

CONSTELLATION SOFTWARE INC.

EMPLOYEE SHARE OWNERSHIP PLAN

June 1, 2013

1. Definitions

- (i) “**Account**” means the account or accounts maintained from time to time under the Plan for the benefit of the Participants and for the purpose of receiving contributions from Participants and the Corporation for the purchase of Shares;
- (ii) “**Administrative Agent**” shall mean Computershare Trust Company of Canada or such other trust company or entity as may be appointed by the Corporation to act as Administrative Agent under the Plan pursuant to Section 5;
- (iii) “**Corporation**” means Constellation Software Inc., a Corporation incorporated under the laws of Ontario;
- (iv) “**Eligible Employee**” means an employee of the Corporation or of any of its Subsidiaries who has been an employee for a period of six (6) months, or such shorter period as the Corporation may, in any particular case and in its sole discretion, determine, and who continues to be an employee;
- (v) “**Group RSP**” means the RRSPs established by the Trustee on the instructions of individual Participants in accordance with Section 12;
- (vi) “**Group TFSA**” means the TFSAs established by the Trustee on the instructions of individual Participants in accordance with Section 12;
- (vii) “**Market Share**” means Shares purchased pursuant to the Plan through the facilities of the Toronto Stock Exchange or such other recognized stock exchange on which the Shares publicly trade;
- (viii) “**Participant**” means an Eligible Employee who has enrolled in the Plan in accordance with the provisions hereof;

- (ix) “**Plan**” means the Constellation Software Inc. Employee Share Ownership Plan, as set out herein;
 - (x) “**RRSP**” means a registered retirement savings plan established under the *Income Tax Act* (Canada);
 - (xi) “**Shares**” mean the issued and outstanding common shares in the capital of the Corporation;
 - (xii) “**Subsidiaries**” has the meaning ascribed thereto under the Securities Act (Ontario) as amended from time to time;
 - (xiii) “**TFSA**” means a tax free savings account established under the *Income Tax Act* (Canada); and
 - (xiv) “**Trustee**” means Computershare Trust Company of Canada or such other trust company as may from time to time be appointed by the Corporation to act as trustee for the Group RSP and separately for the Group TFSA.
- 2. Purpose of the Plan.** The purpose of the Plan is to enable the Eligible Employees of the Corporation, and of its Subsidiaries, to acquire Market Shares through payroll deduction contributions.
- 3. Participation.** The participation of an employee in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon any of such Eligible Employees any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment nor a commitment on the part of the Corporation to ensure the continued employment of such employee.

The Plan does not provide any guarantee against any loss or profit that may result from fluctuations in the market value of the Shares. Neither the Corporation nor the Administrative Agent shall be liable to any Participant for any loss resulting from a decline in the market value of any Market Shares purchased by the Administrator. Neither the Corporation nor the

Administrative Agent shall be liable to any Participant for any change in the market price of the Market Shares between the time a Participant authorizes the purchase or sale of the Market Shares and the time such purchase or sale takes place.

4. **Administration of the Plan.** The Administrative Agent shall administer the Plan at the expense of the Corporation (except as otherwise provided herein) in accordance with the Administration Agreement entered into between the Administrative Agent and the Corporation, as may be amended from time to time, and the Corporation may enter into such further agreements with the Administrative Agent or other parties it may deem necessary or desirable to carry out the Plan.

The Corporation shall have full authority to direct the Administrative Agent to:

- (a) adopt, amend and rescind such rules and regulations from time to time as, in the sole opinion of the Corporation, may be advisable in the administration of the Plan;
- (b) amend, construe and interpret the Plan, the procedures, rules and regulations and the Enrolment Form and payroll deduction direction utilized under the Plan; and
- (c) make any and all other determinations it deems necessary or advisable for the administration of the Plan.

The Corporation's interpretation and construction of any provision of the Plan or of any subscription agreement or direction utilized hereunder shall be final and conclusive and shall be binding upon the Participants.

5. **Administrative Agent.** The Administrative Agent shall be Computershare Trust Company of Canada, which has agreed to act and shall hold office, for such period as is determined by the Corporation. In the event of termination by the Corporation or resignation of the Administrative Agent, its successor shall be appointed by the Corporation. Any successor Administrative Agent shall be vested with all the powers, rights, duties and immunities of the Administrative Agent hereunder to the same extent as if originally named as the Administrative Agent hereunder.

- 6. Contributions.** Each Eligible Employee who wishes to purchase Market Shares pursuant to the terms of the Plan shall submit notice in the form prescribed by the Corporation requesting enrolment in the Plan. The Eligible Employee shall indicate the percentage from one percent (1%) to fifteen percent (15%), in whole percentages, to a maximum dollar amount as determined from time to time by the Corporation, of such Eligible Employee's annual gross base salary which the Eligible Employee wishes to contribute towards the purchase of Shares under the Plan, and the desired allocation (as whole percentages of their Participant contributions adding up to 100%) between the non-registered, RRSP and TFSA components of their account, as applicable. The Corporation shall deduct from each Participant's pay the amount of that Participant's contributions. All funds deducted in currencies other than Canadian Dollars will be converted into Canadian Dollars at the then current exchange rates as determined by the Corporation.
- 7. Change in Participant Contribution.** Participants may change their regular deduction percentage and the allocation percentages non-registered, RRSP and TFSA components of their account at any time by submitting notice in the form prescribed by the Corporation. The Corporation shall process the request as soon as administratively practicable.
- 8. Limits on Purchase.** The annual maximum Participant contribution amount shall not exceed fifteen percent (15%) of the Participant's annual gross base salary or \$25,000.00, whichever is less. The Corporation may change or remove these limits from time to time at its sole discretion.
- 9. Employer Contributions and Vesting.** The Corporation will contribute, on behalf of each Participant, an amount equal to fifteen percent (15%) of the amount contributed by such Participant, on a pay-period basis, which will be used to purchase additional Market Shares on behalf of such Participant. For example, a participant whose annual gross base salary is \$100,000.00 may contribute up to \$15,000.00 per year which amount will be deducted from his/her after tax earnings. Assuming the Participant contributes \$15,000 in a given year, the Corporation will contribute an amount equal to fifteen percent (15%) of the \$15,000.00 contributed by the Participant, or \$2,250.00, on the Participant's behalf to the Administrative

Agent. All funds contributed in currencies other than Canadian Dollars will be converted into Canadian Dollars at the then current exchange rates as determined by the Corporation.

Any contribution made by the Corporation on behalf of a Participant is a taxable benefit to the Participant at the time the contribution is made and must be included in the income of the Participant for the year in which the contribution is made. **Participants should contact their own tax advisors to discuss the potential tax consequences that could arise as a result of participating in the Plan.**

Contributions made by the Corporation shall vest immediately in the Participant for whose benefit the Corporation contributions are made.

- 10. Procedure to Purchase Market Shares.** Subject to the provisions hereof, a Participant may acquire Shares by enrolling in the Plan and submitting notice in the form prescribed by the Corporation. All contributions made by Participants and the Corporation (collectively, the “**Contributions**”) shall be delivered to the Administrative Agent by the Corporation or the applicable Subsidiary within five (5) business days of the date of such Contributions and/or at such other time(s) as may be determined by the Corporation in its sole discretion and shall be used for the purchase of Market Shares as described hereunder. Market Shares will be purchased by the Administrative Agent, on behalf of the Participants, in the open market through the facilities of the Toronto Stock Exchange or such other recognized stock exchange on which Shares publicly trade. The Contributions will be allocated towards the purchase of the Market Shares on a full and fractional share basis. The Participant will be responsible for the commission costs associated with the purchase of the Shares. Purchases of Market Shares shall be made within a reasonable period of time, and, market willing, within seventy-five (75) days, after receipt of the Contributions by the Administrative Agent.
- 11. Custody.** The Market Shares purchased and held by the Administrative Agent for and on behalf of each Participant will be registered in the name of Administrative Agent or such other name as the Administrative Agent determines.
- 12. RRSP/TFSA.** A Participant who is a Canadian resident may elect to hold all or part of the Market Shares acquired (subject to limits under applicable tax laws) in an RRSP and or TFSA

by filing with the Administrative Agent completed applications for an RRSP and/or TFSA, as desired, in the form prescribed by the Corporation and indicating the portion of the Market Shares purchased to be allocated to the RRSP and/or TFSA, as applicable. In the event that a Participant should wish to transfer any Market Shares previously acquired pursuant to the Plan and for which the hold period has lapsed into an RRSP, TFSA, he or she may do so by giving notice in the form prescribed by the Corporation and authorizing the Administrative Agent to transfer the specified number of Market Shares into the RRSP and/or TFSA, as applicable.

- (a) It is solely the Participant's responsibility to ensure that any Market Shares allocated to or transferred into the RRSP do not, in conjunction with other RRSP contributions of that Participant, exceed the RRSP contribution room of that Participant, and neither the Corporation nor the Administrative Agent shall be liable for any tax or other liability which may arise as a result of any Participant's over-contribution to an RRSP; and
- (b) It is solely the Participant's responsibility to ensure that any Market Shares allocated to or transferred into the TFSA do not, in conjunction with other TFSA contributions of that Participant, exceed the TFSA contribution room of that Participant, and neither the Corporation nor the Administrative Agent shall be liable for any tax or other liability which may arise as a result of any Participant's over-contribution to a TFSA.

- 13. **401K Eligibility.** The Plan is not 401K eligible.
- 14. **Hold Period.** A Participant shall be only permitted to withdraw Market Shares from the Plan after the date that is two (2) years following the date on which such Participant's Shares were purchased. The hold period will not apply to Shares purchased with reinvested dividends but will continue to apply following termination of a Participant's participation in the Plan.
- 15. **Withdrawals of Market Shares.** Subject to applicable hold periods and trading restrictions, a Participant may make withdrawals of Market Shares from his or her account only as set out in this Section.

A Participant may, in accordance with this Section, request that all or a portion of the Market Shares in that Participant's account be transferred to his or her name, or an external account in his or her name, or be sold or,

- a) where the Participant holds Market Shares in the Group RSP, that all or a portion of the Market Shares in that Participant's Group RSP be:
 - i. transferred to or sold and the proceeds transferred to another RRSP in the Participant's name, and/or
 - ii. sold and the proceeds, net of withholding tax, be remitted to the Participant; and

- b) where the Participant holds Market Shares in the Group TFSA, that all or a portion of the Market Shares in that Participant's Group TFSA be:
 - i. transferred to or sold and the proceeds transferred to another TFSA in the Participant's name, and/or
 - ii. transferred to the non-registered or RRSP components of his or her account, and/or
 - iii. sold and the proceeds, net of applicable withholding tax, be remitted to the Participant.

Any fractional Market Shares credited to the non-registered, RRSP, or TFSA components of a Participant's account shall be disregarded on any sale or transfer and the Participant shall be entitled to receive the cash equivalent thereof.

A Participant shall give the Administrative Agent or Trustee, as the case may be, notice in the form prescribed by the Corporation of any instructions for sale or transfer of Market Shares

pursuant to Section 9.2. By virtue of the Participant giving notice, the Participant is confirming he or she is not aware of any Undisclosed Material Information at the time of such notice. Such notice may not be given outside of a Trading Window or during a Blackout Period, as such terms are defined in the Corporation's **[insider trading policy]**.

The Administrative Agent or Trustee, as the case may be, shall sell the specified number of Market Shares and/or transfer them to the other designated RRSP or TFSA, as applicable, as soon as reasonably practicable after it receives the notice in the form prescribed by the Corporation. The net proceeds of any sale will be transferred as soon as practicable to the Participant or such personal bank or brokerage account as the Participant may designate. The Participant will be responsible for paying any brokerage commissions and share sale processing fees on Market Share sales.

- 16. Suspensions.** Suspension of Contributions shall occur when the Participant does not receive pay in any given pay period and is therefore not able to make Contributions to the Plan through payroll deduction. Participants may suspend their Contributions at any time by submitting notice in the form prescribed by the Corporation. The Corporation will process the request as soon as administratively practicable.
- 17. Mandatory Termination of Participation.** A Participant's participation in the Plan shall terminate if:
- (a) the Participant ceases to be an Eligible Employee for any reason;
 - (b) the Participant dies; or
 - (c) the Plan is terminated.

Notwithstanding the foregoing, any hold period(s) applicable to Shares purchased pursuant to the Plan will continue to apply following termination of a Participant's participation in the Plan.

A Participant whose participation in the Plan has been terminated as provided in this Section or his or her executors or administrators, as the case may be, may complete a notice in the

form prescribed by the Corporation and file it with the Administrative Agent within ninety (90) days following the latter of (i) termination of the Participant's participation in the Plan and (ii) the lapsing of any hold periods, requesting that:

- (a) all or a portion of the Market Shares in his or her account be transferred to his or her name or an external account in his or her name; and/or
 - i. all or a portion of the Market Shares be sold and the net proceeds distributed to the Participant or an external account in his or her name; and
 - ii. if the Participant's Market Shares are held in an RRSP, to the extent permitted by law, all or a portion of such Market Shares be transferred to another RRSP in the Participant's name, or, in the event of death, the name of his or her estate; and
 - iii. if the Participant's Market Shares are held in a TFSA, to the extent permitted by law, all or a portion of such Market Shares be transferred to another TFSA in the Participant's name, or, in the event of death, the name of his or her spouse.

If no notice is filed within ninety (90) days after the later of (a) termination of a Participant's participation in the Plan, and (b) the lapsing of any hold periods, the Participant or his or her executors or administrators shall be deemed to have elected to:

- (a) request that the Market Shares in his or her account be transferred to his or her name or his or her estate, as applicable; and
- (b) if the Participant's Market Shares are held in an RRSP, request such funds and Market Shares be transferred to a registered retirement savings plan of the former Participant under a group plan pursuant to which the Trustee acts as trustee (ongoing RRSP administration costs being borne by the Participant); and

- (c) if the Participant's Market Shares are held in a TFSA, request such Market Shares and be sold the proceeds, net of broker commission and share sale processing fee, be distributed to the Participant, or his or her estate, as applicable.

18. Voluntary Termination by a Participant. Any Participant may terminate his or her participation in the Plan by providing notice to the Corporation in the form prescribed by the Corporation. All Participant payroll Contributions by such terminating Participant shall cease as soon as administratively practicable following receipt of such notice by the Corporation.

Notwithstanding the foregoing, any hold period(s) applicable to Shares purchased pursuant to the Plan will continue to apply following termination of a Participant's participation in the Plan.

A voluntarily terminating Participant may request that:

- (a) all or a portion of the Market Shares in his or her account be transferred to his or her name or an external account in his or her name; and/or
- (b) all or a portion of the Market Shares be sold and the net proceeds distributed to the Participant or an external account in his or her name; and/or
- (c) if the Participant's Market Shares are held in the Group RSP, that all or a portion of the Market Shares be sold and/or transferred to another RRSP in the Participant's name, or be sold, and the proceeds, net of withholding tax, be paid to the Participant; and
- (d) if the Participant's Market Shares are held in the Group TFSA, that all or a portion of the Market Shares be sold and/or transferred to another TFSA, non-registered or RRSP in the Participant's name, or be sold, and the proceeds, net of applicable withholding tax, be paid to the Participant.

The Administrative Agent shall make the necessary arrangements for the sale of the Market Shares, electronic transfer of Market Shares to a broker, or the issuance and delivery of the appropriate certificate representing the Market Shares to such terminating Participant, or other non-registered account, RRSP, TFSA, as applicable, as soon as reasonably practicable after receipt of any withdrawal notice received from the Participant within ninety (90) days of the date of termination of participation in the Plan, after which the no notice received default processes of Section 17 apply. In all instances, the Participant shall receive the cash equivalents for any fractional Market Shares credited to the non-registered, RRSP, or TFSA components of his or her Personal Account.

Any notice given under this Section shall be in the form prescribed by the Corporation. In the case of any instructions to sell, this notice shall confirm, and in the case of any transfer be deemed to confirm, that the Participant is not aware of any Undisclosed Material Information at the time of such notice. This notice may not be given outside of a Trading Window or during a Blackout Period, as such terms are defined in the Corporation's **[insider trading policy]**.

If, at the end of any calendar year, any Participant has not contributed to his or her account during the previous two (2) calendar years, the Corporation shall have the option to give written notice to the Participant requiring the Participant to terminate his or her participation in the Plan and withdraw all of his or her account in the manner set forth in this Section in cash or Market Shares. If no election under this Section is made by the Participant within a period of ninety (90) days after notice from the Corporation, the Participant shall be deemed to have elected to request that any funds and Market Shares in his or her account be transferred to his or her name or his or her estate, as applicable, and, if the Participant's Market Shares are held in:

- a) an RRSP, the Participant shall be deemed to have elected to request that such funds and Market Shares be transferred to his or her name or his or her estate, as applicable, and, if the Participant's Market Shares are held in an RRSP, transfer the Market Shares to a registered retirement savings plan of the former Participant under

a group plan pursuant to which the Trustee acts as trustee; and

- b) a TFSA, shall be deemed to have elected to request that such Market Shares be sold and the proceeds, net of broker commission and share sale processing fees, be distributed to the Participant if applicable, or his or her estate, as applicable.

The Participant will be responsible for paying any brokerage commissions and share sale processing fees on Market Share sales.

- 19. Rights not Transferable.** No rights granted under the Plan or any Enrolment Form or other subscription agreement entered into pursuant to the Plan are assignable or transferable by a Participant.
- 20. Amendment of the Plan.** The Corporation reserves the right to alter, amend, modify, suspend or discontinue the Plan or alter or amend the form of the Enrolment Form, Change Form, or Withdrawal/ Termination Form to be completed hereunder as it may, in its sole discretion, deem necessary or advisable from time to time. However, the Corporation may not amend or terminate the Plan in a manner which would deprive a Participant of any benefits that have accrued to the date of amendment or termination or which would cause or permit any Shares or cash held pursuant to the Plan or any Participant or Corporation Contributions to revert to or become the property of the Corporation.
- 21. Regulatory Requirements.** The Plan, and the purchase of Shares from time to time hereunder, shall be subject to the Corporation obtaining all necessary approvals from the Toronto Stock Exchange and the applicable securities regulatory authorities and such other stock exchanges as may be necessary or desirable.
- 22. Tax Consequences.** The issuance, acquisition, ownership, transfer and disposition of Shares may give rise to tax consequences for which the Participant shall be responsible.

The Participant shall be responsible for paying all income and other taxes applicable to transactions involving the Market Shares held by the Administrative Agent or Trustee on his

or her behalf, including, without limitation, any taxes, penalties, and/or interest payable in respect of:

- (a) the transfer of Market Shares out of the Group RSP to the Participant;
- (b) the sale or other disposition of Market Shares of the Participant out of the non-registered or RRSP components of his or her account, as applicable;
- (c) dividends paid on the Market Shares to the non-registered component of his or her account; and
- (d) over contributions to the Group RSP and/or Group TFSA.

The Trustee is authorized to deduct from any amounts payable to a Participant following a sale of that Participant's Market Shares held in an RRSP any amounts which are required to be withheld on account of taxes.

None of the Corporation, the Administrative Agent or the Trustee assumes any responsibility for any income or other tax consequences for the Participants in the Plan. None of the Corporation, the Administrative Agent or the Trustee has provided any tax advice to any Participant. Each Participant should consult his/her own professional advisors in this regard.

- 23. Statements to Participants.** The Administrative Agent shall forward a statement as of the end of each calendar quarter in each year to each Participant for whom Market Shares were purchased during the quarter under the Plan indicating the amount contributed by the Participant and the Corporation, the dividends received, the number of Market Shares purchased in respect of such contributions and dividends, withdrawals, and the estimated market value of the Participant's Shares.
- 24. Voting.** A Participant shall have the right to vote or to direct the Administrative Agent, as agent of the Participant, as to the voting of any Market Shares held by the Administrative

Agent for the Participant and the Administrative Agent shall take such steps as are necessary to ensure that each such Participant has the opportunity to do so.

- 25. Dividends.** All dividends received by the Administrative Agent in respect of Market Shares held by it for a Participant shall be used to acquire additional Market Shares for the Participant in accordance with Article 10 above. Stock dividends received by the Administrative Agent, shall be held in the same manner on behalf of the Participant by the Administrative Agent.
- 26. Warrants, Options, Rights, or Spin-off Shares.** Subject to compliance with applicable laws, all warrants, options, rights, or spin-off shares received by the Administrative Agent on any Market Shares held pursuant to the Plan shall be sold by the Administrative Agent on behalf of the Participants. The proceeds from the sale of any options, rights or warrants and any dividends received by the Administrative Agent for Market Shares held pursuant to the Plan shall be used to purchase additional Market Shares which shall be allocated to the Participants in proportion to the number of Market Shares held on behalf of the Participant by the Administrative Agent before the payment of the dividend or the issue of warrants, options or rights.
- 27. Shareholder Information.** Each Participant whose Market Shares are being held by the Administrative Agent shall be entitled to receive all information otherwise made available to the Corporation's shareholders pursuant to applicable securities regulatory requirements and the Administrative Agent shall take such steps as are necessary to facilitate same.
- 28. Capital Restructuring.** In the event of a take-over bid or issuer bid (other than a normal course issuer bid) being made for the Shares of the Corporation or in the event that the Corporation proposes any amalgamation, arrangement or other capital reorganization involving all or substantially all of the Shares of the Corporation, at the written request of a Participant, the Administrative Agent shall release the Shares being held for such Participant so as to enable the Participant to tender such Shares to the take-over bid or issuer bid or participate in such amalgamation, arrangement or other capital reorganization.

- 29. Subdivision, Consolidation, Conversion or Reclassification.** In the event that the Shares of the Corporation are subdivided, consolidated, converted or reclassified by the Corporation, or any action of a similar nature affecting such Shares shall be taken by the Corporation, then the Market Shares held by the Administrative Agent for the benefit of the Participants shall be appropriately adjusted.
- 30. Management Reporting.** The Administrative Agent will provide monthly reconciliation reports and/or online access to plan records to the Corporation which provide details of the holdings and activity in each Participant's account, as well as the total number of Participants, total Plan holdings, and other regular summary detail as may reasonably be required by the Corporation and agreed to by the Administrative Agent. Records of the Administrative Agent and the Corporation will be conclusive as to all matters involved in administration of the Plan.
- 31. Advisors.** The Corporation may from time to time appoint or engage accountants, lawyers and such other personnel as it deems necessary or advisable for the proper administration of the Plan.
- 32. Rules.** The Corporation may make administrative rules for the proper functioning of the Plan.
- 33. Merger, etc.** If the Corporation is reorganized by way of merger, consolidation, transfer of assets or otherwise, such that an entity other than the Corporation succeeds to all or substantially all of the Corporation's business, the successor entity may be substituted for the Corporation under the Plan by such successor entity adopting the Plan.
- 34. Applicable Law.** The Plan shall be construed and the rights and obligations of the parties thereunder determined in accordance with the laws of the Province of Ontario.