is to be launched in which case you will be notified of the Investigating Officer and subsequently informed of relevant developments. If it is decided not to investigate, the information remains extremely important and will be stored as intelligence in accordance with legal requirements.
31. Upon receipt of information alleging internal fraud, the Group Compliance Officer will consider the allegation and consult with the Chief Financial Officer and HR Director to decide if further action, investigation or referral to the Police is warranted. This may involve requesting line management to confirm the accuracy of the allegations and may require suspension from duty of those suspected.
32. Whatever decision is taken, the referrer will be notified.
33. If you are required to produce a written statement, help and advice is available from the Group Compliance Officer.
34. If any investigations substantiate an irregularity, the penalties to be applied may range from a warning letter to criminal proceedings being taken through the Courts. Any legal action is taken forward independently by dedicated lawyers from the appropriate Authority.
35. Subject to the constraints of Micro Focus' duty of confidentiality to Staff Members, you will be given as much information as possible about the outcome of any investigation.
36. You must only report genuine concerns and must believe the concerns to be true. Disciplinary action may be taken against you if, subsequently, it is found that you have made a frivolous, false or malicious allegation.

## **Whistleblowing**

37. If a Staff Member is uncomfortable in discussing their suspicions or concerns with a nominated contact, they may be able to raise genuine issues under Micro Focus Whistleblowing Policy. All information will be treated discreetly and the Policy provides statutory protection against reprisal, victimisation and dismissal. This policy is available on the internet, intranet and is contained in Appendix 8.

## **Training**

38. Training on Fraud awareness will be made available as part of the ethical training provided to Staff Members and Intermediaries as further detailed in Appendix 7.

## **Conclusion**

39. The circumstances of individual frauds will vary. However, Micro Focus takes fraud very seriously and all referrals of actual or suspected fraud will be considered for appropriate investigative action.
40. Micro Focus encourages anyone having reasonable suspicions of fraud to report them. Therefore, it is also Micro Focus policy, which will be rigorously enforced, that no Staff Member will suffer in any way as a result of reporting reasonably held suspicions. All Staff Members can therefore be confident that

they will not suffer in any way as a result of reasonably held suspicions of fraud. For these purposes, 'reasonably held suspicions' shall mean any suspicions other than those which are shown to be raised maliciously and found to be groundless. Micro Focus will deal with all occurrences in accordance with the Public Interest Disclosure Act 1998.



## EXHIBIT 5A

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### FRAUD EXAMPLES

Micro Focus regards the following non exhaustive list to constitute examples of fraud:

##### **Sales Related**

- Entering into side letters which are not amendments to the agreement which have been approved by Legal and Finance.
- Entering into sales arrangements which artificially advance or delay the recognition of revenues or commissions, or change the value of the related revenue and commissions (this includes "channel stuffing")
- Diversion of products/services
- Theft of product
- Sales to related party without invoicing
- False information to enter government scheme

##### **Contracts & purchasing**

- Private work done for Staff Members by contractors
- Theft of raw material from sites/jobs
- Misuse of travel facilities/expenses
- Inflation to value of goods and services supplied
- Conflicts of interest in supply chain
- Manipulation of tender process to favour supplier

##### **Inventory**

- Theft of stock
- Theft of scrap material
- Inappropriate write-off of materials or plant
- Overproduction

##### **Cash**

- Theft of physical cash
- Unauthorised investments
- Cheque fraud
- Pledging assets
- Diversion of receipts
- Electronic payment fraud

##### **Other**

- Misuse of documents/information
- Theft of intellectual property e.g. patent, product formulation or research data
- Industrial espionage
- Valuations
- Theft from offices/stores
- Falsify information to obtain employment

##### **Theft**

- Theft of physical items
- Theft or copying of data
- Theft or copying of source code or other software, whether of Micro Focus or customers

## APPENDIX 6

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### RISK ASSESSMENT POLICY

##### Risk Assessment

1. Micro Focus takes active steps to adopt a risk based approach in managing the bribery risks that face the business, with reference to the nature, scale, and location of our operations.
2. As such, the Compliance Committee will carry out an annual review of the nature and extent of the risks of bribery to which it is exposed, so as to ensure that all procedures are proportionate to and adequately target the risks that face the business.
3. A preliminary part of that review process will be to consider whether the parties carrying out the risk assessment are adequately skilled to conduct the assessment and whether further assistance is required from external sources/professionals.
4. In carrying out the risk assessment, the Compliance Committee together with the Group Compliance Officer, the Board and the Audit Committee as appropriate will utilise annual reports, audit reports, internal investigative reports, complaints and other sources that focus on the identified risks that are inherent in the business sectors in which Micro Focus operates.
5. As part of the risk assessment process, Micro Focus will carry out an evaluation of the internal and external risks to the business.
6. Part of the risk assessment process will include an assessment of how Micro Focus' bribery prevention measures will be applied to particular parts of the business and to its projects.

##### Internal Risks

7. An evaluation will be carried out by the Compliance Committee of the following potential internal risk factors:
  - a. the level of Staff Member knowledge and understanding of Micro Focus' business profile, and the risks that are associated with that business sector;
  - b. whether Micro Focus is at risk of bribery as a result of its remuneration structure (e.g. are incentives too aggressive?), its contacts with government officials or "Politically Exposed Persons"; and
  - c. whether Micro Focus' policies on gifts and hospitality, charitable donations, expenses and travel are sufficiently clear and comprehensive.

##### External Risks

8. An evaluation of external risk factors will include an assessment of the following:
  - a. *Country Risks:* (i) The risks associated with the countries/territories in which Micro Focus operates, including specific reference to resources that highlight perceived high levels of corruption within the given territory (such as league and risk tables<sup>2</sup>) and the level (or absence) of anti-bribery and corruption legislation and implementation in those countries/territories; and (ii) Information which suggests that the government, the media, the local business community or the civil society of the countries/territories in question have a perceived lack of ability to support and endorse transparent procurement and investment policies.

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<sup>2</sup> For example the Transparency International's Corruption Perceptions Index

- b. *Transaction Risks*: The risks associated with undertaking transactions in the territories in question, including transactions involving government contracts, regulatory matters (licences and permits), public procurement contracts, charitable and political donations and contributions, large quantum projects, and multi-contractor/agent contracts. This will include consideration as to whether the transaction requires any additional investment into the local community, and if so, whether this is permissible under local laws.
- c. *Partnership Risks*: The risks arising from entering into partnerships/business relationships with third parties, including joint ventures, and high level office holders/politically exposed persons in higher-risk jurisdictions, and whether there is a lack of knowledge as regards the controls and processes of those parties.
- d. *Sectoral Risks*: The risk associated with and specific to the software/technology sector in which Micro Focus operates, and how these may be avoided, and the guidance in this area.
- e. *Business Opportunity Risks*: The risks that will be associated with a specific business opportunity, especially if there does not appear to be a legitimate commercial objective to the deal, or if the activity does not appear to reflect usual market rates/prices (and if so, whether this raises any bribery risks), or if the opportunity involves multiple parties/intermediaries which may not all be legitimately required for the project.

#### **Ongoing monitoring and review**

- 9. The Compliance Committee is responsible for ensuring that Micro Focus' risk assessment programme is reviewed annually and evaluated with reference to any changes that have occurred to the business over the course of the year and whether there has been adequate resources available to deal with these risks.
- 10. As part of the Compliance Committee's responsibility for implementation of the risk assessment process, it will obtain regular feedback from the Director of Risk and/or the Internal Auditors, as appropriate, as to whether there are new developments that require additional resources in order for Micro Focus to fulfil its risk assessment obligations.

#### **Report**

- 11. To complete the risk assessment process, a report will be prepared, recommending the specific actions required or focuses on specific issues/geographies and setting out the conclusions found as a result of the risk assessment process.

#### **Identified Risks at adoption of Policy**

- 12. As a result of Micro Focus' risk assessment at the time of adoption of this policy, the countries of **Brazil, China, Greece, India, Italy, Korea, Mexico and South Africa**, in which Micro Focus engages in commercial activity are designated "High Risk Areas" for Micro Focus. **Those involved in governmental contracts in those areas have also been specifically identified as high risk.**

## APPENDIX 7

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### TRAINING

##### General Provisions

1. Micro Focus will provide mandatory training on ethical business conduct to every Staff Member, so as to highlight the areas of bribery and corruption risk facing the business and the steps that are to be taken to avoid and prevent these risks. Each new Staff Member will be required to participate in Micro Focus' training programme within one month of joining the Company.
2. Micro Focus' training programme is to take place by way of computer based learning and/or via "live" training sessions, further details of which are set out below.
3. We actively encourage our Intermediaries to participate in Micro Focus' training programme, which is available on Micro Focus' extranet/website. Where Intermediaries are identified as operating within High Risk Areas, or are considered to be high risk, it will be mandatory for those Intermediaries to participate in Micro Focus' training programme.
4. Micro Focus' training programme will include the following key areas:
  - (a) the risks associated with Gifts, Hospitality and Charitable Donations;
  - (b) facilitation Payments, and the reasons why these are prohibited by Micro Focus and what to do in circumstances where they are demanded; and
  - (c) the risks associated with Intermediaries, including specific risks in certain jurisdictions (e.g. Facilitation Payments), the risks arising from the appointment of Intermediaries and the steps to be taken to investigate whether risks exist.

##### Ethical Training Programme

5. Ethical Training will be provided to all Staff Members on induction and on a regular basis by way of computer based learning and this may be supplemented as appropriate by other training methods.

##### Enhanced Ethical Training Programme

6. Enhanced training will be provided to the following Staff Members: **CORPORATE FINANCE, LEGAL AND HUMAN RESOURCES, GOVERNMENT ACCOUNT SALES REPS, COUNTRY OR REGIONAL MANAGERS AND STAFF MEMBERS IN HIGH RISK AREAS, SENIOR MANAGERS, THE EXECUTIVE TEAM, THE BOARD.**
7. As determined by the Compliance Committee, enhanced training will also be provided to Intermediaries operating in High Risk Areas and where the Intermediary is considered to present a higher risk than normal (for example, where red flags have been identified). The High Risk Areas that have been identified in Micro Focus' current Risk Assessment at the date of adoption of this policy are **Brazil, China, Greece, India, Italy, Korea, Mexico and South Africa and those dealing with government contracts in those areas.**
8. The enhanced training programme will include a consideration of the risks that are specific to High Risk Areas, the increased care that Staff Members and Intermediaries will need to take in carrying out business in these areas, as well as the additional due diligence that is required by the Company (including the more detailed investigations that must be undertaken where "Red Flags" are identified).

## **Training for those involved in whistleblowing procedures**

9. Training will be provided to those involved in whistleblowing procedures.

## APPENDIX 8

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### WHISTLEBLOWING POLICY

1. Micro Focus is committed to abiding by the law and maintaining the highest ethical standards in all areas of our work and practice. In particular, the Public Interest Disclosure Act 1998 ("PIDA") creates a framework for workers who have genuine concerns about certain kinds of malpractice in connection with their workplace. As part of this commitment, we want to encourage Staff Members and Intermediaries to report any malpractice or illegal acts or omissions (whether in the UK or elsewhere) by other Staff Members and Intermediaries. Staff Members should use internal mechanisms for reporting and Intermediaries should contact their Micro Focus contact.
2. If a Staff Member or Intermediary is aware of suspected or actual examples of malpractice (as defined below) they have an obligation to report it. If a Staff Member or an Intermediary is aware of any circumstances which could lead to malpractice, such as a request received for an illegitimate payment, they must inform Micro Focus about it in accordance with this Policy.
3. Business Partners are requested to inform the Group Compliance Officer of any suspected or actual examples of malpractice relating to Micro Focus of which they are aware.

#### What constitutes malpractice?

4. The following list sets out some examples of malpractice:
  - a. unprofessional treatment of a customer by Staff Members or Intermediaries;
  - b. criminal offences including bribery;
  - c. defrauding any Micro Focus group company (a "company");
  - d. a failure to comply with any legal or regulatory obligation;
  - e. any abuse or misuse of company inside information including any disclosure and/or dealing in Company shares or options while in possession of company inside information;
  - f. a miscarriage of justice;
  - g. endangering the health and safety of any individual;
  - h. damage to the environment;
  - i. breach of standing financial instructions;
  - j. a breach of the Micro Focus Worldwide Code of Business Conduct and Ethics; and
  - k. deliberate concealment of any of the above.

#### Personal concerns of Staff Members and Intermediaries

5. This policy is primarily for concerns where the interests of others or of the Company are at risk. If something is troubling a Staff Member or an Intermediary which they feel the Company should know about or investigate, they should use this procedure. If, however, Staff Members are aggrieved about their own personal position, the Grievance Procedure in the Employee Handbook should be followed.

### **Protection a whistleblower will get**

6. If a Staff Member or Intermediary raises a genuine concern under this policy, they will not be at risk of losing their job or suffering any form of retribution as a result. Provided the Staff Member or Intermediary is acting in good faith, it would not matter if they were mistaken. Of course, if a Staff Member were maliciously to raise a matter which they knew to be untrue, it would be likely to constitute gross misconduct, and would be dealt with under the Disciplinary Procedure.
7. Micro Focus will take disciplinary action against any Staff Member or Intermediary who attempts improper retaliation (whether direct or indirect) against anyone speaking up about an instance of malpractice, up to and including termination of employment or engagement.

### **External contacts**

8. Whilst we hope this policy gives you the reassurance you need to raise such matters internally, we recognise that there may be circumstances where you can properly report matters to outside bodies, such as the FSA, Inland Revenue and HSE. Usually disclosures to these bodies will also be protected if the worker meets the test for internal disclosure and honestly and reasonably believes the information is substantially true. Wider disclosures, e.g. to the police, media or MPs, are protected if, in addition to the tests for regulatory disclosures, they are reasonable in all the circumstances and they are not made for personal gain. If you have any concerns about protection issues, Public Concern at Work will be able to advise you on your options and on the circumstances in which you may be able to contact an outside body.

### **Confidentiality**

9. We will not tolerate the harassment or victimisation of anyone raising a genuine concern. However, we recognise that Staff Members or Intermediaries may nonetheless want to raise a concern in confidence. We will not disclose a Staff Member or Intermediary's identity without their consent. If a situation arises where we are not able to resolve the concern or take the matter forward without revealing a Staff Member or Intermediary's identity (for example because evidence is needed in court) we will discuss with them whether and how we can proceed. However, if the Staff Member or Intermediary chooses to remain anonymous when they first report the matter, it will be much more difficult for us to look into it, protect the Staff Member or Intermediary's position or give feedback. Accordingly, while we will consider anonymous reports, this policy is not designed for concerns raised anonymously.

### **How we will deal with matters raised under this policy**

10. Once a Staff Member or Intermediary has told us of their concern, we will look into it to assess initially what action should be taken. This may involve an internal inquiry or a more formal investigation. We will tell the Staff Member or Intermediary who will be handling the matter, how that person can be contacted and whether any further assistance may be required. If the Staff Member or Intermediary requests it, we will write to them summarising their concern and setting out how we propose to handle it or the steps we are taking. However, we may not be able to advise of the precise action we are to take if this infringes a duty of confidence owed by us to someone else.
11. When the initial concern is raised, we may ask the Staff Member or Intermediary raising it how they think the matter might best be resolved. If they have any personal interest in the matter, we ask that we are told at the outset. If the concern falls more properly within the grievance procedure it will be handled as set out therein.
12. After Micro Focus conducts an initial assessment, if it believes that there are grounds for further investigation, the Company will take steps to conduct a formal investigation. This may involve obtaining external legal and forensic assistance if required. Micro Focus will ensure that the person investigating the alleged malpractice will be completely independent of the alleged malpractice complained of and will usually be the Compliance Committee/Group Compliance Officer. Micro Focus will consider whether to make disclosures to state/other authorities after completing its investigation.

13. Staff Members or Intermediaries must co-operate with any investigations of any alleged malpractice.

#### **How to raise a concern**

Step one If you have a concern about malpractice, we hope that you will feel able to raise it first with your manager. In the case of an Intermediary, this can be raised first with your Micro Focus contact. This may be done in person or in writing. If in writing, you should state clearly the nature of your concern, the reasons for making the disclosure and the details of the individual or parties under suspicion.

Step two If you feel unable to raise the matter with your manager for any reason, or would prefer to escalate the matter, Staff Members should please raise the concern with the Head of your Department. Intermediaries should raise concerns with the Group Compliance Officer.

Step three If these channels have been followed by Staff Members and Intermediaries and you still have concerns, or if you feel that you cannot discuss the matter with any of the above please contact either the HR Director or the Company Secretary. If you feel that none of these channels are appropriate then please contact the Chairman of the Audit Committee, Richard Atkins, at richard.atkins@microfocus.com.

#### **Independent advice**

14. If you are unsure whether to use this procedure or you want independent advice at any stage, you may wish to contact the independent charity Public Concern at Work on +44 (0)20 7404 6609. Their lawyers can give you free confidential advice at any stage.

#### **Queries**

15. If you have any queries about the whistleblowing policy, please contact the Company Secretary.



## APPENDIX 9

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### REPRESENTATION LETTER

[date]

To: Kevin Loosemore, Executive Chairman  
Micro Focus

I make and confirm, to the best of my knowledge and belief and for the quarter to [ ] (or such shorter period that I have been employed by Micro Focus), the following representations in respect of any customer, prospective customer, partner or supplier with whom I have been engaged:

1. Micro Focus' finance department has been provided with complete contract files (including all purchase orders, contracts, letter agreements, sales offers, shipping documents, and other correspondence for which documentation was requested).
2. There are no side letters or oral agreements that would modify or supersede the terms of the purchase orders and/or contracts.
3. No customer or partner has been granted any rights to return products or extended payment terms outside of the signed agreements and there are no unfulfilled performance guarantees for which revenue has been recorded.
4. All transactions have been approved in accordance with the Micro Focus Chart of Approvals.
5. No sales transactions have been made for which payment is contingent on the customer or partner obtaining financing from an outside funding source. Sales transactions include license agreements, order forms, support agreements and renewals, service agreements, statements of work and any other revenue generating transactions.
6. No matters or occurrences have come to my attention in any previous fiscal period of my time with Micro Focus through to the date of this letter that would materially affect the recognition of revenue or profits in the consolidated financial statements and related disclosures for any prior periods.
7. The complete customer and partner contract files provided to Micro Focus' finance and legal departments fully disclose all sales terms, including all rights of return or price adjustments, and all warranty and liability provisions. The complete supplier contract files provided to Micro Focus' finance and legal departments fully disclose all purchase terms.
8. To the best of my knowledge and belief no transactions or behaviour by me or persons within the scope of my management have violated the Micro Focus Code of Business Conduct and Ethics. In particular but without limitation I confirm that I am not aware of any bribery, fraud or corruption having taken place, either within the Micro Focus group or externally, except as has already been notified to Micro Focus' Group Compliance Officer or Executive Chairman.
9. I am fully aware and understand that any allegation or evidence of any bribery, fraud other corruption having taken place will be fully investigated by Micro Focus and could lead to disciplinary action being taken against me or my dismissal.

Sincerely,

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*Signature*

---

*Print Name*

**Please note that this letter is subject to appropriate updating by the Company from time to time.**

## APPENDIX 10

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### EQUAL OPPORTUNITIES POLICY AND PROCEDURE

##### **Statement of Principle**

1. Micro Focus aims to be an equal opportunity employer.
2. Micro Focus aims to provide a working and learning environment that will enable all Staff Members to fulfill their personal potential and in which the dignity of all individuals is respected. To this end, Micro Focus wishes to provide an environment that promotes equal opportunities and is free of harassment. Harassment can have a serious detrimental effect on working, studying and social conditions for Staff Members and visitors to the company. This policy applies to all Staff Members of Micro Focus and any incident of harassment will be regarded extremely seriously and can be grounds for disciplinary action including dismissal.
3. The Company is committed to a policy of treating all of its Staff Members and job applicants equally. No Staff Member or potential Staff Member will receive less favourable treatment or consideration on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation (the "Protected Characteristics") or will be disadvantaged by any conditions of employment or Company requirements that cannot be justified as necessary on operational grounds.
4. Every senior executive and member of management and all Staff Members are instructed that there should be no discrimination on account of any of the Protected Characteristics.

##### **Procedure**

5. The procedure applies to relations between Staff Members at all levels and covers all aspects of employment, including from vacancy advertising, selection, recruitment and training to conditions of service, disciplinary and grievance procedures and reasons for termination of employment.
6. The procedure applies to the advertisement of jobs, recruitment and appointment, training, conditions of work, pay and to every other aspect of employment. The procedure also applies equally to the treatment of Micro Focus' customers/clients.
7. Staff Members who are disabled or become disabled in the course of their employment should inform and may also wish to advise the Company of any "reasonable adjustments" to their employment or working conditions which they consider to be necessary or which they consider would assist them in the performance of their duties. Careful consideration will be given to any proposals of this nature and, where reasonable and reasonably practicable such adjustments will be made. There may however be circumstances where it will not be reasonable or reasonably practicable for the Company to accommodate those proposals and where less favourable treatment may be justified in accordance with the statutory provisions.
8. Any Staff Member may use the grievance procedure to complain about discriminatory conduct. If the matter relates to sexual or racial harassment or harassment on the basis of disability then the grievance may be raised directly with the Group Human Resources Director.
9. The Company is concerned to ensure that Staff Members feel able to raise such grievances and that no individual will be penalised for raising such a grievance unless it is untrue and made in bad faith.
10. Where a Staff Member is falsely accused of discriminatory conduct, then he or she can implement the Company's grievance procedure. In this instance, the person who is accusing may find himself or herself disciplined within the Company's disciplinary procedure. Allegations made in good faith will not lead to disciplinary action.

##### **Discipline**

11. Any Staff Member who harasses another Staff Member on the grounds of any of the Protected Characteristics will be subject to the Company's disciplinary procedure. In serious cases such behaviour will be deemed to constitute gross misconduct and will result in summary dismissal in the absence of mitigating circumstances.

## **Monitoring**

12. Where legally possible, all Staff Members will be asked to complete a voluntary information form denoting their sex, race, ethnic origin and any disabilities. This form will be used by the Company solely for the purpose of monitoring the effectiveness of its equal opportunities policy, identifying groups which may be underrepresented or disadvantaged in the Company, providing the basis for appropriate action to eliminate unlawful direct and indirect discrimination and for promoting equality of opportunity.

## APPENDIX 11

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### POLICY AND PROCEDURE ON ANTI-HARASSMENT AND ANTI-BULLYING

##### Introduction

1. Micro Focus has formulated a policy statement on harassment together with guidelines on its implementation and made it fully available to all Staff Members. This procedure does not form part of any Staff Members contract of employment and Micro Focus may amend it at any time or depart from it where we consider appropriate.
2. Harassment of people at work is a feature of discrimination and procedures to deal with harassment are an integral part of any equal opportunities strategy. The procedure applies to Staff Members on and off the premises, including those working away from base.

##### Statement of Principle

3. Harassment or bullying of any sort is not acceptable to the Company. Micro Focus believe harassment or bullying at work to be a serious issue and we aim to eliminate it from the workplace. It is important that if you are the recipient or witness of harassing behaviour, that you feel encouraged to come forward. Micro Focus aims to provide a working and learning environment which will be stimulating and supportive and free of unlawful discrimination. Harassment can seriously worsen working and social conditions for Staff Members. Bullying or harassment of Staff Members by visitors to the organisation will not be tolerated. Micro Focus has agreed a procedure for dealing with complaints of harassment. Any incidents of harassment will be regarded extremely seriously and may be grounds for disciplinary action including dismissal. Micro Focus's anti harassment and anti bullying procedures may be referred to on the intranet or in the Human Resources Department.

##### Defining Harassment

4. Harassment can be a source of great stress to an individual. Harassment takes many forms, occurs on a variety of grounds and may be directed at one person or many people. In general terms it can be described as unwanted behaviour which a person finds intimidating, upsetting, embarrassing, humiliating or offensive. It is essential to remember that it is not the intention of the perpetrator that is key in deciding whether harassment has occurred, but whether the behaviour is unacceptable by normal standards and is disadvantageous. It is also important to distinguish harassment from sexual relationships freely entered into and acceptable to those involved. All members of Micro Focus, are responsible for helping to ensure that individuals do not suffer any form of harassment, and that they are encouraged and supported in any legitimate complaint.
5. There is no one checklist as harassment is often specific to the person, relating to his or her feelings of respect and dignity. It is a question of whether they feel intimidated, or actions of others disrupt harmonious working. It may consist of behaviour taking place over a period of time or a single incident. A general definition of harassment is that it is unwanted conduct affecting the dignity of men and women in the workplace. It may be related to age, sex, race, disability, religion, nationality or any personal characteristic of the individual, and may be persistent or an isolated incident. The key is that the actions or comments are viewed as demeaning and unacceptable to the recipient.
6. Sexual and racial harassment have well-established definitions and definitions of disability harassment and of bullying are also given below. Harassment can also have a specific meaning under certain laws (for instance if harassment is related to sex, race or disability, it may be unlawful discrimination).
7. *Sexual harassment* is a form of sex discrimination. It always involves unwanted conduct of a sexual nature which emphasises sexual status over status as an individual, colleague or student. It is most often found that it is women who are harassed by men. However sexual harassment

between members of the same sex or of men by women does also occur. It often, though not always, involves relationships between people of unequal status and involves elements of coercion. It can be: physical, verbal or non-verbal, ranging from intimate contact, suggestive remarks or compromising invitations to aggressively foul language or unwanted demands for sex; offensive behaviour or abuse relating to HIV or AIDS, homophobic remarks or jokes; threats to 'out' lesbian, gay or bisexual Staff Members or students; or displays of sexually suggestive or degrading pictures in the work place.

8. Sexual harassment occurs when any such behaviour creates an intimidating, hostile or offensive environment for employment, for study or for social life. Any behaviour that makes the recipient feel unjustifiably viewed as a sexual object is liable to cause offence, *even if offence is not intended*.
9. Staff Members shall be made aware that differences of attitude or culture and the misinterpretation of social signals can mean that what is perceived as sexual harassment by one person may not seem so to another. The defining features, however, are that the behaviour is offensive to and unwanted by the recipient and would be regarded as sexual harassment by any reasonable person.
10. *Racial harassment* may be defined as any hostile or offensive act or expression (or series or combination of such acts) against a person, relating to colour, race, nationality, or ethnic or national origins. It also includes incitement to commit such an act. Such behaviour includes derogatory name-calling, insults and racist jokes, racist graffiti, verbal abuse or threats, physical attack or ridicule of an individual for cultural differences.
11. Racial harassment occurs when any such behaviour creates an intimidating, hostile or offensive environment for employment, study or for social life. Racial harassment can occur *even if offence is not intended*.
12. Staff Members shall be made aware that differences of attitude or culture and the misinterpretation of social signals can mean that what is perceived as racial harassment by one person may not seem so to another.
13. The defining features, however, are that the behaviour is offensive to and unwanted by the recipient and would be regarded as racial harassment by any reasonable person.
14. *Disability harassment* may be defined as any hostile or offensive act or expression against a person because of their disability or learning difficulty. It also includes incitement to commit such an act. Such behaviour includes, as well as physical attack, derogatory name-calling, insults and jokes, verbal abuse or threats, and actions which humiliate, demean or ridicule a person because of their disability.
15. Disability harassment occurs when any such behaviour creates an intimidating, hostile or offensive environment for employment, study or for social life. Disability harassment can occur *even if offence is not intended*. Staff Members shall be made aware that differences of attitude or culture and the misinterpretation of social signals can mean that what is perceived as disability harassment by one person may not seem so to another. The defining features, however, are that the behaviour is offensive to and unwanted by the recipient and would be regarded as disability harassment by any reasonable person.
16. *Bullying or general harassment* is a similar misuse of power or position. It may include persistent and unfair criticism or condemnation, humiliation, be offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means intended to undermine, humiliate, denigrate or injure the recipient and the undermining of an individual's ability and confidence. In a working and learning environment bullying usually takes the form of irrational and unfair verbal assaults, but physical violence can be involved.
17. Bullying occurs when any such behaviour creates an intimidating, hostile or offensive environment for employment, study or for social life. Bullying can occur *even if offence is not intended*. Staff Members should be aware that differences of attitude or culture and the

misinterpretation of social signals can mean that what is perceived as bullying by one person may not seem so to another.

18. Bullying or harassment may be by an individual against an individual (perhaps by someone in a position of authority such as a manager or supervisor) or involve groups of people. It may be obvious or it may be insidious. Whatever form it takes, it is unwarranted and unwelcome to the individual.
19. Any difficulty in defining what constitutes racial, sexual or disability harassment, or bullying, should not deter Staff Members from complaining about behaviour, which causes them distress.
20. Nor should anyone be deterred from making a complaint because of embarrassment or fear of intimidation or publicity. Micro Focus will respect the particular sensitivity of harassment complaints and their consequences as well as the need for the utmost confidentiality.
21. Harassment and bullying can range from extremes such as violence, to less obvious forms like ignoring someone. Whatever the form, it will be unwanted behaviour which is unwelcome and unpleasant. Forms include:
  - physical contact
  - jokes, offensive language, gossip, slander, sectarian songs and letters
  - posters, graffiti, obscene gestures, flags, bunting and emblems
  - isolation or non-cooperation and exclusion from social activities
  - coercion for sexual favours and pressure to participate in political/religious groups
  - intrusion by pestering, spying and stalking.
  - spreading malicious rumours, or insulting someone by word or behaviour (particularly on racial, sexual or disability grounds)
  - copying memos that are critical about someone to others who do not need to know
  - ridiculing or demeaning someone — picking on them or setting them up to fail
  - exclusion or victimisation
  - unfair treatment
  - overbearing supervision or other misuse of power or position
  - unwelcome sexual advances — touching, standing too close, the display of offensive materials
  - making threats or comments about job security without foundation
  - deliberately undermining a competent worker by overloading and constant criticism
  - preventing individuals progressing by intentionally blocking promotion or training opportunities.
  - verbal or physical threats and intimidation
  - persistent negative comments
  - humiliating someone in front of others
  - unjustified, persistent criticism
  - offensive or abusive personal remarks
  - constantly changing work targets in order to cause someone to fail
  - reducing someone's effectiveness by withholding information
  - ostracism
  - picking on one person for criticism when there is a common problem
  - not giving credit where it is due
  - claiming credit for someone else's work
  - belittling someone's opinion
  - making false allegations
  - monitoring work unnecessarily and intrusively
  - undervaluing work done
  - removing areas of responsibility without justification
  - imposing unfair sanctions

### **Procedure**

22. It is recognised that informal channels can be the most effective means of preventing or stopping harassment. Where a formal complaint is lodged, the Micro Focus Grievance and Disciplinary Procedures will apply.

### **Management Responsibility**

23. Managers have a responsibility towards all their Staff Members to maintain a standard of professional conduct between colleagues and to investigate complaints in a professional way. They must be proactive and take steps to deal with harassment or bullying, whether or not it has been formally reported.

## APPENDIX 12

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY

##### 1. POLICY STATEMENT

- 1.1 **Modern slavery is a crime and a violation of fundamental human rights.** It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.
- 1.2 **Micro Focus has a zero-tolerance approach to modern slavery** and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.
- 1.3 **We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains**, consistent with our disclosure obligations under the Modern Slavery Act 2015 (the "Act"). We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we should include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.
- 1.4 **This policy applies to all persons working for Micro Focus or on our behalf** in any capacity, including Staff Members, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners.
- 1.5 In accordance with Section 54(1) of the Act, Micro Focus has and will continue to make public a statement setting out the actions we are taking and intend to take in the future to ensure our businesses and supply chains are free of slavery.
- 1.6 All Staff Members of the Micro Focus group are required to comply with this policy. It does not form part of any employee's contract of employment and Micro Focus may therefore amend it at any time without notice.

##### 2. RESPONSIBILITY FOR THE POLICY

- 2.1 The Micro Focus Board has overall responsibility for ensuring this policy complies with our legal and ethical obligations and that all those under our control comply with it.
- 2.2 The Group Compliance Officer has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it and auditing internal control systems and procedures to ensure they are effective in countering modern slavery.
- 2.3 Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy. At present training of Staff Members is not considered necessary as the risk of slavery or human trafficking occurring in our businesses or supply chains is low. However, the Compliance Committee will keep the situation under review and if in the future such training becomes necessary it will be provided.
- 2.4 You are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries are encouraged and should be addressed to the Group Compliance Officer.



### **3 COMPLIANCE WITH THE POLICY**

- 3.1 You must ensure that you read, understand and comply with this policy.
- 3.2 The prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. You are required to avoid any activity that might constitute, lead to, or suggest a breach of this policy.
- 3.3 You are encouraged to raise concerns about any issue or suspicion of modern slavery in any part of our business or supply chains of any supplier at the earliest possible stage.
- 3.4 If you believe or suspect that a breach of this policy has occurred or may occur in the future you must as soon as possible notify your manager OR the Group Compliance Officer OR report it in accordance with the Company's Whistleblowing Policy.
- 3.5 If you are unsure about whether a particular act, the treatment of workers more generally or their working conditions within any of our supply chains constitutes any form of modern slavery, please raise it as soon as possible with your manager or the Group Compliance Officer.
- 3.6 We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery in whatever form is or may be taking place in any part of our own business or in any of our supply chains. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Group Compliance Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found on the Intranet or by contacting your local HR representative.

### **4 COMMUNICATION AND AWARENESS OF THIS POLICY**

- 4.1 Our zero-tolerance approach to modern slavery should be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter.

### **5 BREACHES OF THIS POLICY**

- 5.1 Any Staff Member who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.
- 5.2 We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

## APPENDIX 13

### MICRO FOCUS INTERNATIONAL PLC ("Micro Focus")

#### MONITORING AND REVIEW

1. Micro Focus' Code and training programme will be reviewed every year by the Compliance Committee, the Audit Committee and the Board
2. That review will consider:
  - A. information sources;
  - B. metrics;
  - C. "surveys" (e.g. staff surveys, questionnaires, training feedback) seeking records etc; and
  - D. data analysis tools.
3. An immediate review of the business ethics programme will be required in the following circumstances:
  - A. where Micro Focus or one of its Intermediaries is involved in any credible allegations of illegality;
  - B. where there is evidence of what, in the opinion of the Compliance Committee, is a significant breach of the Code which is likely to be repeated if the Code is not reviewed;
  - C. further government guidance of legislation or significant legal changes in the law of the UK or the US; and
  - D. rapid or unexpected changes of government in a High Risk Area.
4. A review will consider whether the Code and the underlying policies are being operated properly and effectively. This will require an assessment of each area of the Code to see whether the standards set out are being followed.
5. By way of example, this will include an assessment of the following areas:
  - A. whether Micro Focus' Gifts and Hospitality Policy is being followed; for example, are gifts being recorded, (where required) is approval being sought and is the register of gifts being maintained?;
  - B. are appropriate checks being carried out where charitable donations are being made (for example as to purpose and use for the donation) and is the Policy being followed?;
  - C. are Intermediaries in High Risk Areas participating in Micro Focus' training programme and is this being recorded?; and
  - D. have all new Staff Members taken part in the training programme, and did this take place within one month of their joining the Micro Focus?

#### Reporting

6. Following the review process, a report will be prepared, to be provided to the Board, which will set out the findings of the review process.

7. The review process and report will consider any "best practice" produced by regulators/trade bodies in the sector in reaching its conclusions and suggested future action.
8. The Company will include verification/assurance to monitor compliance as part of the internal audit program.