

This document is important and requires your immediate attention. Shareholders who are in any doubt as to what action to take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisor authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares of 10 pence each in Micro Focus International plc (the "ordinary shares"), please pass this document and the accompanying Form of Proxy to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. If you have sold or transferred only part of your shares you should consult with the person who arranged the sale or the transfer.



2 August 2016

To the holders of ordinary shares in Micro Focus International plc (the "**Company**").

Dear Shareholder

Notice of Annual General Meeting

The Annual General Meeting (the "**AGM**") of the Company is to be held on 22 September 2016 at 3pm (UK time) at the Company's offices at The Lawn, 22-30 Old Bath Road, Newbury, Berkshire RG14 1QN. As you will see from the formal Notice of AGM which follows this letter, there are a number of items of business to be considered and the purpose of each resolution to be proposed at the AGM is set out in the "**Explanatory Notes**" section of this letter.

Voting at the AGM

A Form of Proxy for the AGM is enclosed and, to be valid, should be completed, signed and returned so as to reach Equiniti, the Company's Registrar, by no later than 3pm (UK time) on 20 September 2016. Completion and return of the Form of Proxy will not prevent you from attending and voting at the AGM in person, should you so wish.

Electronic Proxy Appointment is available for this AGM. This facility enables shareholders to lodge their proxy appointment by electronic means on a website provided by our Registrar, Equiniti, via www.sharevote.co.uk or, for those who hold their shares in CREST, through the CREST electronic proxy appointment service. Further details are set out in the notes to the Notice of AGM and the Form of Proxy.

At the AGM itself, the votes will be taken by poll rather than on a show of hands. The final result is more democratic as this enables one vote per share held (rather than one vote per person in the case of a show of hands) which is then added to the proxy results. The result of the poll will be announced to the London Stock Exchange and will appear on the Company's website www.microfocus.com.

Action required

Following this letter is a Notice of AGM including resolutions relating to the matters discussed above (the "**Resolutions**") together with a Form of Proxy. You are requested to complete, sign and return the Form of Proxy whether or not you intend to be present at the AGM as soon as possible and in any event, so as to reach Equiniti, the Company's Registrar, by 3pm (UK time) on 20 September 2016.

Recommendation

The board believes the Resolutions are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly, the board recommends that shareholders vote in favour of each Resolution, as each director of the Company intends to do in respect of his or her own beneficial holding.

Yours faithfully

A handwritten signature in black ink, appearing to read "Kevin Loosemore".

Kevin Loosemore
Executive Chairman

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of Micro Focus International plc (the "**Company**") will be held at the Company's offices at The Lawn, 22-30 Old Bath Road, Newbury, Berkshire RG14 1QN on 22 September 2016 at 3pm (UK time).

Resolutions 1 to 17 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 18 to 22 (inclusive) will be proposed as Special Resolutions. There will be a poll vote on all Resolutions.

ORDINARY RESOLUTIONS

1. To receive the Company's accounts, together with the reports of the directors of the Company (the "**Directors**") and the auditor for the year ended 30 April 2016.
2. To declare a final dividend of 49.74 cents per ordinary share for the year ended 30 April 2016.
3. To approve the Directors' remuneration report (the "**Remuneration Report**") for the year ended 30 April 2016 (excluding the part relating to the Directors' remuneration policy (the "**Remuneration Policy**"), as set out on pages 64 to 76 of the Remuneration Report).
4. To adopt and to authorise the Company to make deferred bonus awards, as set out on page 62 of the Remuneration Report for the year ended 30 April 2016, and to amend the Remuneration Policy, as set out on pages 64 to 76 of the Remuneration Report for the year ended 30 April 2016.
5. To adopt and to authorise the Company to implement an Additional Share Grants programme, as set out on page 62 of the Remuneration Report for the year ended 30 April 2016, and summarised in the appendix to this Notice, and to amend the Remuneration Policy, as set out on pages 64 to 76 of the Remuneration Report for the year ended 30 April 2016.
6. To re-elect Kevin Loosemore as a Director
7. To re-elect Mike Phillips as a Director.
8. To elect Stephen Murdoch as a Director.
9. To elect Nils Brauckmann as a Director
10. To re-elect Karen Slatford as a Director.
11. To re-elect Tom Virden as a Director.
12. To re-elect Richard Atkins as a Director.
13. To elect Steve Schuckenbrock as a Director.
14. To elect Amanda Brown as a Director.
15. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company until the end of the next annual general meeting at which accounts are laid before the Company.
16. To authorise the Directors to determine the remuneration of the auditor.
17. In accordance with section 551 of the Companies Act 2006 (the "**Act**") to generally and unconditionally authorise the Directors to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (a) up to an aggregate nominal amount of £7,637,743; and

- (b) up to a further aggregate nominal amount of £7,637,743 in connection with an offer by way of rights issue to holders of ordinary shares of 10 pence each in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings and to holders of other equity securities as required by the rights of those securities or, as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange,

and such authority shall expire on the date of the annual general meeting of the Company to be held in 2017 or, if earlier, 31 October 2017, but so that the Company may, in each case, before such expiry make an offer or agreement which would or might require share allotments and grants of rights to subscribe for or convert any security into shares in the Company after such expiry and the Directors may make such allotments and grants in pursuance of any such offer or agreement as if the power conferred hereby had not expired. This authority shall be in substitution for any previous authorities granted in this regard by the Company, but without prejudice to any allotments or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

18. Subject to the passing of Resolution 17 above, to authorise the Directors in accordance with section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the power conferred on the Directors by Resolution 17 and/or to sell ordinary shares held by the Company as treasury shares, as if section 561(1) and sub-sections (1) – (6) of section 562 of the Act did not apply to any such allotment or sale, provided that the power conferred by this resolution shall be limited to:
 - (a) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities made to (but in the case of the power granted under Resolution 17(b) by way of a rights issue only):
 - (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) holders of other equity securities, as required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems in or under the laws of any territory or requirements of any regulatory body or stock exchange; and

- (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph 18(a)(i) above) up to a nominal amount of £1,145,661;

and such power shall expire on the date of the annual general meeting of the Company to be held in 2017 or, if earlier, 31 October 2017 but so that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. This power revokes and

replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such powers.

19. Subject to the passing of Resolution 17 above, to authorise the Directors in addition to any power granted under Resolution 18 to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the power conferred on the Directors by Resolution 17 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) and sub-sections (1) – (6) of section 562 of the Act did not apply to any such allotment or sale, such power to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,145,661; and
- (b) used only for the purposes of financing (or refinancing, if the power is to be used within six months after the original transaction) a transaction which the board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

and such power shall expire on the date of the annual general meeting of the Company to be held in 2017 or, if earlier, 31 October 2017 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power expires and the board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not expired.

20. Subject to the passing of Resolution 17 above, to authorise the Directors in addition to any power granted under Resolutions 18 and 19 to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the power conferred on the Directors by Resolution 17 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) and sub-sections (1) – (6) of section 562 of the Act did not apply to any such allotment or sale, such power to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £2,291,323; and
- (b) used only for the purposes of financing (or refinancing, if the power is to be used within six months after the original transaction) a transaction which the board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice, and such power shall expire on the date of the annual general meeting of the Company to be held in 2017 or, if earlier, 31 October 2017 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power expires and the board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not expired.

21. To generally and unconditionally authorise, in accordance with the Company's articles of association and for the purposes of section 701 of the Act, the Company to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 34,346,931 ordinary shares;
- (b) the minimum price which shall be paid for each ordinary share is 10 pence;
- (c) the maximum price which may be paid for each ordinary share shall not be more than the maximum price (exclusive of expenses) stipulated by the Listing Rules from time to time in force published by the Financial Conduct Authority;
- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company to be held in 2017 or 31 October 2017 (whichever is the earlier); and
- (e) the Company may, before such expiry, make a contract to purchase ordinary shares under the authority hereby conferred which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares in pursuance of such a contract.

22. To authorise the Company to call general meetings (other than annual general meetings) on a minimum of 14 clear days' notice.

By order of the board.



Jane Smithard
Company Secretary

2 August 2016

Registered office
Micro Focus International plc
The Lawn
22-30 Old Bath Road
Newbury
Berkshire
RG14 1QN
United Kingdom

Registered in England Number: 5134647

Explanatory notes

The purpose of each of the Resolutions proposed at the Annual General Meeting is as follows:

Resolution 1 – Financial statements

Shareholders are required to receive the Company's accounts for the financial year which ended on 30 April 2016. These include the audited financial statements together with the reports of the Directors and the auditor. These are all contained in the Annual Report.

Resolution 2 – Final dividend

This Resolution seeks shareholder approval for the final dividend recommended by the Directors. The Directors are recommending a final dividend of 49.74 cents per ordinary share. An interim dividend of 16.94 cents per ordinary share was paid in January 2016, making a total dividend for the year of 66.68 cents per ordinary share. If approved, the final dividend will be paid on 7 October 2016 to shareholders of ordinary shares on the Company's Register of Members as of 2 September 2016. Dividends will be paid in Sterling based on an exchange rate of US\$1.33/£1.00, equivalent to 37.40 pence per ordinary share, being the rate applicable on 13 July 2016, the date of recommendation of the dividend by the board of Directors.

Resolution 3 – Remuneration Report

The board must put the Remuneration Report (excluding the part relating to the Remuneration Policy) to a shareholder vote under company law. As in previous years, this shareholder vote is advisory and the Directors' entitlement to receive remuneration is not conditional on it. The Remuneration Report is available to view in the Annual Report (on pages 62 to 85) and at <http://investors.microfocus.com/key-financial-data/reports-and-accounts>.

Resolution 4 – Annual bonus and deferred bonus awards

The Remuneration Policy, which is reproduced in the Remuneration Report for completeness, was approved at the annual general meeting ("AGM") in 2014 (as subsequently amended at a general meeting held on 27 October 2014) and took immediate effect. Such approval will last for three years. The remuneration committee intends to conduct a comprehensive review of remuneration over the coming year and seek shareholder approval for a new Remuneration Policy in 2017 at the latest. However, shareholders are being asked to approve an amendment to the operation of the annual bonus for the coming year as follows:

- (a) to introduce a mandatory conversion of one-third of any bonus earned into deferred bonus awards over Company shares for all Executive Directors (other than the Executive Chairman, who is already a significant shareholder in the Company), to maximise long-term shareholder alignment, support retention in a highly competitive and global talent market and in line with typical market practice. The remaining two-thirds of the bonus will continue to be paid in cash;
- (b) to provide that deferred bonus awards will vest in full after three years, subject to continued employment. Dividend equivalents will be payable over the vesting period in respect of deferred bonus awards that vest;

- (c) to increase the maximum annual bonus opportunity from 100% to 150% of salary for all Executive Directors (to align with the current maximum opportunity for the Executive Chairman); and
- (d) for those subject to the changes, to introduce malus and clawback provisions to apply to deferred bonus awards, as well as to the cash bonus.

Resolution 4 seeks shareholder approval in respect of the above changes to the annual bonus and to adopt and authorise the Company to make deferred bonus awards. Further details of the deferred bonus awards and the proposed changes to the Remuneration Policy are set out on pages 62 and 66 of the Remuneration Report.

Resolution 5 – Additional Share Grants

Resolution 5 seeks shareholder approval to enable further awards of Additional Share Grants ("ASGs") to be made in the future in relation to material acquisitions by the Company (by whatever means). As the market in mature infrastructure evolves the board considers this necessary to avoid the Company finding itself at a competitive disadvantage in executing its strategy. ASGs made in relation to the 2014 acquisition of The Attachmate Group, Inc ("TAG") have been instrumental in motivating the top executive team, ensuring the successful integration of TAG and delivering exceptional shareholder value. 3,262,420 ASGs were awarded and remain outstanding in respect of the TAG acquisition compared with a shareholder approved total of 5,412,240. Accordingly, given the success of the ASGs in relation to the acquisition of TAG and to increase the Company's flexibility in negotiating transactions that create substantial shareholder value, Resolution 5 seeks shareholder approval to enable further awards of ASGs to be made in the future. This authority would be used where the Company anticipates an increase of 50% or more in total returns to shareholders over a three year period from completion of the acquisition. The ASG awards would be on substantially the same terms as those made at the time of the acquisition of TAG and subject to the same limits on shareholder dilution. The detailed terms of the ASGs implemented at the time of the acquisition of TAG are set out in the relevant deeds of grant, copies of which are available on the Company's investor relations website. Resolution 5 also seeks shareholder approval to amend the Remuneration Policy to provide for the grant of ASGs. Further details of the ASGs and the proposed changes to the Remuneration Policy are set out on pages 62 and 69 of the Remuneration Report. A summary of the key features of the replicated ASG programme is set out in the appendix to this Notice.

Resolutions 6 to 14 – Retirement, re-election and election of Directors

Under the Company's articles of association, all Directors are required to retire and submit themselves for election at the first annual general meeting following their appointment and for re-election on an annual basis thereafter. All the retiring Directors wish to continue on the board and, therefore, offer themselves for re-election by shareholders. This practice complies with the recommendations of the UK Corporate Governance Code (the "Code"). Stephen Murdoch, Nils Brauckmann, Steve Schuckenkrock and Amanda Brown were appointed to the board during the year and will offer themselves for election by shareholders for the first time.

Biographical details of the Directors are set out in the Company's Annual Report. All the proposed appointees (other than Amanda Brown who joined the board on 1 July 2016) have been subject to a formal evaluation procedure in the last 12 months. Following that procedure the Executive Chairman confirms the continuing commitment and effective contribution of the Directors and recommends their re-election. In addition, the Directors confirm the continuing commitment and effective contribution of the Executive Chairman and recommend his re-election.

Resolutions 15 and 16 – Auditors

The Company is required to appoint auditors at each AGM at which accounts are presented to hold office until the conclusion of the next AGM. Resolution 15, which is recommended by the audit committee, proposes the re-appointment of the Company's existing auditors, PricewaterhouseCoopers LLP. Resolution 16 follows best practice in corporate governance by separately seeking authority for the Directors to determine the auditors' remuneration.

Resolution 17 – Authority to allot shares

The Directors are, with certain exceptions, unable to allot shares and to grant rights to subscribe for or convert any security into shares without the authority of the shareholders in a general meeting.

The Investment Association's Share Capital Management Guidelines state that Investment Association members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to two-thirds of a company's issued share capital, provided that any amount in excess of one-third of a company's issued share capital is applied to fully pre-emptive rights issues only.

Accordingly, the Directors are seeking authority to be able to:

- (a) allot shares or grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £7,637,743 in accordance with Resolution 17(a). This authority represents approximately one-third of the ordinary share capital in issue (excluding treasury shares) as at the latest practicable date prior to the publication of this Notice; and
- (b) allot equity securities in connection with an offer by way of a rights issue to holders of equity securities up to an aggregate nominal amount of an additional £7,637,743 in accordance with Resolution 17(b). This amount represents approximately an additional one-third of the ordinary share capital in issue (excluding treasury shares) as at the latest practicable date prior to the publication of this Notice.

As at the latest practicable date prior to the publication of this Notice, the Company held 29,924 treasury shares, representing 0.013% of the total issued share capital (excluding treasury shares).

If approved, the authorities granted under Resolutions 17(a) and (b) will expire either on the date of the Company's AGM in 2017 or 31 October 2017, whichever is the earlier. The Directors have no present intention of exercising such authorities. However, the Directors consider it important to have the maximum ability and flexibility commensurate with good corporate governance guidelines to raise finance to enable the Company to respond to market developments and conditions. If the Directors were to use the additional authority in Resolution 17(b), then all of the Directors would submit themselves for re-election at the following AGM (as they do each year in any event in the interests of good corporate governance).

Resolutions 18 to 20 – Disapplication of pre-emption (Special Resolution)

The Pre-Emption Group's Statement of Principles, as updated in March 2015, supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than 5% of issued ordinary share capital (excluding treasury shares), without restriction as to the use of proceeds of those allotments.

Accordingly, Resolution 18 allows the Directors to allot shares and sell treasury shares for cash (i) in connection with a pre-emptive offer or pre-emptive rights issue and/or (ii) otherwise up to a nominal value of £1,145,661, equivalent to 5% of the total issued ordinary share capital of the Company (excluding treasury shares) as at 26 July 2016, being the latest practicable date prior to the date of publication of this Notice, without first having to offer them to existing shareholders in proportion to their holdings.

The Pre-Emption Group's Statement of Principles also supports the annual disapplication of pre-emption rights in respect of allotments of shares and sales of treasury shares for cash representing no more than an additional 5% of issued ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-Emption Group's Statement of Principles defines "specified capital investment" as meaning one or more specific capital investment related uses for the proceeds of an issue of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return. Accordingly, Resolution 19 authorises the Directors to allot new shares pursuant to the allotment authority given by Resolution 17, or sell treasury shares, for cash up to a further nominal amount of £1,145,661, being an additional 5% of the entire issued share capital of the Company as at 26 July 2016, being the latest practicable date prior to the publication of this Notice, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. If the authority given in Resolution 19 is used, the Company will publish details of the allotment in its next annual report.

However, following discussions with certain shareholders and to enable the Company to be more competitive when negotiating transactions that create substantial shareholder value, the Company seeks shareholder approval in Resolution 20 to disapply pre-emption rights on an allotment in respect of up to a further 10% of the entire issued share capital of the Company (excluding treasury shares). The authority in Resolution 20 would also be limited to an allotment in connection with an acquisition or a specified capital investment. The board believes that approving this resolution is in the best interests of the Group, and the shareholders as a whole.

If approved, the authorities granted under Resolutions 18 to 20 will expire either on the date of the Company's AGM in 2017 or on 31 October 2017, whichever is the earlier. The Directors have no immediate plans to make use of this authority, other than to fulfil the Company's obligations under its employee share plans.

Resolution 21 – Approval of market purchases of ordinary shares (Special Resolution)

In certain circumstances, it may be advantageous for the Company to purchase its own shares. The Directors consider it desirable that the possibility of making such purchases, under appropriate circumstances, is available.

Resolution 21 approves the purchase of up to 34,346,931 ordinary shares (equivalent to approximately 14.99% of its issued share capital (excluding treasury shares) as at 26 July 2016 being the latest practicable date prior to the publication of this Notice) at, or between, the minimum and maximum prices specified in the Resolution. When shares are purchased by the Company, they may be immediately cancelled or held in treasury. No dividends are paid on, and no voting rights attach to, treasury shares. At the latest practicable date prior to the publication of this Notice the total number of options to subscribe for shares that were outstanding were 8,994,032 representing 3.93% of the issued share capital and 4.62% of the issued share capital if the full authority to buy back shares is used (excluding treasury shares). As at the latest practicable date prior to the publication of this Notice, the Company held 29,924 treasury shares and no warrants have been granted by the Company. This Resolution will expire either on the date of the Company's AGM in 2017 or 31 October 2017, whichever is the earlier.

Resolution 22 – Notice period for general meetings (Special Resolution)

The Company would like to be able to call general meetings (other than AGMs) on 14 clear days' notice (rather than the 21 days under UK company law). The Company intends to seek this authority each year. The shorter notice period of 14 clear days will not be routinely used for general meetings, but will only be used where the business of the meeting merits that flexibility and the Directors believe it to be beneficial to shareholders as a whole. The Company meets the requirements for electronic voting under the relevant regulations.

1. A shareholder may appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy for the AGM as long as each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy does not need to be a shareholder of the Company. A Form of Proxy for the meeting is enclosed. To be valid any proxy form or other instrument appointing a proxy must be returned by post, by courier or by hand to the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, and must be received by 3pm (UK time) on 20 September 2016, or if the AGM is adjourned, 48 hours (excluding non-working days) prior to the adjourned meeting. A proxy may also be appointed electronically and further details are set out at Note 2 and Note 7 below. Shareholders who have lodged a proxy may still attend the AGM and vote themselves. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Equiniti on 0371 384 2734 or +44 (0)121 415 7047 from outside the UK. Lines open 8.30am to 5.30pm (UK time) (Monday to Friday).
2. To appoint a proxy electronically log on to the Company's Registrars' website at www.sharevote.co.uk. Shareholders will need their Voting ID, Task ID and Shareholder Reference Number, printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website. Alternatively, if you have already registered with the Registrars' online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at www.shareview.co.uk and clicking on the link to vote. Instructions are given on the website. If you are a member of CREST, you may use the CREST electronic appointment service, details of which are set out at Note 7.
3. Any person who has been nominated under Section 146 of the Companies Act 2006 (the "**Companies Act**") to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The rights relating to proxy appointments in Notes 1 and 2 do not apply to Nominated Persons, and such rights can only be exercised by shareholders themselves.

4. A shareholder has a right to put to the Directors any questions relating to the business to be dealt with at the AGM. The Company must give an answer to any such question relating to the business being dealt with at the AGM, except if:

- (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- (b) the answer has already been given on a website in the form of an answer to a question; or
- (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

5. The Company, pursuant to the Uncertificated Securities Regulations 2001 (as amended), will determine which shareholders are entitled to attend and vote at the AGM, and the number of votes which may be cast, by reference to the Company's shareholder register at 6.30pm (UK time) on 20 September 2016, or if the meeting is adjourned, 48 hours (excluding non-working days) before the time set for the adjourned meeting. In each case, changes to the shareholder register after that time will not be taken into account.

6. As at 26 July 2016 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consists of 229,162,224 ordinary shares, carrying one vote each. As at 26 July 2016 the Company holds 29,924 ordinary shares in treasury. Therefore, after excluding treasury shares, the total number of voting rights in the Company as at 26 July 2016 are 229,132,300.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 3pm (UK time) on 20 September 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended). Under section 527 of the Companies Act members meeting the threshold requirements set out in that section have the right to require the Company to publish on its website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with such requests. Where the Company is required to place a statement on a website under section 527 of the Companies Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act to publish on its website.

9. If all shares have been sold or transferred by the addressee, this Notice and any other relevant documents should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

10. A copy of this circular including the Notice of Annual General Meeting can be found on the Company's website, www.microfocus.com, free of charge.

11. Copies of the following documents will be available for inspection at the registered office of the Company during usual business hours (Saturdays, Sundays and English public holidays excepted) from the date of this Notice until the conclusion of the AGM:

- (a) non-executive Directors' letters of appointment with the Company; and
- (b) the Company's Annual Report and Accounts.

12. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that they do not do so in relation to the same shares.
 13. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom. In the case of a member which is a corporation, the revocation notice must be executed under its common seal or signed on its behalf by a duly authorised officer of the corporation or an attorney for the corporation. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Equiniti not less than one hour before the commencement of the AGM, or if the AGM is adjourned, not less than one hour prior to the adjourned meeting.
 14. You may not use any electronic address provided in either this Notice of Annual General Meeting or any related document (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.
 15. In accordance with section 311A of the Companies Act, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website www.microfocus.com.
 16. Under section 338 and section 338A of the Companies Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the AGM and/or (ii) to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious.
- Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company at The Lawn, 22-30 Old Bath Road, Newbury, Berkshire RG14 1QN marked for the attention of the Company Secretary or sent by email to company.secretary@microfocus.com not later than 11 August 2016, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
17. Effective from 1 January 2015, UK and Ireland registered companies are required to adopt one of the new Financial Reporting Standards issued by the Financial Reporting Council, being the standard setting body in the UK, in place of previously effective UK GAAP. The Company has prepared its accounts under FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" for the first time for the financial year commencing 1 May 2015 and it is the Directors' intention to apply the reduced disclosures available under this standard on an on-going basis and until such time as the Company notifies its shareholders of any change to its chosen accounting framework for the parent company financial statements. The consolidated accounts for the Company's Group will continue to be prepared under full IFRS. This change is not expected to have a significant impact on the parent company financial statements.

The board considers that it is in the best interests of the Company to adopt FRS 102. No disclosures in the current UK GAAP financial statements would be omitted on adoption of FRS 102.

A shareholder or shareholders holding in aggregate 5% or more of the total allotted or issued shares in the Company may object to the use of FRS 102 by writing to the Company at its registered office, for the attention of the Company Secretary, by no later than 31 October 2016.

Further details of the new Financial Reporting Standards can be found at www.frc.org.uk.

Appendix: The Additional Share Grants (ASGs)

The new Additional Share Grants programme can be summarised as follows:

(a) Eligibility

All employees (including any officer or director) of any company within the Group are eligible to receive an ASG, however, participation will be at the discretion of the Remuneration Committee. It is proposed that ASGs will only be awarded in relation to a material acquisition (by whatever means) of an entity or business by the Group.

(b) Awards

ASGs are nil cost options over Ordinary Shares.

(c) Performance condition and vesting

The ASGs will become exercisable, subject to the satisfaction of the performance condition, on the third anniversary of the date of grant or such earlier date as shall be determined by the Remuneration Committee (the "vesting date") and will remain exercisable until the tenth anniversary of the date of grant. If the ASGs are not exercised within the 30 days ending on the tenth anniversary of the date of grant because of any regulatory restrictions, the ASGs may be exercised within 14 days of such restrictions ceasing to apply.

The performance condition is that the percentage of Ordinary Shares subject to the ASG which may be acquired on exercise on or after the vesting date is as follows:

- (i) 0% if the Shareholder Return Percentage (as defined below) is 50% or less;
- (ii) 100% if the Shareholder Return Percentage is 100% or more; and
- (iii) a percentage determined on a straight-line basis between (i) and (ii) above.

The "Shareholder Return Percentage" will be calculated by deducting a "Reference Price" (fixed at, or following, the commencement of discussions relating to the relevant transaction) from the sum of the "Vesting Price" (calculated as the average closing share price over the period of 20 days ending on the day prior to the vesting date) plus the total of all dividends per share between the date of grant and the vesting date. This will be divided by the Reference Price and the resulting figure multiplied by 100 to obtain the Shareholder Return Percentage.

Holders of ASGs are required, subject to holding employment or a directorship with any member of the Group on the vesting date, to hold the ASGs or the Ordinary Shares acquired on exercise for a minimum of 12 months following the vesting date.

The Company reserves the right to settle all or part of the ASGs in cash (calculated on the basis of the average closing Ordinary Share price for the 20 day period ending on the date of exercise). If the Company's shares are not listed the cash amount shall be the greater of such value as the Remuneration Committee in its sole discretion shall determine acting fairly and reasonably or the average closing Ordinary Share price over the last 20 days on which Ordinary Shares were traded multiplied by the number of Ordinary Shares subject to the ASGs, whichever is the greater.

(d) Individual and dilution limits

The number of Ordinary Shares issued or issuable pursuant to ASGs granted pursuant to a single ASG programme may not exceed 2.5% of the issued Ordinary Share capital of the Company at the time of completion of the acquisition. Within this limit, the number of Ordinary Shares that can be awarded to any individual under the relevant ASG programme may not exceed 0.5% of the issued Ordinary Share capital of the Company at the time of completion of the acquisition. The ASG programme will also be contained within the overall limit on dilution which provides that in any 10 year period, not more than 10% of the issued ordinary share capital of the Company may be issued or be issuable under any employee share plans operated by Micro Focus (including for the avoidance of doubt the ASGs). These limits do not include rights to Ordinary Shares which have lapsed or been surrendered or those granted before Micro Focus was listed on the Official List and admitted to trading on the London Stock Exchange.

(e) Leaving employment

The "leaver provisions" attaching to ASGs will be no more favourable (although may be less favourable at the discretion of the Remuneration Committee) than the terms set out in this section. If the employment of a holder of an ASG ceases before the vesting date:

- (i) as a result of the individual's voluntary resignation, the ASG will lapse. However, the Remuneration Committee may determine in its discretion that the ASG will become exercisable in part or in whole on the normal vesting date;
- (ii) as a result of the individual's serious breach of contract, gross misconduct or gross incompetence, the ASG will lapse. However, the Remuneration Committee may determine in its discretion that the ASG will become exercisable in part or in whole on the normal vesting date;

Appendix: The Additional Share Grants (ASGs) continued

- (iii) as a result of the individual being fairly dismissed within the meaning of Part XI of the Employment Rights Act 1996 for a reason other than one within (ii) above and other than that which would amount to a dismissal under clause 95(1)(c) of the Employment Rights Act 1996, the ASG will become exercisable on the normal vesting date for a period of six months. The percentage of Ordinary Shares subject to the ASG which may be acquired on exercise (subject also to the application of the performance condition) in these circumstances depends on the date on which the employment or directorship ceases (the "termination date"). The relevant percentage is 0% if the termination date is within six months of the date of grant, and 50%, 70% or 90% if the termination date is on or before the first, second or third anniversary of the date of grant respectively; and
 - (iv) in all other circumstances, the ASG will vest, subject to the performance condition referred to above, and become exercisable on the normal vesting date for a period of six months.
- (f) Takeovers and restructurings
- On a takeover, scheme of arrangement, or disposal of a business or assets contributing to 75% or more of the Company's turnover (in each case other than as a result of an internal reorganisation) prior to the vesting date, ASGs will vest and become exercisable in full immediately prior to and for one month following such an event.
- (g) Adjustment of awards on a variation of share capital
- In the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital/or demerger of all or part of the business the ASGs will be adjusted to ensure that it delivers the value originally contemplated.
- (h) Amendments to the ASGs
- Provisions relating to:
- (i) the persons to whom, or for whom, securities, cash or other benefits are provided under the ASGs;
 - (ii) limitations on the number or amount of the securities, cash or other benefits subject to the scheme;
- (iii) the maximum entitlement for any one participant; and
 - (iv) the basis for determining a participant's entitlement to, and the terms of, securities, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital, cannot be altered to the advantage of participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the company operating the scheme or for members of its group).
- (i) Tax
- Exercise is conditional on the holder of the ASG providing the Company with sufficient funds, or appropriate deductions being made by the Company (including through the sale of Ordinary Shares) to meet any withholding liability of the Company.
- (j) General
- ASGs are not transferable and are governed by the laws of England and Wales. Benefits provided under the ASGs are not pensionable.

Additional information

Venue

The Company's offices at:

The Lawn
22-30 Old Bath Road
Newbury
Berkshire
RG14 1QN

Timings

Date: 22 September 2016

2.30pm: Doors open, registration begins.

2.50pm: Please make your way to your seats.

3.00pm: Meeting commences.

3.15pm (approximately): AGM closes.

The results of the poll will be released to the London Stock Exchange.

Admission

Please plan to arrive before 2.50pm to allow enough time for registration and security clearance, bringing your attendance card with you. This is either attached to your Form of Proxy or, for those registered for electronic communications, it is attached to the email you received. This will help us to register you more swiftly.

Shareholders with special needs

The Lawn is fully accessible for wheelchair users. Any shareholders with special needs should report to reception and suitable arrangements will be made to accommodate any special needs.

Security

Standard security measures will be in place to ensure your safety.

Micro Focus International plc

The Lawn
22-30 Old Bath Road
Newbury
Berkshire RG14 1QN
United Kingdom

Tel: +44 (0) 1635 565200
Fax: +44 (0) 1635 33966
www.microfocus.com

Registered No. 5134647