

For Approval

Dated 7 July 2015

1) KAINOS GROUP PLC

- and

2) KAINOS SOFTWARE LIMITED AND OTHERS

- and -

3) YORKSHIRE BUILDING SOCIETY

**TRUST DEED AND RULES OF
SHARE INCENTIVE PLAN**

**Amended by the board of directors on [] []
2025 with the approval of the Trustee,
conditional, where relevant, upon the approval of
shareholders which was obtained on [23
September 2025]**

**(These amended rules refer to Yorkshire Building
Society as the Trustee, although the Trustee at
the date of the amendment is Equiniti Share Plan
Trustees Limited, in accordance with the Deed of
Retirement and Appointment of Trustees dated
4th February 2022)**

THIS TRUST DEED is made on 7 July 2015

BETWEEN

1. **KAINOS GROUP PLC** whose registered office is at 4th Floor, 111 Charterhouse Street, London EC1M 6AW ("**Company**"); and
2. **The companies listed in Schedule 2** to this deed; and
3. **YORKSHIRE BUILDING SOCIETY** whose principal office is at Yorkshire House, Yorkshire Drive, Bradford, BD5 811 ("**Trustee**").

BACKGROUND

- (A) The Company has resolved to establish an employee share ownership plan to be known as the Kainos Group Share Incentive Plan ("**Plan**") to provide benefits to employees in the nature of shares in the Company and which is a Schedule 2 SIP,
- (B) The Plan consists of this trust deed ("**Trust Deed**") and the attached Rules. The Company shall from time to time determine which of parts 2 to 5 of the Rules shall have effect. Where the Company determines that part 3 shall have effect it shall also specify whether there is to be an Accumulation Period of up to 12 months, which shall apply equally to all Qualifying Employees in the Plan.
- (C) It is intended that under the Plan sums may from time to time be paid by the Participating Companies to the Trustee to be applied by the Trustee in the acquisition of Shares for making Awards to individuals who participate in the Plan.
- (D) The Trustee has agreed to be the first trustee of the Plan.

NOW THIS DEED WITNESSES as follows:

1. DEFINITIONS

The definitions contained in the Rules as set out in schedule 1 to this deed or as amended from time to time as therein provided shall apply to this deed.

2. TRUST FUND

- 2.1 The Company and the Trustee have agreed that all of the assets transferred to or issued to the Trustee (including by way of gift) are to be held upon and subject to the trusts powers and provisions of this deed. Where Shares or assets are transferred to the Trustee by the Company with the intention of being held as part of the Plan, they shall be held upon the Trustee and provisions of this deed and the Rules.
- 2.2 Subject to the terms of this deed and the Rules, the Trustee shall apply any sums of money transferred to it in the acquisition of Plan Shares or the payment of expenses or other liabilities (as the case may be) in accordance with the Rules.
- 2.3 The trustee shall hold Trust Property upon and subject to the following trusts namely:

- 2.3.1 as to Unallocated Shares, upon trust during the Trust Period to allocate those Shares in accordance with the terms of this deed and the Rules or, at their discretion, to sell such Unallocated Shares;
- 2.3.2 as to Plan Shares, upon trust for the benefit of the Participants to whom they have been awarded on the terms and conditions set out in the Rules;
- 2.3.3 as to Partnership Share Money, subject to clause 3 of this Trust Deed, upon trust to purchase Shares for the benefit of the contributing Participant in accordance with the Rules; and
- 2.3.4 as to other assets ("**Surplus Assets**"), including income from Unallocated Shares and Surplus Assets, upon trust to use them to purchase further Shares to be held on the trusts declared in 2.3.1 above, at such time during the Trust Period and on such terms as the Trustee in its absolute discretion thinks fit.

3. INVESTMENT AND DEALING WITH TRUST ASSETS

- 3.1 Save as otherwise provided for by the Plan, the Trustee shall not sell or otherwise dispose of Plan Shares.
- 3.2 The Trustee shall obey any directions given by a Participant in accordance with the Rules in relation to their Plan Shares and any rights and income relating to those Shares. In the absence of any such direction, or provision by the Plan, the Trustee shall take no action.
- 3.3 The Participating Companies shall, as soon as practicable after deduction from Salary, pass Partnership Share Money to the Trustee who will put the money into a Designated Account until such time as, in accordance with the Rules, it is either applied in acquiring Partnership Shares on such employee's behalf or returned to such employee. Where the Trustee keeps any Partnership Share Money pending its application as aforesaid in an interest bearing account the Trustee shall account to the employee on whose behalf such Partnership Share Money is held for the interest arising on such account. For the avoidance of doubt, there is no obligation on the Trustee to arrange for any Partnership Share Money to be deposited in an interest-bearing account.
- 3.4 The Trustee may either retain or sell Unallocated Shares at its absolute discretion. The proceeds of sale of Unallocated Shares shall form part of Surplus Assets.
- 3.5 The Trustee shall have all the powers of investment of a beneficial owner in relation to Surplus Assets.
- 3.6 The Trustee shall not be under any liability to the Participating Companies or to current or former Qualifying Employees by reason of a failure to diversify investments, which results from the retention of Plan Shares or Unallocated Shares.
- 3.7 The Trustee shall have power to hold or allow to remain in bearer form or in the name or under the control of some or one only of the Trustee or of any person as nominee of the Trustee, the whole or such part of the Trust Property as the Trustee shall in its absolute discretion think fit

and the Trustee shall not be liable for any loss to the Trust Property or the income thereof occasioned by the exercise of this power.

- 3.8 The Trustee shall have power instead of acting personally to delegate powers, duties and discretions to any person on any terms and in particular to employ and pay at the expense of the Trust Property any agent in any part of the world whether attorneys solicitors accountants brokers banks trust companies or other agents without being responsible for the default of any agent if employed in good faith to transact any business or act as nominee or do any act in the execution of these trusts including without prejudice to the generality of the above the receipt and payment of monies and the execution of documents. No delegation made under this clause shall divest the Trustee of its responsibilities under this deed or the Rules.

4. WAIVER OF DIVIDENDS

Until the Company directs the Trustee otherwise, the Trustee shall waive its entitlement to dividends on any Shares forming part of the Trust Property for which the Trustee holds the whole of the beneficial interest.

5. TRUSTEE OBLIGATIONS

5.1 Duties of appropriation of Plan Shares and application of Partnership Share Money and Cash Dividends

- 5.1.1 The Trustee shall appropriate the Free Shares or Matching Shares held by it to Participants in accordance with the Rules.
- 5.1.2 The Trustee shall apply Partnership Share Money in acquiring Partnership Shares on behalf of Participants in accordance with the Rules.
- 5.1.3 The Trustee shall apply cash dividends in acquiring Dividend Shares on behalf of Participants in accordance with the Rules.
- 5.1.4 Save as provided by this deed and the Rules the Trustee shall not sell or otherwise dispose of Plan Shares.

5.2 Notification of awards

- 5.2.1 As soon as practicable after any Free Shares or Matching Shares have been appropriated or any Partnership Shares have been acquired (as the case may be) by the Trustee to or on behalf of a Participant in accordance with the Rules the Trustee shall give the Participant notice in writing of the appropriation or acquisition (as the case may be) specifying the number and description of Plan Shares so appropriated or acquired and stating:
- 5.2.1.2 in the case of Free Shares or Matching Shares, the Appropriation Date, the Market Value of such Shares on the Appropriation Date and the Retention Period applicable to such Shares and, if the Shares are subject to any Relevant Restriction, details of the Relevant Restriction;

5.2.1.2 in the case of Partnership Shares, the Acquisition Date, the amount of Partnership Share Money applied in acquiring those Shares, the Market Value of the Shares on the Acquisition Date, the amount of any surplus Partnership Share Money and, if the Shares are subject to any Relevant Restriction, details of the Relevant Restriction.

5.2.2 As soon as practicable after any Dividend Shares have been acquired on behalf of a Participant the Trustee shall notify them of such acquisition specifying:

5.2.2.1 the number and description of Shares acquired;

5.2.2.2 the Market Value of such Shares at the date of acquisition;

5.2.2.3 the Retention Period applicable to such Shares; and

5.2.2.4 the amount of any cash dividend carried forward pursuant to Rule 31.

5.3 Foreign cash dividends

Where any foreign cash dividend is received in respect of a Participant's Plan Shares the Trustee shall give such Participant notice of the amount of any foreign tax deducted from the dividend before it was paid.

5.4 Restrictions on disposing of or dealing with Plan Shares

5.4.1 Subject to clauses 5.6 and 5.9, the Trustee shall dispose of a Participant's Plan Shares or otherwise deal with any of those Shares or any rights conferred on the Participant only in accordance with the direction given by or on behalf of the Participant. In the absence of any such direction, or provision by the Plan, the Trustee shall take no action.

5.4.2 During the Retention Period the Trustee shall not dispose of any Free Shares, Matching Shares or Dividend Shares (whether by transfer to the Participant or otherwise) except as permitted in paragraphs 37 (*General Offers*), 77 (*Rights Issues*), 79 (*PAYE Obligations*) and 90(5) (*Termination of Plan; early removal of Shares with Participant's consent*) of Schedule 2.

5.5 Receipt of money/money's worth

Subject to its PAYE Obligations, to the Trustee's obligations under sections 510 – 414 ITEPA, and to any such direction as is referred to in paragraph 72 of Schedule 2 and to Part 5 of the Rules (dividends), the Trustee shall as soon as practicable pay over to the Participant any money or money's worth received by it in respect of, or by reference to, any of that Participant's Plan Shares (other than money's worth consisting of "new shares" within the meaning of paragraph 87 of Schedule 7) provided that the Trustee shall not be obliged to distribute any Capital Receipt to a Participant if the amount payable to that Participant would be less than £3.

5.6 Compliance with PAYE Obligations

5.6.1 The Trustee shall comply with its PAYE Obligations (if any) or shall otherwise enter into such arrangements as may be permitted by HMRC with the Company or any

Participating Company for accounting to HMRC for PAYE and NICs respect of Plan Shares;

- 5.6.2 The Trustee may dispose of a Participant's Shares or accept a sum from the Participant in order to meet any PAYE liability in the circumstances provided for in sections 510 to 512 of ITEPA (*PAYE: shares ceasing to be subject to the plan*).
- 5.6.3 Where Shares cease to be subject to the Plan in circumstances where the employer has a consequent PAYE obligation, the Trustee shall pay to the employer a sum which is sufficient to enable the employer to discharge that obligation unless the Participant makes a payment to the employer as referred to in section 510(4) of ITEPA (*PAYE: shares ceasing to be subject to the plan*).
- 5.6.4 Where the Trustee receives a sum of money which constitutes a Capital Receipt in respect of which a Participant is chargeable to income tax as employment income wider ITEPA, the Trustee shall pay to the employer a sum equal to that on which income tax is so payable.
- 5.6.5 The Trustee shall maintain adequate records to enable it to carry out its PAYE Obligations or the PAYE obligations of the Company or any Participating Company so far as they relate to the Plan and, where a Participant becomes liable to income tax under ITEPA or chapters 3 or 4 of Part 4 ITTOIA by reason of the occurrence of any event the Trustee shall inform them of any facts relevant to determine that liability and shall comply with the requirements of paragraphs 80(4) and 80(5) of Schedule 2 in relation to any distribution in connection with Plan Shares.

5.7 General offers etc

The Trustee shall take all reasonable steps to notify Participants of the principal terms of any offer, compromise, arrangement or scheme affecting any of the Participant's Plan Shares and shall only act in relation thereto as the Participant directs (and if they give no direction shall take no action).

5.8 Voting

- 5.8.1 In the event of a general meeting of the Company or any separate general meeting of the holders of shares which include Plan Shares the Trustee shall, if required to do so by the Company, on receipt of reasonable notice from the Company of any relevant meeting and of full details of the resolutions proposed, invite Participants to direct the Trustee on the exercise of any voting rights attaching to Plan Shares held by the Trustee on their behalf. Where voting directions are given by a Participant, the voting rights in respect of that Participant's Plan Shares shall on a poll be exercised by the Trustee at any meeting in accordance with such directions given to it by the Participant (or any person in whom the beneficial interest in their Plan Shares is for the time being vested) at least three working days before the date of the meeting and in the absence of any such direction or on a show of hands the Trustee shall not vote in respect thereof.
- 5.8.2 The Trustee shall not be under any obligation to demand or join in demanding a poll.

- 5.8.3 Following receipt of any directions given pursuant to clause 5.8.1, the Trustee shall not be obliged to attend the general meeting and may exercise the voting rights either personally or by proxy.
- 5.8.4 The Trustee shall not exercise any voting rights in respect of Unawarded Shares.
- 5.8.5 Where Plan Shares are registered in the name of a nominee for the Trustee, the Trustee will arrange for the directions of Participants received by the Trustee to be carried out by the nominee.

5.9 Trustee's obligations on cessation of employment

Subject to the Rules, if a Participant ceases to be an employee of the Company or any Associated Company (and does not then continue as an employee of the Company or any other Associated Company) the Trustee shall either:

- 5.9.1 transfer all of such Participant's Plan Shares to them (or their personal representatives) or as they shall direct; or
- 5.9.2 dispose of such Participant's Plan Shares and account for such proceeds to them (or their personal representatives) or as they shall direct; or
- 5.9.3 if the Participant does not give directions for the disposal or transfer of their Plan Shares within 28 days of so ceasing, the Trustee may transfer the Participant's Plan Shares to them or dispose of them and account to the Participant for the proceeds, after income tax and NICs are deducted (if appropriate)

but subject always to the Trustee's PAYE Obligations and shall in any event pay over to the Participant any Partnership Share Money held on their behalf as soon as practicable.

5.10 Monitoring Participants in connected schemes

The Trustee shall maintain records of Participants who have participated in one or more other plans established by the Company or a Connected Company and approved under Schedule 2.

5.11 Power to raise funds to subscribe for rights issue

If instructed by Participants in respect of their Plan Shares the Trustee may dispose of some of the rights under a rights issue arising from those Shares to obtain enough funds to exercise the remaining rights. For that purpose the rights are the rights to buy additional shares or rights in the same company.

5.12 Power to agree Market Value of Shares

Where the Market Value of Shares falls to be determined for the purposes of the Rules, the Trustee may agree with HMRC that it shall be determined by reference to such date or dates, or to an average of the values on a number of dates, as specified in the agreement.

6. TRUSTEE REGULATIONS

- 6.1 Every Trustee shall be resident in the United Kingdom. The Company shall immediately remove any Trustee who ceases to be so resident and, if necessary, appoint a replacement
- 6.2 A company may be sole trustee hereof otherwise the number of trustees hereof shall be at least two persons and if at any time the number of trustees falls below these limits the surviving or continuing trustee shall have power to act only for the purpose of doing anything necessary to concur in or secure the appointment of a new trustee or trustees.
- 6.3 The statutory power of appointing new and additional trustees shall be vested in the Company.
- 6.4 In addition to the said statutory power the Company shall have power at any time by deed to appoint any person to be an additional Trustee notwithstanding that the effect of any such appointment is to increase the number of trustees beyond four.
- 6.5 The Company may at any time by deed remove any Trustee and any Trustee may retire at any time by giving not less than thirty days' notice in writing to the Company (and so that if after such removal or retirement there shall be no continuing Trustee of this Trust Deed the Company shall immediately appoint a new Trustee of this Trust Deed in place of such removed or retired Trustee and if the Company fails to do so, the retiring Trustee may by deed appoint an additional Trustee and their retirement shall thereupon become effective). A Trustee shall not be liable for any costs arising as a result of its retirement but will do all such acts and things and sign such documents as are necessary to give effect to its retirement.
- 6.6 The provisions of sections 37 and 39 of the Trustee Act 1925 shall apply as if any reference therein to a trust corporation were a reference to a corporation carrying on trust business.

7. POWER TO BORROW

The Trustee may at any time borrow monies on such terms as to the payment of interest (if any) and as to repayment as the Trustee shall in its absolute discretion think fit and without security for the purposes of:

- 7.1 acquiring Shares; or
- 7.2 meeting costs, expenses and liabilities properly incurred by the Trustee in administering the Plan.

8. PERSONAL INTEREST OF TRUSTEE

Trustees and directors, officers or employees of a corporate Trustee shall not be liable to account for any benefit accruing to them by virtue of their:

- 8.1 participation in the Plan as a Qualifying Employee;
- 8.2 ownership, in a beneficial or fiduciary capacity, of any shares or other securities in any Participating Company;
- 8.3 being a director or employee of any Participating Company, being a creditor or being in any other contractual relationship with any such company.

9. TRUSTEE LIABILITY AND INDEMNITY

9.1 The Participating Companies hereby covenant with the Trustee that they shall jointly and severally:

9.1.1 indemnify the Trustee (and their respective estates and effects) and keep them (and their respective estates) indemnified against all claims, losses, expenses and demands whatsoever which may arise out of or in connection with the Plan other than claims which may arise from the Trustee's own negligence, fraud or misfeasance. In addition, the Trustee shall have the benefit of all indemnities conferred on trustees by law; and

9.1.2 pay to the Trustee all sums which they are required to pay under this deed or the Rules and shall at all times comply with the Rules.

9.2 In the administration of the Plan no Trustee shall be liable for any loss arising by reason of the negligence or fraud of any agent employed by them or any other Trustee or by reason of any mistake or omission made in good faith by any Trustee or by reason of any other matter or thing except negligence, fraud or misfeasance on the part of the Trustee who is sought to be made liable.

9.3 A non-remunerated Trustee may insure the Plan against any loss caused by them or any of their employees, officers, agents or delegates. A non-remunerated Trustee may also insure himself and any of these persons against liability for breach of trust not involving fraud or wilful wrongdoing or negligence for the Trustee or the person concerned.

9.4 The Trustee shall not be bound or required to:

9.4.1 become involved or to interfere in the management or conduct of the business of any company in which it holds shares or securities or loan capital which are held on trust pursuant to the Trust Deed notwithstanding that the Trustee may have (directly or indirectly) a substantial holding in, or control of, any such company; or

9.4.2 to seek information about the affairs of any such company.

10. TRUSTEE TO RELY ON COMPANY INFORMATION

The Trustee shall be entitled to rely without further enquiry on all information supplied to it by any of the Participating Companies for the purpose of the Plan and in particular (but without prejudice to the generality of the foregoing) any notice given by any of the Participating Companies to the Trustee in respect of the eligibility of any person to become or remain a Participant in the Plan shall be conclusive in favour of the Trustee.

11. TRUSTEE MEETINGS

The Trustee shall meet together as necessary for the administration of the Plan. Whenever there is more than one trustee any decision relating to the Plan made by a majority of the trustees present at any meeting of which due notice has been given to all Trustees (and at which at least two of the trustees are present) shall be effective for all purposes as if that decision had been

unanimous. A resolution in writing signed by the trustees shall be as effective as any resolution duly passed at a meeting of the trustees. Attendance by telephone is permitted.

12. TERMINATION OF PLAN

12.1 The Plan shall terminate:

12.1.1 in accordance with a Plan Termination Notice issued by the Company to the Trustee under paragraph 89 of Schedule 2; or

12.1.2 if earlier, on the expiry of the Trust Period.

12.2 The Company shall immediately upon executing a Plan Termination Notice provide a copy of the notice to the Trustee, and each individual who has Plan Shares or who has entered into a Partnership Share Agreement which was in force immediately before the Plan Termination Notice was issued.

12.3 Upon the issue of a Plan Termination Notice or upon the expiry of the Trust Period paragraph 90 of Schedule 2 shall have effect.

12.4 Any Shares or other assets which remain undisposed of after the requirements of paragraph 90 of Schedule 2 have been complied with shall be held by the Trustee upon trust to pay or apply them to or for the benefit of the Participating Companies as at the termination date in such proportion, having regard to their respective contributions, as the Trustee shall in its absolute discretion think appropriate.

13. SUBSIDIARIES

13.1 Any company which is for the time being a Subsidiary may with the consent of the Board be and become a party to these presents and the Plan by entering into a deed agreeing to be bound in all respects by this deed and Rules for so long as such company is a Subsidiary.

13.2 A company which ceases to be a Subsidiary shall cease forthwith to participate in the Plan. The Board may also determine that any Subsidiary, which is a Participating Company, shall cease to participate but such cessation shall not affect those rights of any Participants employed by such Subsidiary to Shares appropriated or acquired with Partnership Share Money before such cessation, nor to the return to any Participant of any Partnership Share Money or uninvested cash dividend held by the Trustee on their behalf and which was received by the Trustee prior to cessation.

14. COSTS AND EXPENSES AND TRUSTEE'S LIEN

14.1 The costs and expenses of the preparation and execution of this deed and Rules and all ancillary documentation and of the management and administration of the Plan (including the expenses of any Trustee hereof) shall be borne by the Participating Companies.

14.2 The Trustee's lien over the Trust Fund in respect of liabilities incurred by them in the performance of their duties (including the repayment of borrowed money and tax liabilities) shall be enforceable subject to the following restrictions:

14.2.1 the Trustee shall not be entitled to resort to Partnership Share Money for the satisfaction of any of its liabilities; and

14.2.2 the Trustee shall not be entitled to resort to Plan Shares for the satisfaction of their liabilities except to the extent that this is permitted by the Plan.

15. PROFESSIONAL CHARGES

Any Trustee for the time being hereof who is engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for work done or time spent by them in connection with the trusts hereof including work or business not of a strictly professional nature which a trustee could do personally.

16. AMENDMENTS

16.1 The Company may, with the Trustee's written consent, from time to time amend the Plan provided that:

16.1.1 no amendment which would adversely prejudice to a material extent the rights attaching to any Plan Shares awarded to or acquired by Participants may be made nor may any alteration be made giving to Participating Companies a beneficial interest in Plan Shares;

16.1.2 no alteration may be made to a "key feature" (as defined in paragraph 81B(8) of Schedule 2) if, as a result, the Plan would no longer be a Schedule 2 SIP unless and until the Board has determined that the amendment will take effect even if this causes the Plan to cease to be a Schedule 2 SIP; and

16.1.3 no amendment shall modify or alter to the disadvantage of the Trustee the provisions for its protection or indemnity contained in the Plan without the written agreement of the Trustee.

16.2 Notwithstanding clause 16.1, no alteration to the advantage of the persons who participate or may participate in the Plan shall be made to the provisions concerning eligibility, the individual limits on participation, the overall limits on the issue of shares under the Plan, the basis for determining how many shares employees receive and the adjustments that may be made following a rights issue or any other variation of capital without the prior approval by ordinary resolution of the members of the Company in general meeting, provided that this restriction shall not apply to any amendments which are minor alterations to benefit the administration of the Plan or are to take account of a change in legislation or to obtain, or maintain favourable tax, exchange control or regulatory treatment for Participants, the Company, the Trustee or any Subsidiary.

17. PERPETUITY PERIOD

The perpetuity period in respect of the trust and powers declared by this deed and the Rules shall be the period of 125 years less one day from the date of this deed.

18. COUNTERPARTS

This deed may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one deed,

19. IRREVOCABILITY

The trusts declared in this deed are irrevocable.

20. LAW

This deed and the Rules shall be governed by and construed in all respects in accordance with English law.

Executed as a deed, but not delivered until the first date specified on page 1, by **KAINOS SOFTWARE LIMITED** by a director in the presence of a witness:

Signature

Name (block capitals)

Director

Witness signature

Witness name
(block capitals)

Witness address
.....
.....
.....

Executed as a deed, but not delivered until the first date specified on page 1, by **KAINOS EVOLVE LIMITED** by a director in the presence of a witness:)
)
)

Signature

Name (block capitals)

Director

Witness signature

Witness name

(block capitals)

Witness address

Executed as a deed, but not delivered until the first date specified on page 1, by **KAINOS GROUP PLC** by a director in the presence of a witness:

Signature

Name (block capitals)

Director

Witness signature

Witness name

(block capitals)

Witness address

Executed as a deed, but not delivered until
the first date specified on page 1, by KAINOS
WORKSMART LIMITED by a director in the
presence of a witness:)
)

Signature

Name (block capitals)

Director

Witness -----
signature

Witness name
(block capitals)

Witness address - - - - -
.....
- - - - -

The Common Seal of YORKSHIRE BUILDING
SOCIETY was hereunto affixed in the
presence of by authority of the board of
directors:

Signature

Name (block capitals) _____

Director

Witness signature

.....

Witness name (block capitals)

Witness address



Schedule 1
Part 1: Definitions and General requirements

1. DEFINITIONS

1.1 In these Rules and this deed the following words and expressions shall have the following meanings:

"Acquisition Date" means:

- (a) in relation to Partnership Shares, the date upon which Partnership Shares are acquired on behalf of a Qualifying Employee in accordance with these Rules; and
- (b) in relation to Dividend Shares, the date set by the Trustee in relation to the acquisition of such Dividend Shares, falling not later than 30 days after the dividend is received by it.

"Accumulation Period" means the period during which Partnership Share Money received by the Trustee on behalf of a Participant may be held by the Trustee pending its application for the acquisition of Partnership Shares and which shall be such period not exceeding 12 months specified by the Board from time to time (but which shall be the same for all Qualifying Employees participating in any particular award of Partnership Shares) or ending on such event as is specified in the Partnership Share Agreement and commencing no later than the date on which the first deduction from Salary was made on behalf of such Participant in relation to the acquisition of those Partnership Shares;

"Any Other Plan" means any scheme (other than the Plan) adopted by the Company which provides for the acquisition of or subscription for Shares by or on behalf of employees and directors;

"Appropriation Date" means the date upon which Free Shares or Matching Shares are or are to be appropriated to Qualifying Employees in accordance with these Rules;

"Associated Company" has the meaning, given by paragraph 94 of Schedule 2;

"Award" means:

- (a) in relation to Free Shares and Matching Shares, the appropriation of Free Shares and Matching Shares in accordance with the Plan; and
- (b) in relation to Partnership Shares, the acquisition of Partnership Shares on behalf of Qualifying Employees in accordance with the Plan.

"Benefits Code" has the Meaning given by section 63(1) of ITEPA;

"Board" means the Board of Directors of the Company or a duly constituted committee thereof, or any duly appointed successor body;

"Capital Receipt" had the meaning given by section 502(2) of ITEPA;

"Company" means Kainos Group plc;

“CTA 2010” means the Corporation Tax Act 2010;

"Deduction Date" means in relation to an award of Partnership Shares or Matching Shares

- (1) where there is no Accumulation Period, the time at which the Partnership Share Money relating to that award is deducted from the Participant's Relevant Emoluments in accordance with Rule 5; or
- (2) where there is an Accumulation Period, the time at which the first deduction of Partnership Share Money relating to that award is made

and in the case of an award of Matching Shares, the deduction of Partnership Share Money "relating" to the award is the deduction relating to the award of Partnership Shares to which the Matching Shares relate.

"Designated Account" means an account (which, unless agreed otherwise with the Company, shall be non-interest bearing) with:

- (a) an institution authorised under section 991(2)(b) ITA;
- (b) a building society; or
- (c) a relevant European institution within section 991(2)(c) ITA;

"Dividend Shares" means Shares acquired on behalf of a Participant from reinvestment of dividends under Part 5 of the Plan and which are subject to the Plan;

"Forfeiture Period" means in relation to an Award of Free or Matching Shares, such period as the Board may determine when the Award is made;

"Free Shares" means Shares appropriated to Qualifying Employees pursuant to Part 2 of the Plan and which are subject to the Plan;

"Free Share Agreement" means an agreement entered into between a Participant and the Company pursuant to Rule 5.2 and which complies with part 5 of Schedule 2;

"HMRC" means HM Revenue and Customs;

"ITA" means the Income Tax Act 2007;

"ITEPA" means the Income Tax (Earnings and Pensions) Act 2003;

"ITTOIA" means the Income Tax (Trading and other Income) Act 2005;

"Market Value" means on any day the market value of a Share determined in accordance with the Taxation of Chargeable Gains Act 1992 as at that date and which shall be deemed to be (i) the average middle market quotation of a Share as derived from the Official List for the five dealing days immediately preceding such date, (ii) where Shares have not been so quoted for the previous five dealing days, the closing mid-market quotation of a Share as derived from the Official List for the immediately preceding dealing day, or (iii) (if Shares are not for the time being so quoted) the price agreed in advance between the Trustee and HMRC for the purposes

of the Plan as being the market value of a Share on that date. If Shares are subject to a Relevant Restriction, Market Value shall be determined as if the Shares were not subject to a Relevant Restriction;

"Matching Shares" means Shares appropriated to Qualifying Employees pursuant to Part 4 of the Plan and which are subject to the Plan;

"NICs" means national insurance contributions;

"Participant" means any Qualifying Employee. for whom the Trustee holds Plan Shares on Trust;

"Participating Companies" means the Company and such of the Subsidiaries as, for the time being, are nominated by the Board to be Participating Companies and are bound by the provisions of this deed and the Rules;

"Partnership Shares" means Shares acquired on behalf of Qualifying Employees out of sums deducted from Salary in accordance with the Plan;

"Partnership Share Agreement" means an agreement entered into between a Qualifying Employee and the Company pursuant to Rule 13.1 and which shall be in such form as the Board may from time to time determine and which complies with part 6 of Schedule 2;

"Partnership Share Money" means money deducted from a Participant's Salary pursuant to a Partnership Share Agreement and held by the Trustee to acquire Partnership Shares or to be returned to such a person;

"Performance Allowances" means the criteria of an Award of Free Shares which determine:

- (a) whether Shares are awarded; and
- (b) the number or value of Shares awarded;

"Performance Target" has the meaning given in Rule 7.2.1;

"PAYE Obligations" means the obligations (if any) of the Trustee pursuant to Chapter 6 of Part 7 ITEPA or regulations made under section 684 of ITEPA in relation to the Plan;

"Plan" means the Kainos Group Share Incentive Plan as constituted by this deed and Rules;

"Plan Shares" means Shares subscribed for or purchased by the Trustee pursuant to the Plan together with all Shares subsequently acquired by the Trustee by virtue of their holding such Shares, exercising any rights attaching thereto or accepting any offer made to the holders of such Shares and any reference to a Participant's Plan Shares is, subject to Rule 34, a reference to the Plan Shares which have been appropriated to them or acquired on their behalf by the Trustee, but excluding any Shares which have been forfeited;

"Plan Termination Notice" means a notice issued under paragraph 89 of Schedule

"Qualifying Employee" means an employee of a Participating Company who must be allowed to participate in an Award in accordance with Rule 3.1 and any employee of a Participating Company who the Company has invited to participate in accordance with Rule 3.2;

"Qualifying Period" means such period specified by the Board as the Qualifying Period for the purposes of an award of Plan Shares and which:

- (1) in the case of Free Shares, shall be not more than 18 months ending with the Appropriation Date; and
- (2) in the case of Partnership Shares or Matching Shares, shall be not more than 6 months ending at the start of the Accumulation Period relevant to those Partnership Shares or the Matching Shares awarded in respect of those Partnership Shares or where there is no Accumulation Period shall be not more than 18 months ending on the Deduction Date;

"Redundancy" means redundancy within the meaning of the Employment Rights Act 1996 or the Employment Rights (Northern Ireland) Order 1996;

"Relevant Amount" means £3,600 or such other maximum amount from time to time specified by paragraph 35(1) of Schedule 2;

"Relevant Day" has the meaning given in paragraph 56 of Schedule 2;

"Relevant Employment" means employment by the Company or any Associated Company of the Company;

"Relevant Restriction" means any provision included in any contract, agreement, arrangement or condition to which any of sections 423(2), 423(3) and 423(4) of ITEPA would apply if references in those sections to employment-related securities were references to Shares;

"Retention Period" means in relation to any award of Free Shares, Matching Shares or Dividend Shares, the period beginning on the Appropriation Date or, in the case of Dividend Shares, the date of acquisition, of those Shares and ending on the third anniversary of that date or (save in relation to Dividend Shares) on such later date as may be specified by the Board from time to time but not later than the fifth anniversary of that date and provided that once an award of Plan Shares has been made, the Retention Period applicable to that award may not subsequently be increased;

"Rules" means the Rules set out in this Schedule as amended from time to time in accordance with the provisions herein contained;

"Salary" means:

- (a) in the case of a Participant who is also a UK Resident Taxpayer, such of the earnings of the employment by reference to which they are eligible to participate in the Plan as are liable to be paid under deduction of tax under PAYE regulations, after deducting any amounts included by virtue of the Benefits Code, or would be so liable apart from the SIP Code; and

- (c) in the case of a Participant who is not a UK Resident Taxpayer, such of their earnings as would have fallen within (a) above if the Participant had been a UK Resident Taxpayer

"Schedule 2" means Schedule 2 to ITEPA;

"Schedule 2 SIP" means a share plan that meets the requirements of Schedule 2;

"Share" means a fully paid ordinary share in the capital of the Company complying with the conditions of part 4 of Schedule 2;

"SIP Code" has the meaning given in section 488(3) ITEPA;

"Subsidiary" means any company which is for the time being controlled by the Company within the meaning of section 995 ITA;

"TCGA 1992" means the Taxation of Chargeable Gains Act 1992;

"Trust Period" means the period from the date of this deed until the earliest of:

- (1) the expiry of the period of 125 years less one day from the date of this deed; or
- (2) the date (if any) on which the Plan is terminated in accordance with clause 12.1.1 of the Trust Deed;

which shall be the perpetuity period applicable hereto.

"Trust Property" means any Shares, money and other property from time to time in the name of or transferred to or held by the Trustee or under the control of the Trustee and subject to the terms of this deed and the Rules;

"Trustee" means the trustee or trustees for the time being of the Plan;

"UK Resident Taxpayer" means an employee whose earnings from the employment by reference to which they meet the employment requirement specified in paragraph 15 of Schedule 2 are (or would be if there are any) general earnings to which section 15 of ITEPA applies;

"Unallocated Shares" means Shares which have been acquired by the Trustee but which are not Plan Shares; and

"Year of Assessment" means a year beginning on any 6 April and ending on the following 5 April.

1.2 In these Rules and this deed:

1.2.1 references to any enactment shall be deemed to include any reference to any such enactment s extended re-enacted or amended. Words denoting the masculine gender shall include the feminine. Words denoting the singular shall include the plural and vice versa. Rule headings are inserted for convenience only and are to be ignored in construing these Rules; and

1.2.2 references to "month" shall be deemed to be reference to a calendar month.

2. PURPOSE OF THE PLAN

The purpose of the Plan is to enable employees of participating companies to acquire Shares which give them a continuing stake in the Company.

3. ELIGIBILITY AND PARTICIPATION

3.1 Subject to Rule 3.4 and 3.6, any person who is:

3.1.1 in the case of Free Shares, at the Appropriation Date, and in the case of Partnership Shares or Matching Shares at the Deduction Date an employee of a Participating Company who has been such at all times during the Qualifying Period; and

3.1.2 who is a UK Resident Taxpayer

shall be entitled as of right to participate in the Plan at an Appropriation Date or Deduction Date (as the case may be).

3.2 Subject to Rule 3.4, any other person who is an employee of a Participating Company at the Appropriation Date or Deduction Date (as the case may be) may, at the discretion of the Directors, be allowed to participate in the Plan at an Appropriation Date or Deduction Date (as the case may be).

3.3 Subject as provided in these Rules, every Qualifying Employee shall be invited to participate in an appropriation of Free or Matching Shares or in the acquisition of Partnership Shares on the same terms. All who do so participate shall do so on the same terms.

3.4 Notwithstanding Rules 3.1 and 3.2:

3.4.1 individuals are not eligible to participate in an Award of Free Shares in any Tax Year if in that Tax Year they are at the same time to participate in another plan established by the Company or a Connected Company and which is a Schedule 2 SIP, or if they would have participated in such a plan but for their failure to meet the relevant performance allowances; and

3.4.2 individuals are not eligible to participate in an Award of Partnership Shares or Matching Shares in any Tax Year if in that Tax Year they are at the same time to participate in another plan established by the Company or a Connected Company and which is a Schedule 2 SIP.

3.5 If a Qualifying Employee participates in an award in a Year of Assessment in which they have already participated in an award of shares under one or more share incentive plans which are Schedule 2 SIPS and established by the Company or a connected company (as defined in paragraph 18(3) of Schedule 2), then the limits specified in Rules 6.1.2 and 15.1.1 apply as if the Plan and the other plan or plans were a single plan as required by paragraph 18A of Schedule 2.

3.6 The Board may exclude from an invitation to participate in the Plan any person who has received notice of termination of their employment and/or who has given notice in either case if the notice period will be running at the intended date of the Award.

4. LIMITS

- 4.1 No Award may be granted on any date if as a result, at the time of the proposed Appropriation Date (in the case of Free or Matching Shares) or the proposed Acquisition Date (in the case of Partnership Shares), the aggregate of the number of Shares committed to be issued during the ten year period ending on that date under the Plan or Any Other Plan would exceed 10 per cent of the Company's Shares in issue from time to time.
- 4.2 For the purposes of this Rule:
 - 4.2.1 awards which have lapsed or have been released shall not be counted; and
 - 4.2.2 references to any issue or prospective issue of Shares by the Company shall include a transfer of treasury shares but only for so long as (and to the extent that) the guidelines issued by the Investment Association for share incentive schemes specify that treasury shares should be so included.

Part 2: Free Shares

5. GENERAL

- 5.1 The Trustee may, with the prior consent of the Company, from time to time award Free Shares.
- 5.2 Every Qualifying Employee who is eligible to participate in the Plan shall be invited to enter into a Free Share Agreement within such period as the Board shall specify. Invitations may be issued on the basis that Qualifying Employees will automatically be allocated Free Shares and will be deemed to have agreed to the terms of the Free Share Agreement unless they opt out within such period as the Board may specify.
- 5.3 The number of Free Shares to be appropriated by the Trustee to each Qualifying Employee on any Appropriation Date shall be determined in accordance with this Part 2.

6. VALUE OF AWARDS

- 6.1 The entitlement of each Qualifying Employee to Free Shares under the Plan shall be determined at the Board's discretion provided that:
 - 6.1.1 awards of Free Shares shall be made to all Qualifying Employees on the same terms by reference to their remuneration, length of service and/or hours worked (but subject always to paragraph 9 of Schedule 2) and for this purpose "remuneration" shall be determined by the Board but shall be determined on the same basis for all Qualifying Employees; and
 - 6.1.2 the total of the Market Value at the Appropriation Date of the Free Shares appropriated to a Qualifying Employee in a Year of Assessment shall not exceed the Relevant Amount.

7. ALLOCATION OF FREE SHARES BY REFERENCE TO PERFORMANCE

- 7.1 The Board may determine that the number of Free Shares to be awarded to each Qualifying Employee on any Appropriation Date shall be determined by reference to Performance Allowances. If Performance Allowances are used, they shall apply to all Qualifying Employees.
- 7.2 Where Performance Allowances are used:
 - 7.2.1 they shall be determined by reference to such fair and objective criteria ("**Performance Targets**") relating to business results or such other objective criteria as the Board shall determine over such period as the Board shall specify; and
 - 7.2.2 Performance Targets shall be set for performance units of one or more employees (provided that an employee shall not be a member of more than one performance unit).
- 7.3 If Performance Allowances are used, the Board shall as soon as reasonably practicable, notify:
 - 7.3.1 each employee participating in the Free Share Award of the Performance Targets to be used to determine the number or value of Free Shares to be appropriated to them; and

- 7.3.2 all Qualifying Employees) of the Company or any Participating Company, in general terms, of the Performance Targets used to determine the number of Free Shares appropriated to each Participant (save to the extent that the Board reasonably considers the disclosure of the relevant information would prejudice commercial confidentiality).
- 7.4 The Board shall determine the number of Free Shares (if any) to be awarded to each Qualifying Employee by reference to performance using Method 1 (Rule 8) or Method 2 (Rule 9). The same method shall be used for all Qualifying Employees for each Award.

8. PERFORMANCE ALLOWANCES: METHOD 1

- 8.1 Subject to Rule 8.2, by this method:
- 8.1.1 at least 20% of Free Shares awarded in any performance period shall be awarded without reference to performance;
- 8.1.2 the remaining Free Shares shall be awarded by reference to performance;
- 8.1.3 the highest Award made to an individual by reference to performance in any period shall be no more than four times the highest Award to an individual without reference to performance.
- 8.2 If this method is used:
- 8.2.1 the Free Shares awarded without reference to performance (Rule 8.1.1) shall be awarded on the same terms as mentioned in Rule 6.1.1; and
- 8.2.2 the Free Shares awarded by reference to performance (Rule 8.1.2) need not be allocated on the same terms as mentioned in Rule 6.1.1.

9. PERFORMANCE ALLOWANCES: METHOD 2

- 9.1 By this method:
- 9.1.1 some or all Free Shares shall be awarded by reference to performance;
- 9.1.2 the Award of Free Shares to Qualifying Employees who are members of the same performance unit shall be made on the same terms as mentioned in Rule 6.1.1;
- 9.1.3 the Performance Targets must be consistent targets within the meaning of paragraph 42(6) of Schedule 2; and
- 9.1.4 Free Shares awarded for each performance unit shall be treated as separate Awards and there is no requirement for Awards of Free Shares made to members of different performance units to be on the same terms.

10. APPROPRIATION OF FREE SHARES

The Free Shares to which each Qualifying Employee is entitled as a result of the calculations described above will then be appropriated to them at the aggregate of their Market Value at the

Appropriation Date but will be registered in the names of the Trustee on their behalf Provided that if Free Shares are acquired by way of both subscription and purchase the Shares shall be appropriated to Participants on a pro rata basis.

11. RETENTION PERIOD

The Board shall, in relation to each award of Free Shares, specify a Retention Period and the provisions of Rule 33 shall apply during such Retention Period.

12. FORFEITURE OF FREE SHARES

- 12.1 The Board may in its absolute discretion award Free Shares subject to forfeiture if the Participant ceases to be in Relevant Employment at any time in the Forfeiture Period, provided that any provision for forfeiture shall apply equally to all Free Shares included in the same Award under the Plan but shall not apply if the Participant ceases Relevant Employment:

- 12.1.1 because of injury or disability;
- 12.1.2 on being dismissed by reason of Redundancy;
- 12.1.3 by reason of a transfer to which the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply;
- 12.1.4 by reason of a change in control or other circumstances ending the Associated Company status of the company by which they are employed;
- 12.1.5 by reason of retirement ; or
- 12.1.6 on their death.

Part 3: Partnership Shares

13. GENERAL

- 13.1 The Board may at any time invite every Qualifying Employee to enter into a Partnership Share Agreement.
- 13.2 Partnership Shares will not be subject to any provision for forfeiture.

14. MAXIMUM NUMBER OF SHARES AVAILABLE

- 14.1 The Board may specify a maximum number of Shares available in respect of any or each offer of Partnership Shares and in such a case each Partnership Share Agreement shall contain an undertaking by the Company to notify each Qualifying Employee of any restriction on the number of Shares or the maximum amount of individual deductions into be included in an Award. Such notification shall be given:
 - 14.1.1 if there is no Accumulation Period, before the deduction of the Partnership Share Money relating to the Award; and
 - 14.1.2 if there is an Accumulation Period, before the beginning of the Accumulation Period relating to the Award.
- 14.2 Where applications are received for more Partnership Shares than are available, each Qualifying Employee's chosen deduction shall be reduced pro rata to not less than the minimum deduction and if there is still an over-subscription, applications shall be selected by lot. Each application shall be deemed to have been modified or withdrawn in accordance with this Rule 14 and each employee who has applied for Partnership Shares shall be notified of the change.

15. TERMS OF PARTNERSHIP AGREEMENT AND MAXIMUM DEDUCTIONS

- 15.1 Every Qualifying Employee who wishes to purchase Partnership Shares shall enter into a Partnership Share Agreement under which:
 - 15.1.1 the Participant agrees that the Company shall deduct from their Salary a sum of money not exceeding the lower of:
 - (a) £1,800 in a Year of Assessment (or such other maximum amount from time to time permitted by paragraph 46(1) of Schedule 2) provided that the Board may specify a lesser amount; and
 - (b) 10% of their Salary for that Year of Assessment (or such other maximum amount from time to time permitted by paragraph 46(2) of Schedule 2) provided that the Board may specify a lesser percentage or may determine that a particular part of the Participant's earnings shall be disregarded in calculating the salary to which such limit shall apply; and
 - 15.1.2 the Company undertakes to arrange for Partnership shares to be acquired on behalf of the Participant.

15.2 Every Partnership Share Agreement shall contain a notice under paragraph 48 of Schedule 2.

16. DEDUCTION OF EXCESS AMOUNTS

If any amount shall be deducted from a Participant's Salary by the Company in excess of the amounts permitted from time to time by the relevant legislation, or, if lower, the limits from time to time specified in the Plan, the excess shall be paid to the Participant as soon as practicable (subject to deduction of income tax under PAYE and NICs).

17. MINIMUM AMOUNT OF DEDUCTIONS

The minimum amount to be deducted under the Partnership Share Agreement on any occasion shall be the same in relation to all Partnership Share Agreements entered into in response to invitations issued on the same occasion. It shall not be greater than £10 (or such other minimum amount as may for the time being be permitted by paragraph 47 of Schedule 2).

18. PAYMENT OF DEDUCTIONS TO TRUSTEE

Amounts deducted from a Participant's Salary pursuant to Rule 15.1 shall be paid to the Trustee as soon as practicable and shall be applied by the Trustee in the acquisition of Partnership Shares on behalf of such Participant within 30 days following the end of the Accumulation Period or, where there is no Accumulation Period, within 30 days following the last date on which Partnership Share Money was deducted pursuant to Rule 15.1.

19. PLAN WITH NO ACCUMULATION PERIOD

If there is no Accumulation Period, the Trustee shall apply Partnership Share Money to acquire Shares on behalf of the Qualifying Employee on the Acquisition Date. The number of Shares awarded to each Qualifying Employee shall be determined in accordance with the Market Value of the Shares on that date.

20. PLAN WITH ACCUMULATION PERIOD

20.1 If there is an Accumulation Period, the Trustee shall apply the Partnership Share Money to acquire Shares on behalf of the Qualifying Employee on the Acquisition Date.

20.2 The Partnership Share Agreement shall specify the way in which the number of Shares acquired on behalf of each Qualifying Employee shall be determined which shall be one of the following methods:

20.2.1 by reference to the lower of:

(a) the Market Value of the Shares at the beginning of the Accumulation Period;
and

(b) the Market Value of the Shares on the Acquisition Date;

20.2.2 by reference to the Market Value of the Shares on the first day of the Accumulation Period; or

20.2.3 by reference to the Market Value of the Shares on the Acquisition Date

- 20.3 If a transaction occurs during an Accumulation Period which results in a new holding of shares being equated for the purposes of capital gains tax with any of the Shares to be acquired under the Partnership Share Agreement, the Participant may agree that the Partnership Share Agreement shall have effect after the time of that transaction as if it were an agreement for the purchase of shares comprised in the new holding.
- 20.4 If a Qualifying Employee ceases to be in Relevant Employment during an Accumulation Period, any Partnership Share Money deducted in the Accumulation Period from that Qualifying Employee's Salary is, subject to the Trustee meeting its PAYE Obligations, to be paid over to the Qualifying Employee as soon as practicable.

21. SURPLUS PARTNERSHIP SHARE MONEY

Any excess Partnership Share Money held on behalf of a Participant after the acquisition of the relevant Partnership Shares on behalf of the Participant may, with the Participant's agreement, be carried forward to the next Accumulation Period (or where there is no such Accumulation Period, to the next deduction from Salary) but in any other case shall be paid to the Participant in question as soon as practicable (net of any income tax payable under PAYE or NICs applicable).

22. STOPPING AND STARTING DEDUCTIONS; WITHDRAWAL. FROM PARTNERSHIP AGREEMENT

- 22.1 A Participant may at any time give notice to the Company to stop deductions under the Partnership Share Agreement. A Participant may vary their deductions under the Partnership Share Agreement with the agreement of the Company. Unless a later date is specified in the notice the Company will ensure within 30 days of receiving the notice that either no such further deductions are made by it or that such variation of deductions shall take effect.
- 22.2 A Participant who has stopped deductions may subsequently give notice in writing to the Company to restart deductions under the Partnership Share Agreement but the employee may not make up any deductions that have been missed. A Participant may not restart deductions more than such number of times in any Accumulation Period as the Board shall determine before the beginning of that period. On receipt of a restart notice the Company will ensure that deductions are restarted under the Partnership Share Agreement not later than the re-start date within the meaning of paragraph 54(6) of Schedule 2 (the date of the first deduction due under the Partnership Share Agreement more than 30 days after receipt of the notice to restart deductions).
- 22.3 A Participant may withdraw from a Partnership Share Agreement at any time by notice in writing to the Company to take effect 30 days after receipt of the notice by the Company (or any such later date as is specified in the notice). Where a Participant so withdraws, any Partnership Share Money held on their behalf shall be paid over to them as soon as reasonably practicable (net of any applicable income tax payable under PAYE or NICs).

23. WITHDRAWAL OF SHARES FROM PLAN

A Participant may at any time withdraw Partnership Shares acquired on their behalf from the Plan (subject to the deducting of income tax under PAYE and NICs).

24. EFFECT OF PLAN TERMINATION NOTICE

If at any time a Plan Termination Notice is issued in respect of the Plan, any Partnership Share Money held on behalf of a Participant shall be paid over to them as soon as reasonably practicable after notice of withdrawal is given to the Company. If the Plan is not to be a schedule 2 SIP (as defined in Schedule 2) by virtue of paragraph 81H or 81I of Schedule 2, any Partnership Shares Money held on behalf of a Participant must be paid to them as soon as practicable after the Relevant Day (subject to deduction of income tax under PAYE and NICs).

Part 4: Matching Shares

25. GENERAL

- 25.1 On any day on which Partnership Shares are acquired on behalf of Participants the Board may in its discretion appropriate Matching Shares to Participants who have acquired Partnership Shares.
- 25.2 Matching Shares shall be of the same class and carry the same rights as the Partnership Shares to which they relate and shall be awarded on the same day as the Partnership Shares to which they relate are acquired on behalf of the Participant.

26. RATIO OF MATCHING SHARES TO PARTNERSHIP SHARES

- 26.1 The Partnership Share Agreement shall set out the basis on which a Participant is entitled to Matching Shares. The basis upon which Matching Shares shall be appropriated shall be the same for all Participants who have purchased Partnership Shares and shall be in such ratio as may from time to time be determined by the Board but not exceeding two Matching Shares for every Partnership Share purchased on the same day as that on which Matching Shares are appropriated (or such other ratio from time to time permitted by paragraph 60 of Schedule 2).
- 26.2 The Company may vary the ratio of Matching Shares before Partnership Shares are acquired. If a Participant has entered into a Partnership Share Agreement and the ratio of Matching Shares offered by the Company changes before the relevant Partnership Shares are purchased, the Company shall notify the Participant in question of such change.
- 26.3 If the number resulting from the application of the ratio referred to in Rule 26.1, when added (if relevant) to any fraction resulting from the last application of this Rule to Partnership Shares relating to the same Participant does not produce a whole number, the resulting fraction shall be carried forward to be taken into account in determining the number of Matching Shares awarded on the next occasion on which Matching Shares are awarded to that Participant.

27. RETENTION PERIOD

The Board shall, in relation to each award of Matching Shares, specify a Retention Period and the provisions of Rule 33 shall apply during such Retention Period.

28. FORFEITURE OF MATCHING SHARES

- 28.1 The Board may in its absolute discretion award Matching Shares subject to forfeiture the Participant withdraws from the Plan the Partnership Shares in respect of which the Matching Shares were awarded (other than following, and by reason of, an event referred to in Rule 33.2) or the Participant ceases to be in Relevant Employment at any time in the Forfeiture Period, provided that any provision for forfeiture shall apply equally to all Free Shares included in the same Award under the Plan but shall not apply if the Participant ceases Relevant Employment:
 - 28.1.1 because of injury or disability;
 - 28.1.2 on being dismissed by reason of Redundancy;

- 28.1.3 by reason of a transfer to which the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply;
- 28.1.4 by reason of a change in control or other circumstances ending the Associated Company status of the company by which they are employed;
- 28.1.5 by reason of retirement ; or
- 28.1.6 on their death.

Part 5: Dividend Shares

29. GENERAL

The Free Share Agreement or Partnership Share Agreement, as appropriate, shall set out the rights and obligations of Participants receiving Dividend Shares under the Plan.

30. REINVESTMENT OF CASH DIVIDENDS

30.1 The Company may at any time direct the Trustee to use some or all of the cash dividends paid in respect of Plan Shares to acquire Dividend Shares on behalf of:

30.1.1 all Participants; or

30.1.2 those Participants who elect to reinvest their dividends.

30.2 Dividend Shares shall be Shares:

30.2.1 of the same class and carrying the same rights as the Shares in respect of which the dividend is paid; and

30.2.2 which are not subject to any provision for forfeiture.

30.3 The Board may at any time revoke or amend any direction for reinvestment of cash dividends.

30.4 In any instruction given or amended under Rule 30.1 or 30.3, the Board shall set out the amount of cash dividends to be applied by the Trustee in accordance with that Rule or how that amount is to be determined.

30.5 In acquiring Dividend Shares, the Trustee must treat Participants fairly and equally. The Trustee shall apply all the cash dividend to acquire Shares on behalf of the Participant on the Acquisition Date. The number of Dividend Shares acquired on behalf of each Participant shall be determined by the Market Value of the Shares on the Acquisition Date.

31. CERTAIN AMOUNTS NOT REINVESTED TO BE CARRIED FORWARD

31.1 Any amount that is not reinvested:

31.1.1 because the amount of the cash dividend is insufficient to acquire a Share; or

31.1.2 because there is an amount remaining after acquiring the Dividend Shares;

may be retained by the Trustee and carried forward to be added to the amount of the next cash dividend to be reinvested and any such amount retained must be held by the Trustee so as to be separately identifiable for the purposes of the Plan.

31.2 If an amount of a cash dividend is carried forward under Rule 31.1 and:

31.2.1 the Participant ceases to be in Relevant Employment; or

31.2.2 a Plan Termination Notice is issued

the amount shall be repaid to the Participant as soon as practicable. On making such a payment, the Participant shall be provided with the information specified in paragraph 80 of Schedule 2.

- 31.3 Any cash dividends which are not reinvested under the Plan in respect of Plan Shares held on behalf of a Participant must be paid over to a Participant as soon as practicable.

32. RETENTION PERIOD FOR DIVIDEND SHARES

- 32.1 The Retention Period shall be a period of three years, beginning with the Acquisition Date.

- 32.2 The provisions of Rule 33 shall apply equally to Dividend Shares during the Retention Period.

- 32.3 Where a Participant is charged to tax in the event of their Dividend Shares ceasing to be subject to the Plan, they shall be provided with the information specified in paragraph 80 of Schedule 2.

Part 6: General

33. OBLIGATIONS OF PARTICIPANTS DURING RETENTION PERIOD

- 33.1 Subject to clauses 5.9 and 12 of the Trust Deed, to the Trustee's PAYE Obligations and to Rule 33.2, Rule 12 (in the case of Free Shares) and Rule 28 (in the case of Matching Shares), every Participant shall be bound by the terms of a Free Share Agreement or Partnership Share Agreement (as the case may be):
- 33.1.1 to permit their Free Shares and Matching Shares to remain in the hands of the Trustee throughout the Retention Period; and
 - 33.1.2 not to assign, charge or otherwise dispose of the beneficial interest in their Free Shares or Matching Shares during the Retention Period.
- 33.2 Any obligation imposed on a Participant by virtue of Rule 33.1 shall not prevent the Participant from:
- 33.2.1 directing the Trustee to accept an offer for any of their Free Shares or Matching Shares (in this Rule referred to as "the Original Shares") if the acceptance or agreement will result in a new holding, as defined by Section 126(1)(b) of the TCGA 1992 being equated with the Original Shares for the purposes of Capital Gains Tax; or
 - 33.2.2 directing the Trustee to agree to a transaction affecting their Free Shares or Matching Shares or such of them as are of a particular class, if the transaction would be entered into pursuant a compromise, arrangement or Plan applicable to or affecting:
 - (a) all the ordinary Share capital of the Company or, as the case may be, all the Shares of the class in question; or
 - (b) all the Shares, or Shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participating in an employee share ownership plan approved under Schedule 2; or
 - 33.2.3 directing the Trustee to accept an offer of cash, with or without other assets, for their Free Shares or Matching Shares if the offer forms part of a general offer which is made to holders of Shares of the same class as their or of shares in the same Company and which is made in the first instance on a condition such that if it is satisfied the person making the offer will have control of the Company, within the meaning of Section 450 and 451 of CTA 2010; or
 - 33.2.4 directing the Trustee to accept an offer of a qualifying corporate bond (as defined by Section 117 TCGA 1992) (whether alone or with other assets or cash or both) for their Free Shares or Matching Shares if the offer forms part of such a general offer as is mentioned in Rule 33.2.3 above.

- 33.3 Following the end of the Retention Period, the Participant's Plan Shares shall remain in the hands of the Trustee until such time as the Participant gives notice in writing to the Trustee to transfer the Shares (or any of them) to them or as they direct.

34. COMPANY RECONSTRUCTIONS, AMALGAMATIONS ETC

- 34.1 This Rule applies where there occurs in relation to any of a Participant's Plan Shares (in this Rule referred to as "the Original Holding") a transaction (in this Rule referred to as a "Company Reconstruction") which results in a new holding as defined in section 126(1)(b) of TCGA 1992 being equated with the Original Holding for the purpose of capital gains tax and in this Rule "New Holding" has the meaning aforesaid or a transaction which would have had that result but for the fact that what would be the new holding consists of or includes a qualifying corporate bond (as defined by section 117 TCGA).
- 34.2 Where Shares are issued in the circumstances described in paragraph 86(4) of Schedule 2 those shares shall be treated for the purposes of this Rule as not forming part of the New Holding.
- 34.3 In this Rule "New Shares" means Shares comprised in the New Holding which were issued in respect of or otherwise represent, Shares comprised in the Original Holding, and "Corresponding Shares" in relation to any New Shares means the Shares in respect of which the New Shares are issued or which the New Shares otherwise represent.
- 34.4 Reference to a Participant's Plan Shares shall be construed after the time of the Company Reconstruction as being or, as the case may be, as including reference to any New Shares and for the purposes of this Plan:
- 34.4.1 a Company Reconstruction shall be treated as not involving a disposal of Shares comprised in the Original Holding;
- 34.4.2 the date on which any New Shares are to they treated as having been appropriated to or acquired on behalf of the Participant shall be that on which the Corresponding Shares were appropriated or acquired; and
- 34.4.3 the New Shares shall be held by the Trustee in accordance with the Plan as if they had been so appropriated or acquired.
- 34.5 In the context of a New Holding any reference in this Rule to Shares includes securities or rights of any description which form part of the new holding for the purposes of Chapter II of Part IV of TCGA 1992.

35. RIGHTS ISSUES

- 35.1 In the event of a Company making an offer to its ordinary Shareholders on a rights basis such offer shall be extended to the Trustee in respect of the total number of Plan Shares held by it, The Trustee shall notify each Participant concerned of the rights which are attributable to their Plan Shares. A Participant shall be at liberty to direct the Trustee
- 35.1.1 to accept such offer in respect of all of their Plan Shares, in which event they shall pay to the Trustee a sum of money before the expiry of the offer sufficient to enable the

Trustee to subscribe for that number of Shares in respect of which the direction was made; or

35.1.2 in accordance with clause 5.10 of the Trust Deed, to sell the whole of the rights attaching to their Plan Shares or, sell part of such rights in order to enable the Trustee to use the proceeds of such sale to exercise other such rights of the Participant; or

35.1.3 sell their rights nil paid.

35.2 Any Shares subscribed for by the Trustee pursuant to the provisions of clause 5.10 of the Trust Deed (but not any other Shares acquired by way of a rights issue) shall be treated as New Shares under Rule 34 in relation to any Participant unless the rights attributed to a share issue attributed to Plan Shares are different from the rights attributed to other ordinary shares of the Company.

35.3 Any cash arising from the disposal of rights (except insofar as used to accept the offer) shall be accounted for to the Participant entitled thereto (subject, in respect of Plan Shares, to deduction of any tax as required by section 513 or Schedule 2Schedule 2).

35.4 If no direction is received by the Trustee from a Participant in relation to an offer within this Rule relating to such Participant's Plans Shares, the Trustee shall not take any action in relation to such offer.

36. GENERAL

36.1 No employment rights

This Plan shall not form part of the contract of employment of any individual who participates in it. The rights and obligations of any individual under the terms of their office or employment with any Company participating in the Plan shall not be affected by their participation in the Plan or any right which they may have to participate in it.

An individual who participates in the Plan shall waive any and all rights to compensation or damages in consequence of the termination of their office or employment for any reason whatsoever (including unfair or wrongful dismissal) insofar as those rights arise or may arise from their ceasing to have rights under the

Plan as a result of such termination. No such participation, rights or benefits shall be taken into account for the purposes of calculating the amount of benefits payable to any pension fund. Awards granted pursuant to the Plan shall not constitute any representation or warranty that any benefit will accrue to any individual to whom such Award is granted.

36.2 Administration

In the event of any dispute or disagreement as to the interpretation of the Plan, or of any Rule, regulation or procedure, or as to any question or right arising from or related to the Plan, the decision of the Board shall be final and binding upon all persons.

36.3 Notices

Any notice or other communication under or in connection with this deed may be given:

- 36.3.1 by personal delivery or by sending the same by post, to the Participant at their last known address, or to the address of the place of business at which they perform the whole or substantially the whole of their duties of their office or employment, and to any company or to the Trustee at their registered office and where a notice or other communication is given by first class post, it shall be deemed to have been received 48 hours after it was put into the post properly addressed and stamped; or
- 36.3.2 by electronic communication to their usual business address or to such other address for the time being notified for that purpose to the person giving the notice.

36.4 Making of Awards

The Board shall determine when (if at all) Awards shall be made, the type of Awards that shall be made at that time, and subject to the Rules of the Plan, the terms of those Awards, and nothing in these Rules shall be interpreted as conferring any obligation on the Company to make Awards on a regular basis or replicate the terms of Awards previously made under the Plan.

36.5 Rights attaching to Shares

- 36.5.1 All Shares allotted under the Plan shall rank equally in all respects with shares of the same class then in issue except for any rights attaching to such Shares by reference to a record date prior to the date of the allotment.
- 36.5.2 Where the Shares to be the subject of Awards of a particular type (that is to say Free Shares, Partnership Shares or Matching Shares) on any day do not all carry the same rights, the Trustee shall so far as possible ensure that the number of Shares carrying any particular rights which are so awarded to any individual on that day bears to the number of Shares so awarded to them on that date the same proportion as the total number of Shares carrying those rights which are so awarded on that day bears to the total number of Shares so awarded on that day.

36.6 Error or mistake

If in the consequence of an error or omission it is ascertained following an Award Date that:

- 36.6.1 a Qualifying Employee has not been given the opportunity to participate in the Plan in respect of any type of Award to which they should have been entitled under the Plan; or
- 36.6.2 the number of Shares expressed to be awarded to any Qualifying Employee on any occasion is found to be incorrect

any Award expressed to have been made in respect of more than the correct number of Shares shall be void as to the excess, any Award expressed to have been made in respect of fewer than the correct number of Shares shall relate to the correct number of Shares if the Trustee holds unallocated Shares that could otherwise have been used to make that Award and the Company and the Trustee may do all acts and things as they may consider appropriate to rectify such error or omission notwithstanding that such actions may not otherwise be in accordance with the Rules of the Plan (but subject always to clause 16.1.2 of the Trust Deed).

36.7 Third party rights

No third party has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Plan.

36.8 Data privacy

For the purpose of administering the Plan, the Company, each Participating Company and the Trustee may pass personal information about any employee or Participant (including, but without prejudice to the generality of the foregoing, such person's name, address, age and salary details) to third parties for the purpose of administering the Plan or complying with its legal obligations.

~~36.9 Termination~~

~~No Awards may be granted under the Plan more than ten years after the date on which it is approved by the shareholders of the Company, but any rights of Participants then subsisting shall remain in force.~~

Schedule 2
Initial Participating Companies

Name	Registered office	Registered number
Kainos Software Limited	Kainos House, 4-6 Upper Crescent, Belfast BT7 1NT, Northern Ireland	NI9370
Kainos Evolve Limited-	Kainos House, 4-6 Upper Crescent, Belfast BT7 INT, Northern Ireland	NI622515
Kainos Worksmart Limited	Kainos House, 4-6 Upper Crescent, Belfast BT7 INT, Northern Ireland	NI622516