

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN MATEO

In re MICRO FOCUS INTERNATIONAL PLC SECURITIES LITIGATION	)	Lead Case No. 18CIV01549
_____	)	<u>CLASS ACTION</u>
This Document Relates To:	)	Assigned for All Purposes to:
ALL ACTIONS.	)	Hon. Marie S. Weiner, Dept. 2
_____	)	Date Action Filed: 03/28/18
	)	

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

**TO: ALL PERSONS AND ENTITIES WHO PURCHASED OR ACQUIRED AMERICAN DEPOSITARY SHARES (“ADSS”) OR AMERICAN DEPOSITARY RECEIPTS (“ADRS”) OF MICRO FOCUS INTERNATIONAL plc (“MICRO FOCUS” OR “COMPANY”), OR RIGHTS TO RECEIVE SUCH ADSs OR ADRs, (A) DURING THE PERIOD BETWEEN SEPTEMBER 1, 2017 AND AUGUST 28, 2019, INCLUSIVE (“SETTLEMENT CLASS PERIOD”), OR (B) PURSUANT OR TRACEABLE TO THE REGISTRATION STATEMENTS ON FORMS F-4 AND F-6 AND PROSPECTUS ISSUED IN CONNECTION WITH THE MERGER OF MICRO FOCUS AND THE SOFTWARE BUSINESS UNIT OF HEWLETT PACKARD ENTERPRISE COMPANY (“HPE”) (OR THEIR SUBSIDIARIES) (“MERGER”), AND WHO ARE NOT OTHERWISE EXCLUDED THEREFROM (“SETTLEMENT CLASS” OR “SETTLEMENT CLASS MEMBERS”)**

**IN ORDER TO QUALIFY FOR A SETTLEMENT PAYMENT, YOU MUST TIMELY SUBMIT A PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) BY MAY 30, 2023.**

**THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

**1. WHY SHOULD I READ THIS NOTICE?**

This Notice is given pursuant to an order issued by the Superior Court of California, County of San Mateo (the “Court”). This Notice serves to inform you of the proposed global settlement of the above-captioned class action lawsuit and *In re Micro Focus International plc Securities Litigation*, Master File No. 1:18-cv-06763-ALC (S.D.N.Y.) in the United States District Court for the Southern District of New York (the “Settlement”) and the hearing (the “Settlement Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation of Settlement dated January 24, 2023 (the “Stipulation”), by and between: Plaintiffs James Ragsdale, Cardella Family Irrevoc Trust U/A 06/17/15, Ian Green, James Gildea and Marilyn Clark (“Plaintiffs”), Iron Workers Local No. 25 Pension Fund (“Iron Workers” or “Federal Plaintiff”), on behalf of themselves and the Settlement Class, and Defendants Micro Focus International plc (“Micro Focus”), Hewlett Packard Enterprise Company (“HPE”), Stephen Murdoch, Mike Phillips, Kevin Loosemore, Nils Brauckmann, Karen Slatford, Richard Atkins, Amanda Brown, Silke Scheiber, Darren Roos, Christopher Hsu, John Schultz, and Giselle Manon (collectively, “Defendants”).<sup>1</sup>

**This Notice is intended to inform you how this lawsuit and proposed Settlement may affect your rights and what steps you may take in relation to it. This Notice is NOT an expression of any opinion by the Court as to the merits of the claims or defenses asserted in this or any other lawsuit or whether the Defendants engaged in any wrongdoing.**

<sup>1</sup> The Stipulation can be viewed or downloaded at [www.MicroFocusClassAction.com](http://www.MicroFocusClassAction.com). All capitalized terms used herein have the same meaning as the terms defined in the Stipulation.

## 2. WHAT IS THIS LAWSUIT ABOUT?

### I. THE ALLEGATIONS

Micro Focus is a multinational provider of software and information technology services. This Action alleges, among other things, that Defendants misrepresented and omitted material facts in the registration statements and prospectus associated with the merger of Micro Focus and the software business segment of HPE, which took place in September 2017. Plaintiffs have alleged that the allegedly misrepresented and omitted facts involved, among other issues, rising employee and customer attrition at HPE's software business segment, difficulties and delays associated with the development of an integrated IT system for the combined business, and sales execution issues. Defendants have denied, and continue to deny, all of Plaintiffs' allegations and claims – including the contentions described above – as well as any and all assertions of wrongdoing or liability of any kind. Specifically, Defendants deny that they have violated any aspects of the securities laws of the United States, and there has been no finding of liability or wrongdoing by, on the part of, or against, any Defendant.

**THE COURT HAS NOT RULED AS TO WHETHER DEFENDANTS ARE LIABLE TO PLAINTIFFS OR THE SETTLEMENT CLASS. THIS NOTICE IS NOT INTENDED TO EXPRESS ANY OPINION BY THE COURT WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS OR ANY OTHER ACTION OR THE MERITS OF THE CLAIMS OR DEFENSES. THIS NOTICE IS SOLELY INTENDED TO ADVISE YOU OF THE PROPOSED SETTLEMENT OF THIS CLASS ACTION AND YOUR RIGHTS IN CONNECTION WITH THE SETTLEMENT.**

### II. PROCEDURAL HISTORY

In March 2018, certain Plaintiffs filed the first of several related class actions in this Court, alleging that Defendants had violated the Securities Act of 1933 ("Securities Act"). In May 2018, those actions were consolidated; they are referred to herein together as the "Action."

Around that time, other plaintiffs filed substantially similar putative class actions in federal court in California and New York; those actions were later consolidated in the United States District Court for the Southern District of New York and are referred to herein as the "Federal Action." The Federal Action alleged claims under both the Securities Act and the Securities Exchange Act of 1934 (the "Exchange Act").

In December 2018, this Court entered a discretionary stay of this Action in favor of the Federal Action, which it later lifted in July 2020. Appellate proceedings ensued, culminating in a March 2021 decision that left the Court's decision to lift the stay intact.

In September 2020, the Federal Action was dismissed. While that decision was on appeal, the parties to the Federal Action pursued mediation. In March 2021, they reached an agreement in principle to resolve the claims asserted in the Federal Action for \$15 million. The Federal Plaintiff later agreed to dismiss its appeal, without prejudice to reinstatement, which subsequently occurred in August 2021.

The parties to this Action continued to litigate, and in May 2021, Plaintiffs requested the Court certify a class under the Securities Act. Meanwhile, in June 2021, the parties to the Federal Action entered into a stipulation of settlement, and the Federal Plaintiff sought preliminary approval of the proposed settlement of the Federal Action, which Plaintiffs opposed.

Subsequently, this Court upheld and dismissed certain claims against Defendants in this Action. In November 2021, as proceedings continued in the Federal Action, this Court granted Plaintiffs' motion to certify a class under the Securities Act (the "Certified Class"). Thereafter, Epiq Class Action and Claims Solutions ("Epiq"), as the class notice administrator, engaged in efforts to disseminate notice to putative members of the Certified Class. You may previously have received a Notice of Pendency of Class Action as a result of those efforts.

In February 2022, the Federal Court denied preliminary approval of the June 2021 proposed settlement of the Federal Action, on a without prejudice basis, on procedural grounds. The Federal Plaintiff then moved to vacate the judgment of dismissal of the Federal Action with the intention of refile a motion for preliminary approval of that proposed settlement if vacatur were granted. Plaintiffs opposed the motion to vacate, and briefing in the Federal Action concluded in May 2022. That motion remains undecided, and thus the June 2021 proposed settlement in the Federal Court action has not received court approval.

At the same time, Plaintiffs continued to conduct discovery in this Action, ultimately receiving millions of pages of documents from Defendants and third parties and conducting 21 depositions of fact witnesses through December 2022. Additionally, in August 2022, Plaintiffs and Defendants attempted to resolve this Action through mediation before Layn R. Phillips, a retired federal judge, but those efforts were unsuccessful.

In December 2022, a second mediation took place before Judge Phillips between Plaintiffs and Defendants. Despite efforts to broker a resolution of the Action during this extended mediation session, they were unable to reach an agreement. However, the parties acknowledged that they were close to reaching an agreement and agreed to a limited stay of the Action while they continued working with Judge Phillips and the Federal Plaintiff to attempt to reach a global resolution of both this Action and the Federal Action. In culmination of those efforts, Judge Phillips issued a triple blind, time-limited settlement proposal to the parties to the Action and the Federal Action on December 15, 2022, which all sides ultimately accepted.

Subsequently, the Federal Court agreed to stay proceedings in the Federal Action pending the outcome of a request to this Court to approve the Settlement. The Parties then negotiated and signed the Stipulation to formally memorialize the terms of the Settlement, including the Settlement Amount of \$107.5 million in cash. The Settlement is to be paid from insurance coverage.

### **3. HOW DO I KNOW IF I AM A SETTLEMENT CLASS MEMBER?**

If you received Micro Focus ADSs or ADRs in connection with the September 2017 Merger, or otherwise purchased or acquired ADSs or ADRs, or the right to receive such ADSs or ADRs, between September 1, 2017 and August 28, 2019, inclusive, you are a Settlement Class Member. As set forth in the Stipulation, excluded from the Settlement Class are: Defendants and members of their immediate families, the officers and directors of Micro Focus and HPE and members of their immediate families, and their legal representatives, heirs, successors or assigns, and any entity in which Defendants have or had a controlling interest. Also excluded from the Settlement Class are those who appropriately request exclusion from the Settlement Class, as explained below.

**PLEASE NOTE:** Receipt of this Notice does not mean that you are a Settlement Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Settlement Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim form distributed with this Notice and the required supporting documentation as set forth therein postmarked or submitted online on or before May 30, 2023.

### **4. WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?**

The Settlement, if approved, will result in the creation of a cash settlement fund of \$107.5 million (the “Settlement Fund”). The Settlement Fund, plus accrued interest and minus the costs of this Notice and all costs associated with administering the Settlement Fund, as well as any award of attorneys’ fees and expenses, and the payment of any awards to Plaintiffs or the Federal Plaintiff for their efforts in representing the Settlement Class, as approved by the Court (the “Net Settlement Fund”), will be distributed to eligible Settlement Class Members pursuant to the Plan of Allocation described in the next section of this Notice.

### **5. WHAT IS THE PROPOSED PLAN OF ALLOCATION?**

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Settlement Class Members based on their respective alleged economic losses resulting from the securities law violations addressed in the Settlement.

The Claims Administrator shall determine each Settlement Class Member’s share of the Net Settlement Fund based upon the loss formula (the “Loss Amount”) described below. A Loss Amount will be calculated for each ADS/ADR covered by the Plan of Allocation. The calculation of each Loss Amount will depend upon several factors, including when Micro Focus ADSs/ADRs were purchased or otherwise acquired and in what amounts, as well as whether those securities were ever sold, and, if so, when they were sold and for what amounts.

The Loss Amount calculated for each claim pursuant to the Plan of Allocation is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Settlement Class Members pursuant to the Settlement. Rather, the Loss Amount is the basis upon which the Net Settlement Fund will be proportionately allocated to Settlement Class Members.

Your share of the Net Settlement Fund will depend on the number of valid Proof of Claim forms that Settlement Class Members send in, as well as the factors described above. For this reason, the calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. Furthermore, if any of the formulas set forth below yield an amount less than \$0.00, the claim per share is \$0.00.

## ALLOCATION

The total amount of the Settlement is \$107.5 million. A total of \$100 million of the Settlement Amount will be used to cover alleged statutory losses arising under the Securities Act (the “Securities Act Allocation”). The remaining \$7.5 million of the Settlement Amount will be used to cover alleged losses arising under the Exchange Act, which claims were alleged solely in the Federal Action (the “Exchange Act Allocation”). Because the Exchange Act Allocation is designed to cover Exchange Act losses not already covered by the Securities Act Allocation, Settlement Class Members, if eligible, may receive a payment under both the Securities Act Allocation and the Exchange Act Allocation.

In Plaintiffs’ view, the Plan of Allocation reflects the relative strengths and weaknesses of the claims covered by the Settlement, as well as the procedural posture of the claims when the Settlement was reached. In developing the Plan of Allocation in consultation with their retained financial expert, Plaintiffs acknowledged that when the Settlement was reached, fact discovery was nearly complete and further proceedings were scheduled in this Action. Plaintiffs also acknowledged that the Federal Court had dismissed with prejudice all of the claims alleged in the Federal Action, which was on appeal and also involved claims arising under the Exchange Act that are subject to a more stringent standard of pleading and proof of liability.

This “Allocation” section of this Notice has been prepared by Plaintiffs in consultation with the Federal Plaintiff. Defendants take no position on the Plan of Allocation or the views expressed by Plaintiffs above or below. Defendants have denied, and continued to deny, that any of the claims asserted in this Action or the Federal Action have or had merit or that any investor suffered compensable losses (including the alleged “artificial inflation” and “Loss Amounts” calculated by Plaintiffs below). Defendants took no part in preparing the Plan of Allocation as set forth herein (and were not required to) and consequently neither the Plan nor Plaintiffs’ statements regarding it should be construed as any indication of Defendants’ views regarding these issues or any endorsement of the views expressed herein by Plaintiffs.

### Securities Act Allocation – Loss Amount

- I. For each Micro Focus ADS/ADR purchased/acquired from September 1, 2017, through March 28, 2018,<sup>2</sup> and:
  - a. sold prior to March 29, 2018, the Securities Act Loss Amount is the purchase price per ADS (not to exceed \$29.15) minus the sales price per ADS/ADR;
  - b. sold from March 29, 2018, through August 28, 2019, the Securities Act Loss Amount is *the lesser of*:
    - i. the purchase price per ADS (not to exceed \$29.15) less the sales price per ADS/ADR, or
    - ii. the purchase price per ADS/ADR (not to exceed \$29.15) less \$14.14 per ADS;
  - c. retained at the end of August 28, 2019, the Securities Act Loss Amount is the purchase price per ADS (not to exceed \$29.15) minus \$14.14 per ADS/ADR.

### Exchange Act Allocation – Loss Amount

The Exchange Act Plan of Allocation is based on the following five market adjusted price declines:

January 8, 2018:	\$5.82 per ADS/ADR
March 19, 2018	\$11.88 per ADS/ADR
July 11, 2018:	\$1.25 per ADS/ADR
July 9, 2019:	\$1.79 per ADS/ADR
August 29, 2019:	\$6.14 per ADS/ADR

For each Micro Focus ADS purchased from September 1, 2017 through August 28, 2019, and:

1. sold before January 8, 2018, the Exchange Act Recognized Loss Amount is zero;
2. sold on or after January 8, 2018 through August 28, 2019, the Exchange Act Recognized Loss Amount is **the lesser of**: (i) the amount of artificial inflation per ADS/ADR on the date of purchase as stated in Table A *less* the amount of artificial inflation per ADS/ADR on the date of sale as stated in Table A; or (ii) the purchase price per ADS/ADR *less* the sale price per ADS/ADR;

<sup>2</sup> Each Micro Focus ADS/ADR received in the Merger is assumed to have been purchased/acquired on September 1, 2017, the closing date of the Merger, at \$29.15.

3. sold from August 29, 2019 through November 26, 2019, the Exchange Act Recognized Loss Amount is **the least of**: (i) the amount of artificial inflation per ADS/ADR on the date of purchase as stated in Table A; (ii) the purchase price per ADS/ADR *less* the sale price per ADS/ADR; or (iii) the purchase price per ADS/ADR *less* the average closing price between August 29, 2019 and the date of sale as stated in Table B below; or
4. held at the close of trading on November 26, 2019, the Exchange Act Recognized Loss Amount is equal to **the lesser of**: (i) the amount of artificial inflation per ADS/ADR on the date of purchase as stated in Table A; or (ii) the purchase price per ADS *less* \$13.73.<sup>3</sup>

For each Micro Focus ADS/ADR with both an Exchange Act Recognized Loss Amount and a Securities Act Loss Amount, the Exchange Act Loss Amount is equal to the Exchange Act Recognized Loss Amount *less* the Securities Act Loss Amount. If the Exchange Act Loss Amount is less than or equal to zero, it shall be set to zero. For each Micro Focus ADS/ADR with an Exchange Act Recognized Loss Amount with no corresponding Securities Act Loss Amount, the Exchange Act Loss Amount is equal to the Exchange Act Recognized Loss Amount.

**TABLE A:**

**Estimated Artificial Inflation with Respect to Publicly-Traded Micro Focus ADSs/ADRs from September 1, 2017 through and including August 28, 2019**

DATE RANGE	ARTIFICIAL INFLATION PER ADS/ADR
September 1, 2017 – January 7, 2018	\$26.88
January 8, 2018 – March 18, 2018	\$21.06
March 19, 2018 – July 10, 2018	\$9.18
July 11, 2018 – July 8, 2019	\$7.93
July 9, 2019 – August 28, 2019	\$6.14

**TABLE B:**

Date	Closing Price	Average Closing Price from August 29, 2019 through Date of Sale	Date	Closing Price	Average Closing Price from August 29, 2019 through Date of Sale
8/29/2019	\$12.98	\$12.98	10/15/2019	\$13.87	\$13.64
8/30/2019	\$13.80	\$13.39	10/16/2019	\$14.50	\$13.67
9/3/2019	\$13.29	\$13.36	10/17/2019	\$14.55	\$13.69
9/4/2019	\$13.42	\$13.37	10/18/2019	\$15.17	\$13.74
9/5/2019	\$13.30	\$13.36	10/21/2019	\$13.03	\$13.72
9/6/2019	\$13.30	\$13.35	10/22/2019	\$13.01	\$13.70
9/9/2019	\$13.27	\$13.34	10/23/2019	\$13.03	\$13.68
9/10/2019	\$13.88	\$13.41	10/24/2019	\$13.51	\$13.68
9/11/2019	\$13.74	\$13.44	10/25/2019	\$13.61	\$13.68
9/12/2019	\$13.84	\$13.48	10/28/2019	\$13.85	\$13.68
9/13/2019	\$13.92	\$13.52	10/29/2019	\$13.80	\$13.68
9/16/2019	\$14.21	\$13.58	10/30/2019	\$13.84	\$13.69
9/17/2019	\$14.41	\$13.64	10/31/2019	\$13.72	\$13.69
9/18/2019	\$14.56	\$13.71	11/1/2019	\$13.37	\$13.68
9/19/2019	\$14.66	\$13.77	11/4/2019	\$13.52	\$13.68
9/20/2019	\$14.46	\$13.82	11/5/2019	\$13.55	\$13.67
9/23/2019	\$14.03	\$13.83	11/6/2019	\$13.62	\$13.67
9/24/2019	\$13.82	\$13.83	11/7/2019	\$13.73	\$13.67

<sup>3</sup> Pursuant to Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” The average (mean) closing price of Micro Focus ADSs/ADRs during the 90 day look back period from August 29, 2019 through and including November 26, 2019 was \$13.73.

9/25/2019	\$13.73	\$13.82	11/8/2019	\$13.94	\$13.68
9/26/2019	\$13.85	\$13.82	11/11/2019	\$14.03	\$13.69
9/27/2019	\$13.99	\$13.83	11/12/2019	\$14.18	\$13.69
9/30/2019	\$14.15	\$13.85	11/13/2019	\$13.57	\$13.69
10/1/2019	\$13.41	\$13.83	11/14/2019	\$13.62	\$13.69
10/2/2019	\$13.05	\$13.79	11/15/2019	\$13.72	\$13.69
10/3/2019	\$12.97	\$13.76	11/18/2019	\$13.55	\$13.69
10/4/2019	\$13.19	\$13.74	11/19/2019	\$13.53	\$13.69
10/7/2019	\$12.85	\$13.71	11/20/2019	\$14.06	\$13.69
10/8/2019	\$13.02	\$13.68	11/21/2019	\$13.98	\$13.70
10/9/2019	\$13.01	\$13.66	11/22/2019	\$14.09	\$13.70
10/10/2019	\$13.22	\$13.64	11/25/2019	\$14.26	\$13.71
10/11/2019	\$13.67	\$13.65	11/26/2019	\$14.56	\$13.73
10/14/2019	\$13.40	\$13.64			

A Claimant's "Recognized Claim" will be the sum of the Claimant's Securities Act Loss Amounts and Exchange Act Loss Amounts as calculated above with respect to Micro Focus ADSs/ADRs. If a Class Member made more than one purchase/acquisition or sale of Micro Focus ADSs/ADRs during the Settlement Class Period, all purchases/acquisitions and sales of the ADSs/ADRs will be matched on a First In, First Out ("FIFO") basis. Settlement Class Period sales will be matched against purchases/acquisitions of Micro Focus ADSs/ADRs in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period.

The total of all profits shall be subtracted from the total of all losses from transactions during the Settlement Class Period to determine if a Settlement Class Member has a Recognized Claim. Only if a Settlement Class Member had a net market loss, after all profits from transactions in ADSs/ADRs during the Settlement Class Period are subtracted from all losses, will such Settlement Class Member be eligible to receive a distribution from the Net Settlement Fund.

If an Authorized Claimant has an overall market gain, the Recognized Claim for that Authorized Claimant will be \$0.00. If an Authorized Claimant has an overall market loss, that Authorized Claimant's Recognized Claim will be limited to the amount of total market loss. The Claims Administrator shall allocate to each Authorized Claimant a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. No distribution shall be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Distributions will be made to Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, and after any appeals are resolved. If any balance remained in the Net Settlement Fund after a reasonable amount of time from the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), the Claims Administrator shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is no longer economically feasible to distribute to Settlement Class Members. Thereafter, any balance which still remains in the Net Settlement Fund shall be donated to the Bay Area Legal Aid.

Please contact the Claims Administrator or Plaintiffs' Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Settlement Class Members and the claims administration process, to decide the issue by submitting a written request. The Court has also reserved jurisdiction to allow, disallow, or adjust the claim of any Settlement Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. No Person shall have any claim against Plaintiffs, the Federal Plaintiff, Plaintiffs' Counsel, any Claims Administrator, any other Person designated by Plaintiffs' Counsel, or any of the Released Parties (which includes all Defendants) based on or concerning distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. Defendants bear no liability whatsoever for, and have no role in, the administration of the Settlement, the determination of the amounts to be paid to Settlement Class Members, or the actual distribution of same. All Settlement Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

## **6. DO I NEED TO CONTACT PLAINTIFFS' COUNSEL IN ORDER TO PARTICIPATE IN DISTRIBUTION OF THE SETTLEMENT FUND?**

No. If you have received this Notice and timely submit your Proof of Claim to the designated address, you need not contact Plaintiffs' Counsel. If your address changes, please contact the Claims Administrator at:

*Micro Focus Securities Litigation Settlement*  
c/o Epiq Class Action and Claims Solutions  
P.O. Box 5459  
Portland, OR 97228-5459  
Telephone: 855-604-1743  
Email: [info@MicroFocusClassAction.com](mailto:info@MicroFocusClassAction.com)  
[www.MicroFocusClassAction.com](http://www.MicroFocusClassAction.com)

### **THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED**

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Action will proceed as if the Stipulation had not been entered into.

## **7. WHAT ARE THE REASONS FOR SETTLEMENT?**

The Settlement was reached after highly contested motion practice directed to numerous issues, including addressing the forum for litigating Plaintiffs' claims and the sufficiency of Plaintiffs' claims as a legal matter. The parties to this Action also litigated a contested motion for class certification, substantially completed fact discovery, and participated in two mediations before a retired federal judge who served as the mediator. Notwithstanding that, the Court to date has not reached or issued any final decisions in connection with Plaintiffs' claims against Defendants. As of the date of the Settlement, those claims and allegations remain just that; no verdict, judgment or decision has been reached as to the merits of those claims against any Defendant. Additionally, litigation was proceeding in the Federal Court, which had dismissed the Federal Plaintiff's claims against Defendants. Consequently, there has been no finding of liability or wrongdoing of any kind by or against any Defendant, and no finding that any Defendant violated any law, in any jurisdiction, including any of the securities laws of the United States. Moreover, this Settlement does not, and shall not, constitute evidence of any admission or concession of wrongdoing or a violation of any law, by or on the part of any Defendant.

The Parties have agreed to resolve these claims in the Settlement in order to avoid the cost, delay and uncertainty of further litigation. As in any litigation, Plaintiffs and the proposed Settlement Class would face an uncertain outcome if they did not agree to the Settlement. The parties expected that the case could continue for a lengthy period of time and that if Plaintiffs succeeded, Defendants would file appeals that would postpone final resolution of the case. While continuing the Action against Defendants could result in a judgment greater than this Settlement, continuing to litigate these claims could result in no recovery at all, were Defendants to prevail at trial, or in a recovery below the amount of the Settlement.

The Parties believe that this Settlement is fair and reasonable to the members of the Settlement Class. The Settlement provides a certain and immediate monetary recovery to the Settlement Class while avoiding the risk, delay, and uncertainty of continued litigation. Plaintiffs and Plaintiffs' Counsel believe the Settlement represents a very favorable result for the Settlement Class.

## **8. WHO REPRESENTS THE CLASS?**

The following attorneys, along with attorneys from Scott+Scott Attorneys at Law LLP, are counsel for the Certified and Settlement Class ("Class Counsel"), and are available to answer any questions you may have about the Action or the Settlement:

Joseph Russello  
ROBBINS GELLER RUDMAN  
& DOWD LLP  
58 South Service Road, Suite 200  
Melville, NY 11747  
Telephone: 631-367-7100

Mark C. Molumphy, Esq.  
COTCHETT, PITRE & MCCARTHY,  
LLP  
840 Malcolm Road, Suite 200  
Burlingame, CA 94010  
Telephone: 650-697-6000

You may also obtain a copy of the Stipulation and other documents relating to the Settlement by contacting the Claims Administrator or visiting the website established for this Settlement:

*Micro Focus Securities Litigation Settlement*  
c/o Epiq Class Action and Claims Solutions  
P.O. Box 5459  
Portland, OR 97228-5459  
Telephone: 855-604-1743  
Email: [info@MicroFocusClassAction.com](mailto:info@MicroFocusClassAction.com)  
[www.MicroFocusClassAction.com](http://www.MicroFocusClassAction.com)

## 9. HOW WILL THE PLAINTIFFS' LAWYERS BE PAID?

Class Counsel will file a motion for an award of attorneys' fees and expenses/charges ("expenses"), which the Court will consider at the Settlement Fairness Hearing, on behalf of all Plaintiffs' Counsel. Class Counsel will apply for an attorneys' fee award for Plaintiffs' Counsel in an amount of up to one-third of the Settlement Fund, plus payment of Plaintiffs' Counsel's expenses in an amount not to exceed \$1.5 million. In addition, each of Plaintiffs and the Federal Plaintiff may seek awards of up to \$15,000 in connection with their efforts in representing the Certified and Settlement Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

To date, Plaintiffs' Counsel have not received any compensation for their efforts, nor have they received any payment for the expenses or charges they have incurred in pursuing the claims. The attorneys' fees and expenses requested will be the only payment to Plaintiffs' Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. The Court will decide what constitutes a reasonable fee award and may, in its discretion, award less than the amount requested by Plaintiffs' Counsel.

## 10. CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you do not want to receive a payment from this Settlement or you want to keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself from, or "opting out" of, the Settlement Class. If you are requesting exclusion because you want to bring your own lawsuit based on the claims covered by the Settlement, you may want to consult an attorney to discuss whether any individual claim you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

To exclude yourself from the Settlement Class, you must send a signed letter by mail saying that you want to be excluded from the Settlement Class in the Action *In re Micro Focus International plc Securities Litigation*, Lead Case No. 18CIV01549. Be sure to include your name, address, telephone number, and the number of ADSs/ADRs that you purchased or acquired during the Settlement Class Period (September 1, 2017 through, and including, August 28, 2019). Your exclusion request must be **postmarked no later than May 30, 2023**, and sent to the Claims Administrator at:

*Micro Focus Securities Litigation Settlement*  
Claims Administrator  
EXCLUSIONS  
c/o Epiq Class Action and Claims Solutions  
P.O. Box 5459  
Portland, OR 97228-5459

You cannot exclude yourself by phone or by e-mail. If you make a proper request for exclusion, you will not receive a payment from the Settlement and you cannot object to the Settlement. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit.



**IF YOU SUBMITTED A REQUEST FOR EXCLUSION IN CONNECTION WITH THE NOTICE OF PENDENCY OF CLASS ACTION THAT YOU RECEIVED LAST YEAR, YOU NEED NOT DO SO AGAIN.**

**IF YOU DID NOT SUBMIT A REQUEST FOR EXCLUSION IN CONNECTION WITH THE NOTICE OF PENDENCY OF CLASS ACTION THAT YOU RECEIVED LAST YEAR, AND THE SETTLEMENT IS NOT APPROVED, THERE IS NO SECOND OPPORTUNITY TO EXCLUDE YOURSELF FROM THE CERTIFIED CLASS AND A REQUEST TO EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS WILL NOT EXCLUDE YOU FROM THE CERTIFIED CLASS.**

**11. CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES, THE REQUESTED PAYMENT OF COSTS AND EXPENSES AND/OR THE PLAN OF ALLOCATION?**

Yes. If you are a Certified Class Member or a Settlement Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs and expenses, the requested awards to Plaintiffs or the Federal Plaintiff, and/or the Plan of Allocation. For any objection to be considered, you must file a written statement, accompanied by proof of Settlement Class membership, with the Court, indicating it is for the Micro Focus case No. 18CIV01549, and send a copy to Plaintiffs' Counsel and Defendants' Counsel, at the addresses listed below **by May 30, 2023**. The Court's address is Superior Court of San Mateo, Hall of Justice and Records, 400 County Center, Redwood City, CA 94063; Plaintiffs' Counsel's addresses are Robbins Geller Rudman & Dowd LLP, 58 South Service Road, Suite 200, Melville, NY 11747, c/o Joseph Russello; Cotchett, Pitre & McCarthy, LLP, 840 Malcolm Road, Suite 200, Burlingame, CA 94010, c/o Mark C. Molumphy, and Defendants' Counsel's address is Cravath, Swaine & Moore LLP, Worldwide Plaza, 825 Eighth Avenue, New York, NY 10019, c/o Timothy G. Cameron. Attendance at the Settlement Fairness Hearing is not necessary; however, persons wishing to be heard orally at the Settlement Fairness Hearing are required to indicate in their written objection their intention to appear at the hearing and to identify any witnesses they may call to testify and exhibits, if any, they intend to introduce at that time.

**12. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF FROM THE SETTLEMENT?**

Objecting is telling the Court that you do not like something about the proposed Settlement, the Plan of Allocation, Plaintiffs' Counsel's request for an award of attorneys' fees and expenses, or any requested award to Plaintiffs or the Federal Plaintiff. You can object only if you did not exclude yourself from the Certified Class and you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you properly exclude yourself, you have no basis to object because the case no longer applies to you.

**13. WHAT ARE MY RIGHTS AND OBLIGATIONS UNDER THE SETTLEMENT?**

If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you may receive the benefit of, and you will be bound by, the terms of the Settlement described in this Notice, upon approval by the Court.

**14. HOW CAN I GET A PAYMENT?**

To qualify for a payment, you must timely complete and return the Proof of Claim form that accompanies this Notice. A Proof of Claim is enclosed with this Notice and may be downloaded at [www.MicroFocusClassAction.com](http://www.MicroFocusClassAction.com). Read the instructions carefully; fill out the Proof of Claim form; sign it; and mail or submit it online so that it is **postmarked (if mailed) or received (if submitted online at [www.MicroFocusClassAction.com](http://www.MicroFocusClassAction.com)) no later than May 30, 2023**. If you do not submit a timely Proof of Claim form with all of the required information, you will not receive a payment from the Settlement Fund; however, unless you formally exclude yourself from the Settlement Class as described above, you will still be bound in all other respects by the Settlement, the Final Judgment, and the release associated with the Settlement (described below).

**15. WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?**

If the Settlement is approved by the Court, the Court will enter a Final Judgment. If the Final Judgment becomes effective pursuant to the terms of the Stipulation, all Certified Class Members and Settlement Class Members shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged any and all of the Released Parties from all Released Claims.

- “Related Parties” means each of a Settling Party’s past, present or future direct or indirect parents, subsidiaries, divisions, affiliates or joint ventures, as well as each of their respective present or former directors, officers, employees, partners, members, principals, agents, underwriters, insurers, co-insurers, reinsurers, controlling shareholders, attorneys, accountants, auditors, financial or investment advisors or consultants, banks or investment bankers, personal or legal representatives, predecessors, successors, assigns, spouses, heirs, related or affiliated entities, any entity in which a Settling Party has a controlling interest, any member of a Settling Party’s immediate family, any trust of which any Settling Party is the settlor or which is for the benefit of any Settling Party and/or member(s) of his family, and the legal representatives, heirs, successors in interest or assigns of the foregoing Persons.
- “Released Parties” means Defendants and each and all of their Related Parties.
- “Released Claims” means any and all rights, liabilities, suits, debts, obligations, demands, damages, losses, judgment matters, issues, claims (including “Unknown Claims” as defined below), and causes of action of every nature and description whatsoever that have been or could have been asserted in the Action or the Federal Action or could in the future be asserted in any forum, whether known or unknown, whether foreign or domestic, whether arising under federal, state, common, or foreign law, by Plaintiffs, Federal Plaintiff, any Settlement Class Member, or their Related Parties, whether individual, class, representative, on behalf of others, legal, equitable, regulatory, governmental, or of any other type or in any other capacity, whether brought directly or indirectly against any of the Defendants, that (i) arise out of, are based upon, or relate to in any way to any of the allegations, acts, transactions, facts, events, matters, occurrences, disclosures, statements, representations, or omissions which were or could have been alleged in the Action or the Federal Action, and (ii) arise out of, or are based upon, or relate to the purchase, acquisition, holding, sale, or disposition of ADSs or ADRs of Micro Focus between September 1, 2017 and August 28, 2019, inclusive. Notwithstanding the foregoing, “Released Claims” do not include any derivative or ERISA claims. “Released Claims” also do not include claims to enforce the Stipulation or claims by Defendants for or regarding insurance coverage.
- “Unknown Claims” means any and all claims and potential claims against Defendants that Plaintiffs, Federal Plaintiff, or any Settlement Class Member does not know or suspect to exist in his, her, or its favor as of the Effective Date, and any claims against Plaintiffs or Federal Plaintiff that Defendants do not know or suspect to exist in their favor, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that by operation of the Final Judgment, upon the Effective Date, the Parties shall have expressly waived, and each Settlement Class Member shall be deemed to have waived, and by operation of the Final Judgment shall have expressly waived, the provisions, rights and benefits of Cal. Civ. Code § 1542, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY;**

and any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542. A Releasing Party may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but shall expressly fully, finally, and forever settle and release, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Parties acknowledge, and Settlement Class Members shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Released Defendants’ Claims was separately bargained for and was a key element of the Settlement.

The above description of the proposed Settlement is only a summary. The complete terms of the Settlement are set forth in the Stipulation (including its exhibits), which may be obtained at [www.MicroFocusClassAction.com](http://www.MicroFocusClassAction.com), or by contacting Plaintiffs’ Counsel, as indicated above.

## THE SETTLEMENT FAIRNESS HEARING

The Court will hold a Settlement Fairness Hearing on June 27, 2023, at 2:00 p.m., before the Honorable Marie S. Weiner at the Superior Court of California, County of San Mateo, Department 2, Courtroom 2E, 400 County Center, Redwood City, CA 94063, for the purpose of determining whether: (1) the Settlement as set forth in the Stipulation for \$107.5 million in cash should be approved as fair, reasonable and adequate; (2) the Settlement Class should be finally certified, for Settlement purposes; (3) the Final Judgment as provided under the Stipulation should be entered; (4) to award Plaintiffs' Counsel attorneys' fees and expenses out of the Settlement Fund; (5) to grant awards to Plaintiffs and the Federal Plaintiff, in connection with their efforts in representing the Settlement Class, out of the Settlement Fund; and (6) the Plan of Allocation should be approved. The Court may adjourn or continue the Settlement Fairness Hearing without further notice to members of the Settlement Class.

Any Settlement Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters; provided, however, that no such person shall be heard unless his, her, or its objection is made in writing and is filed, together with proof of membership in the Settlement Class and with copies of all other papers and briefs to be submitted by him, her, or it to the Court at the Settlement Fairness Hearing, with the Court no later than May 30, 2023, and showing proof of service on the following counsel:

*Attorneys for Plaintiffs:*

Joseph Russello  
ROBBINS GELLER RUDMAN & DOWD LLP  
58 South Service Road, Suite 200  
Melville, NY 11747  
Telephone: 631-367-7100

—and—

Mark C. Molumphy  
COTCHETT, PITRE & McCARTHY, LLP  
840 Malcolm Road, Suite 200  
Burlingame, CA 94010  
Telephone: 650-697-6000

*Counsel for Defendant Micro Focus  
International plc and Other Defendants:*

Timothy G. Cameron  
CRAVATH, SWAINE & MOORE LLP  
Worldwide Plaza  
825 Eighth Avenue  
New York, NY 10019  
Telephone: 212-474-1000

Unless otherwise directed by the Court, any Settlement Class Member who does not make his, her or its objection in the manner provided shall be deemed to have waived all objections to this Settlement and shall be foreclosed from raising (in this proceeding or on any appeal), any objection and any untimely objection shall be barred.

If you hire an attorney (at your own expense) to represent you for purposes of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Court (at the address set out above) by no later than June 20, 2023.

### 16. HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. The records in this Action may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the Superior Court of California, County of San Mateo. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim form and proposed Final Judgment, may be obtained by contacting the Claims Administrator, or visiting the website established for this Settlement, at:

*Micro Focus Securities Litigation Settlement*  
c/o Epiq Class Action and Claims Solutions  
P.O. Box 5459  
Portland, OR 97228-5459  
Telephone: 855-604-1743  
Email: [info@MicroFocusClassAction.com](mailto:info@MicroFocusClassAction.com)  
[www.MicroFocusClassAction.com](http://www.MicroFocusClassAction.com)

In addition, if you have any questions about the Action or the Settlement, you may contact the following attorneys for Plaintiffs designated to receive such inquiries: Joseph Russello, Robbins Geller Rudman & Dowd LLP, 58 South Service Road, Suite 200, Melville, NY 11747; Mark C. Molumphy, Cotchett, Pitre & McCarthy, LLP, 840 Malcolm Road, Suite 200, Burlingame, CA 94010.

**DO NOT WRITE TO OR TELEPHONE THE COURT FOR INFORMATION**

**SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES**

If you hold any Micro Focus ADSs/ADRs purchased or acquired between September 1, 2017 and August 28, 2019, inclusive, as a nominee for a beneficial owner, then, within fourteen (14) days after you receive this Notice, you must either: (1) send a copy of this Notice by First-Class Mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

*Micro Focus Securities Litigation Settlement*  
c/o Epiq Class Action and Claims Solutions  
P.O. Box 5459  
Portland, OR 97228-5459  
[www.MicroFocusClassAction.com](http://www.MicroFocusClassAction.com)

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: February 7, 2023

BY ORDER OF THE SUPERIOR COURT OF  
CALIFORNIA, COUNTY OF SAN MATEO  
HONORABLE MARIE S. WEINER