

MICRO FOCUS INTERNATIONAL PLC SCHEDULE OF MATTERS RESERVED FOR THE BOARD

CA06 refers to the Companies Act 2006

CGC refers to the UK Corporate Governance Code 2018

DTR refers to the FCA's Disclosure and Transparency Rules

LR refers to the FCA's Listing Rules

PR refers to the FCA's Prospectus Regulation Rules

References to Audit, Nomination or Remuneration refer to the Board committee which will consider the item and make recommendations to the board for its final decision.

References to "**the Company**" shall be to Micro Focus International plc and references to "**the group**" mean the Company and its subsidiary undertakings.

Items marked * are not considered suitable for delegation to an ad hoc sub-committee of the board, for example because of CA06 requirements or because, under the recommendations of the CGC, they are the responsibility of an audit, nomination or remuneration committee, with the final decision required to be approved by the Board.

1	STRATEGY AND MANAGEMENT	Corporate Governance Reference
1.1	Responsibility for the overall management of the group.	CGC Principle A
1.2	Approval of the group's purpose, values and strategy, including long term objectives and commercial strategy.	CGC Principles A and B
1.3	Approval of the annual operating and capital expenditure budgets and any material changes to them. Material changes defined as anything above: <ul style="list-style-type: none"> • 3% for Revenue • 3% for Operating Expenses • 20% for Capital Expenditure 	
1.4	Oversight of the group's operations ensuring: <ul style="list-style-type: none"> • competent and prudent management • sound planning • maintenance of sound management and internal control systems 	CGC Principle O

	<ul style="list-style-type: none"> adequate accounting and other records compliance with statutory and regulatory obligations. 	
1.5	Review of performance in the light of the group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.	CGC Principle C CGC Provision 1
1.6	Extension of the group's activities into new business or geographic areas.	
1.7	Any decision to cease to operate all or any material part of the group's business.	
2	STRUCTURE AND CAPITAL	
2.1	Changes relating to the group's capital structure including reduction of capital, share issues (except under employee share plans) and share buybacks (including the use of treasury shares).	
2.2	Major changes to the group's corporate structure, including, but not limited to acquisitions and disposals of shares which are material relative to the size of the group in question (taking into account initial and deferred consideration).	
2.3	Changes to the group's management and control structure.	
2.4	Any changes to the Company's listing or its status as a plc.	
3	FINANCIAL REPORTING AND CONTROLS	
3.1	*Approval of preliminary announcements of interim and final results.	CGC Principle N Audit DTR 4.1- 4.4
3.2	*Approval of the annual report and accounts, including the corporate governance statement and remuneration report.	CA06 s414, s415 DTR 4 LR 9.8 CGC Principle N Audit
3.3	*Approval of the dividend policy.	
3.4	*Declaration of the interim dividend and recommendation of the final dividend.	LR 9.7 DTR 6.1.13
3.5	*Approval of any significant changes in accounting policies or practices.	CGC Principles M & N Audit

3.6	Approval of treasury policies (including foreign currency exposure and the use of financial derivatives).	
4	INTERNAL CONTROLS	
4.1	<p>Ensuring maintenance of a sound system of internal control and risk management including:</p> <ul style="list-style-type: none"> receiving reports on, and monitoring, the group's risk management and internal control processes to support its strategy and objectives and carrying out a review of their effectiveness; undertaking an annual assessment of the Company's principal and emerging risks and the processes for identifying emerging risks; and approving an appropriate statement for inclusion in the annual report. 	<p>CGC Principle O, Provisions 28 and 29 Audit UK Bribery Act 2010</p>
5	CONTRACTS	
5.1	Major capital projects exceeding the limit for procurement set out in the then current Company Chart of Approvals for Executive Directors.	
5.2	Contracts which are material strategically or by reason of size, entered into by the Company (or any subsidiary) in the ordinary course of business, for example bank borrowings or acquisitions or disposals of fixed assets exceeding the limit for procurement set out in the then current Company Chart of Approvals for Executive Directors.	
5.3	Contracts of the Company or any subsidiary not in the ordinary course of business, for example loans and repayments, foreign currency transactions, major acquisitions or disposals exceeding the limit for procurement or, if applicable, the specific limit for such item(s) set out in the then current Company Chart of Approvals for Executive Directors.	
5.4	Major investments including the acquisition or disposal of interests of more than 5 per cent in the voting shares of any company or the making of any takeover offer.	DTR 5
5.5	Onerous contract terms including unlimited liability and parent company guarantees. This matter is delegated to Executive Directors, Finance and/or Legal functions as appropriate, as determined by the Chief Executive Officer.	

6	COMMUNICATION	
6.1	Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives	CGC Principle D
6.2	Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.	LR 13
6.3	*Approval of all circulars and listing particulars. Approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights could be delegated to a committee.	LR 13 PR 5.5
6.4	*Approval of press releases concerning matters decided by the Board or which may be price sensitive. The publication of Policy Statements (for example, on matters such as Modern Slavery and Gender Pay) which are required to be published by any member of the group from time to time do not require Board approval.	
7	BOARD MEMBERSHIP AND OTHER APPOINTMENTS	
7.1	*Changes to the structure, size and composition of the Board, following recommendations from the nomination committee.	CGC Principle K Nomination
7.2	*Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board.	CGC Principle J
7.3	*Appointments to the Board, following recommendations by the nomination committee.	CGC Provision 17 Nomination
7.4	*Selection of the Chair of the Board and the Chief Executive.	Nomination
7.5	*Appointment of the Senior Independent Director to provide a sounding board for the Chair of the Board and to serve as intermediary for the other directors when necessary.	CGC Provision 12 Nomination
7.6	*Membership and Chairmanship of Board committees, following recommendations from the nomination committee.	Nomination
7.7	*Continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.	Nomination

7.8	*Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.	Nomination
7.9	*Appointment or removal of the company secretary.	CA06 Part 12 s270-280 CGC Provision 16
7.10	*Appointment, re-appointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.	CA06 s489 and s491 CGC Provision 25 Audit
7.11	Appointments to boards of subsidiaries and powers of attorney. This matter is delegated to the General Counsel to approve in accordance with a protocol agreed with the Chief Executive Officer or Chief Financial Officer and for the Board to be informed of such appointments at the next scheduled meeting.	
7.12	Applications by directors to accept outside appointments.	CGC Provision 15
8.	REMUNERATION	
8.1	*Approving the remuneration policy for the directors and the remuneration of the directors, company secretary and other senior executives as determined by the Remuneration committee from time to time and subject to shareholder approval, if appropriate.	CGC Principle Q Remuneration
8.2	The Executive Directors determine the remuneration of the non-executive directors, subject to the articles of association and shareholder approval as appropriate.	CGC Provision 34
8.3	*The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.	Remuneration
9	DELEGATION OF AUTHORITY	
9.1	*The division of responsibilities between the Chair of the Board, the Chief Executive Officer and the Senior Independent Director, which should be in writing.	CGC Principle G and Provision 14
9.2	*Approval of terms of reference of Board committees.	CGC Provisions 17, 24 and 32
9.3	*Receiving reports from Board committees on their activities.	
9.4	The Company's Chart of Approvals	

10	CORPORATE GOVERNANCE MATTERS	
10.1	*Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors.	CGC Principle L
10.2	*Determining the independence of non-executive directors in light of their character, judgment and relationships.	CGC Provision 10
10.3	*Considering the balance of interests between shareholders, employees, customers and the community and reviewing the engagement mechanisms with the Company's key stakeholders and ensuring they remain effective.	CA06 s172
10.4	Review of the group's overall corporate governance arrangements.	
10.5	*Receiving reports on the views of the Company's shareholders to ensure that they are communicated to the Board as a whole.	CGC Provisions 3 and 12
10.6	Authorising conflicts of interest where permitted by the Company's articles of association.	CA06 s177
11	POLICIES	
11.1	Approval of policies, including: <ul style="list-style-type: none"> • Code of Conduct • Share dealing code • Health and safety policy • Environmental policy • Disclosure policy including procedures for the release of price-sensitive information • Corporate social responsibility policy • Charitable donations policy 	CGC Principle A and C
11.2	Overseeing workforce policies and practices and ensuring they are consistent with the group's values and support its long term sustainable success.	CGC Principle E
11.3	Routinely reviewing (i) the adequacy and security of the Company's arrangements for employees to raise concerns anonymously and (ii) the reports arising from the operation of such arrangements, and ensuring that arrangements are in place for the proportionate and	CGC Provision 6

	independent investigation of such matters and for follow up action.	
12	OTHER	
12.1	The making of political donations.	
12.2	Approval of the appointment of the group's principal professional advisers.	
12.3	Commencement and prosecution of claims or litigation settlements (excluding license verification with customers) exceeding the limit for procurement set out in the then current Company Chart of Approvals for Executive Directors or being otherwise material to the interests of the group. License Verification with customers and commencement and prosecution of claims and litigation settlements not reserved for the Board to be subject to approval by any two Executive Directors including the Chief Financial Officer.	
12.4	Approval of the overall levels of insurance for the group including Directors' & Officers' liability insurance and indemnification of directors.	
12.5	Reviewing regular reports from the Compliance Officer and keeping under review the adequacy and effectiveness of the Company's compliance function.	UK Bribery Act 2010
12.6	Major changes to the rules of the group's pension scheme, or changes of trustees.	
12.7	Changes to this schedule of matters reserved for Board decisions.	

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the group.