

Additional Responsibility Allowance and Additional Share Grant Deed

«Name»

This deed is made on _____ 2014.

This Deed sets out the arrangements for an Additional Responsibility Allowance (ARA) and an Additional Share Grant (ASG) that recognise the significant additional workload that will be needed to execute the Athena transaction. These benefits are additional to your existing benefits and apply only to a selected number of executives who will have a material impact on the success of the transaction in delivering value to shareholders. This Deed is the entire agreement in relation to the ARA and ASG. It is not intended to alter your employment contract which remains in place and will override this Deed in the event of any conflict. This Deed will only come into effect on shareholder approval and completion of the Transaction.

1 Additional Responsibility Allowance (“ARA”)

1.1 You will receive an Additional Responsibility Allowance (“ARA”) which shall be «ARA» gross per month. The ARA will be paid monthly in arrears on or around the last day of each calendar month at the same time and in the same way as you receive your monthly salary and will be subject to deduction of tax and national insurance contributions which the Company is, by law, obliged to deduct. The ARA will be subject to the following terms:

- (a) from the Transaction Date the ARA will be at «ARA» per month until at least the first review pursuant to this clause 1.1.
- (b) the Remuneration Committee will review the ARA every 6 months for the 1st 18 months with the first such review being 6 months after the Transaction Date and after the initial period of 18 months at any time thereafter
- (c) any exercise of the Remuneration Committee’s discretion to amend the ARA will be on three month’s written notice from the date of the relevant review other than in the case of 1.1(d) below
- (d) at the end of the Integration Period the Company will review your Base Salary and ARA and set a salary (“**Revised Salary**”) which is, in the view of the Company, appropriate for your role. At this point you will no longer have any entitlement to the ARA.
- (e) For the avoidance of doubt the ARA will terminate in the event of employment early termination and end on a co-terminus basis

1.2 All benefits, payments and liabilities which are created by reference to salary shall be calculated by reference to Base Salary and ARA combined whilst the ARA is payable. For the avoidance of doubt this will include but not be limited to pension allowance, permanent health insurance, annual bonus, LTIP grant, any notice or damages payment or payment in lieu of notice and life insurance.

2 Additional Share Grant

2.1 The Remuneration Committee and the Board have decided to make an Additional Share Grant once the Transaction has been approved by shareholders, to grant you an Option over those shares. This Deed sets out the entire terms of the Option award.

- 2.2 The Option will be granted on the Transaction Date. Subject to the remainder of this Deed the Option will vest and become exercisable on the Vesting Date.
- 2.3 Your Option will be a nil cost option over «ASG» shares in the Company which will give you, subject to the performance condition summarised in clause 2.5, the right to the underlying shares (for free). The Option will be exercisable, subject to the conditions specified throughout this clause 2, on the Vesting Date. The Option shall then remain exercisable for a period of 84 months commencing on the Vesting Date regardless of whether you then remain employed (the “**Exercise Period**”). If the Option is not exercised during the last 30 days of the Exercise Period because of any regulatory restrictions, the Exercise Period will be extended so as to permit exercise within 14 days of those restrictions ceasing to apply. The Option will lapse immediately on the earlier of the end of the Exercise Period and the Option ceasing to be exercisable under this clause 2.
- 2.4 Vesting of the Option will generally be contingent on your not having left the Company prior to the Vesting Date (or the date of a Relevant Event if earlier) through:
- (a) voluntary resignation (in circumstances not amounting to a dismissal under clause 95(1)(c) of the Employment Rights Act 1996); or
 - (b) your having been dismissed where in the opinion of the Board acting reasonably and after giving you reasonable opportunity to comment before such opinion is reached, it is determined the Board that you have committed any serious breach of contract which is incapable of remedy or are guilty of any gross misconduct, or gross incompetence, in the discharge of your duties.

If you leave as a result of (a) or (b) before the Vesting Date or if at the Termination Date your period of continuous employment with the Company or any Group Company is less than 1 year, your Option will lapse subject to the Remuneration Committee reserving the right at its discretion not to lapse the Option awarded and instead to treat you as a good leaver and allow the Option to be exercised in part or in full following the Vesting Date.

- (c) if the Company has fairly dismissed you within the meaning of Part X of the Employment Rights Act 1996 for a reason other than one within b) above and other than that which would amount to a dismissal under clause 95(1)(c) of the Employment Rights Act 1996

If you do leave as a result of (c) then your Option will remain valid and be tested against the performance conditions on the Vesting Date and recognising that the effort in creation of value is front end loaded the number of shares vesting will be adjusted as follows.

If the Termination Date is within 6 months of the Transaction date no part of the Option will vest whatever the performance at the Vesting Date.

If the Termination Date is before or on the first anniversary of the Transaction Date 50% of the Option will vest;

If after the first anniversary and before or on the second anniversary 70% of the Option will vest and if after the second anniversary 90% of the Option will vest.

The resultant part of the Option shall vest on the Vesting Date and be exercisable during the 6 months following the Vesting Date.

(d) If you leave or your employment comes to an end in any other way prior to the Vesting Date other than as a result of (a), (b), (c) above all of your Additional Share Grant will be tested against the performance condition summarised in clause 2.5 on the Vesting date. The resultant part of the Option shall vest on the Vesting Date and become exercisable during the 6 months following the Vesting Date.

2.5 The number of shares subject to the Option that vest will be calculated as follows. The Shareholder Return Percentage will be calculated by deducting the Reference Price 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 Transaction Date and Vesting Date. This will be divided by the Reference Price and multiplying the resulting figure by 100 to obtain the Shareholder Return Percentage.

- (a) If the Shareholder Return Percentage is 50% or less, then 0% of Option will vest.
- (b) If the Shareholder Return Percentage is 100% or more, then 100% of the Option will vest.
- (c) If the Shareholder Return Percentage is between 50% and 100% then the Option will vest on a straight line basis in accordance with the following calculation:-

$$\frac{(\text{Shareholder Return Percentage} - 50\%) \times \text{Option}}{50\%}$$

50%

2.6 The Option will vest and become exercisable in full prior to the Vesting Date on the occurrence of a Relevant Event (as defined in 2.9 below). Upon a Relevant Event the Option must be exercised immediately prior to or within a period of 1 month of a Relevant Event (or within 1 month after any restrictions on exercise are lifted) after which it lapses.

2.7 If you are still an employee or director of the Company on the Vesting Date you agree to hold the Option or in the event of having exercised the absolute number of shares (after allowing for the payment of income tax and National Insurance Contributions) for a minimum of 12 months after the Vesting Date.

2.8 The Company reserves the right to satisfy all or part of the Option in cash of the same economic value on exercise (for instance if it is unable to buy sufficient shares to hedge the award). In such cases the cash amount shall be the number of shares subject to the Option multiplied by the average closing share price of the Company over the period of 20 days ending on the day prior to the date of exercise if the Company's shares are then listed. 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 share price over the last 20 days on which the shares were traded multiplied by the number of shares subject to the Option, whichever is the greater.

2.9 For the purposes of this clause 2 Relevant Event means either:

- (a) Control of the Company (or of its holding company as the case may be) being acquired by a person or persons acting in concert (as defined in the City Code on Takeovers and Mergers) who do not control the Company (or its holding company as the case may be) at the date of this Agreement (where Control means holding directly or indirectly shares which carry 50 per cent or more of the voting rights in the relevant

company, other than as a result of an internal restructuring of the share ownership of companies within the Group, including, for the avoidance of doubt, the holding company of the Company); or

- (b) a compromise or arrangement being sanctioned by the Court under section 899 of the Companies Act 2006 in connection with or for the purposes of a change of Control of the Company other than as a result of an internal restructuring of the share ownership of companies within the Group, including, for the avoidance of doubt, the holding company of the Company; or
- (c) the Company disposing at any time of businesses or business assets which in aggregate contributed more than 75% to the Company's turnover in the month following completion of the transaction; or

2.10 Where an event referred to in clause 2.9 does arise as a result of an internal reorganisation, the Option shall automatically become an option over shares in the acquiring company with the same inherent value with all other terms prevailing.

2.11 The Option is personal to you and you shall not transfer, assign, charge or otherwise dispose of it except on your death (to your personal representatives Exercise of the Option is contingent on exercise being lawful and in accordance with regulatory codes at the time prevailing and your providing the Company with sufficient funds, or appropriate deductions being made by the Company (including through the sale of sufficient shares on your behalf to generate such funds) as to reimburse it for any withholding obligations which are your liability rather than the Company's liability in the ordinary course (currently income tax and employee NICs). The Option is not pensionable.

2.12 The Option shall be capable of exercise, subject to any applicable dealing restrictions, in accordance with this clause 2 and upon service of written notice on the Secretary in such form as the Secretary may reasonably prescribe. For the avoidance of doubt there will be no payment required from you to exercise the Option. As soon as reasonably practical (and within 7 days) of receiving a valid written notice of exercise of the Option from you, the Company shall procure the delivery to you of the shares being exercised or the cash equivalent in accordance with clause 2.8.

2.13 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 Option will be adjusted to ensure that it delivers the value originally contemplated.

2.14 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).

3 Rights of third parties

Save by any Group Company no provision of this letter is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

4 Governing law and jurisdiction

This letter is governed by and shall be interpreted in accordance with English law. The parties irrevocably submit to the exclusive jurisdiction of the English courts in relation to all matters arising out of or in connection with this letter.

5 Miscellaneous

5.1 Any notices given under this agreement must be given by letter or fax. Notice to the Company must be addressed to its registered office at the time the notice is given. Notice to you must be given to you personally or sent to your last known address. Except for notices given by hand, notices given by post will be deemed to have been given on the next working day after the day of posting and notices given by fax will be deemed to have been given in the ordinary course of transmission.

5.2 This agreement may only be modified by the written agreement of the parties.

6 Definitions

In this agreement:

Base Salary is your annual salary in place at any point in time

Board means the board of directors for the time being of the Company, or any committee of directors for the time being;

Company means Micro Focus International plc whose company number is 4134647 and whose registered address is The Lawn, 22-30 Old Bath Road, Newbury, Berkshire RG14 1QN.

Group means the Company and the Group Companies;

Group Company means any company which is from time to time a subsidiary or holding company of the Company and any subsidiary of any such holding company and for the purposes of this letter the terms **subsidiary** and **holding company** shall have the meanings ascribed to them by section 1159 Companies Act 2006 or in any subordinate legislation made under the Companies Act 2006 (and **Group Companies** shall be interpreted accordingly);

Heads of Terms will be the document executed on 3 June 2014 between Minerva International plc, Wizard Parent LLC, Golden Gate Private Equity, Inc. and Francisco Partners Management, L.P.

Integration Period means the period as determined at the discretion of the Remuneration Committee which shall be no less than 18 months and no longer than three years following the Transaction Date.

Option means an option granted under this Deed.

Reference Price is the average of the closing mid-market price on the 20 consecutive business days prior to signature of Heads of Terms and is agreed as 819.425 pence per share.

Remuneration Committee shall mean the members of the Company's remuneration committee as appointed by the Board from time to time.

Termination Date means the date on which your employment with the Company terminates or which you cease to be a director of the Company whichever is later.

Transaction will be the proposed combination of Athena and Minerva as set out in the Heads of Terms.

Transaction Date will be the date of completion of the Transaction on which Micro Focus shares are re-admitted to the Official List of the London Stock Exchange.

Vesting Price will be the average closing share price over the period of 20 days ending on the day prior to the Vesting Date

Vesting Date will be the third anniversary of the Transaction Date.

Yours sincerely _____

For and on behalf of Micro Focus International plc

IN WITNESS whereof this Agreement is executed and delivered as a Deed the day and year first above written:

EXECUTED AS A DEED BY MICRO FOCUS INTERNATIONAL PLC

acting by

Director

Director/Secretary.....