

RENAISSANCE CAPITAL GROWTH & INCOME FUND III INC
Form 10-Q
December 19, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2004

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition period from _____ to _____ .

Commission file number: 0-20671

Renaissance Capital Growth & Income Fund III, Inc.
(Exact name of registrant as specified in its charter)

TX
(State or other jurisdiction
of incorporation or organization)

75-2533518
(I.R.S. Employer
Identification No.)

8080 N. Central Expressway, Suite 210, LB-59, Dallas, TX 75206

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **214-891-8294**

None
(Former name, former address and former fiscal year
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes o No x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer S

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of December 15, 2006, the issuer had 4,463,967 shares of common stock outstanding.

RENAISSANCE CAPITAL GROWTH & INCOME FUND III, INC.**INDEX**

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Renaissance Capital Growth & Income Fund III, Inc.
Statements of Assets and Liabilities
(Unaudited)

ASSETS

	June 30, 2004	December 31, 2003
Cash and cash equivalents	\$ 44,335,918	\$ 35,255,687
Investments at fair value, cost of \$35,867,649 and \$33,747,037 at June 30, 2004 and December 31, 2003, respectively	63,288,277	62,455,944
Accounts receivable - settlement with affiliate	3,775,872	3,775,872
Interest and dividends receivable	68,577	233,201
Prepaid and other assets	7,759	145,307
	\$ 111,476,403	\$ 101,866,011

LIABILITIES AND NET ASSETS

Liabilities:

Due to broke	\$ 31,499,196	\$ 27,000,416
Accounts payable	83,609	57,273
Accounts payable - affiliate	1,043,709	1,703,398
Accounts payable - dividends	-	3,698,960
	32,626,514	32,460,047

Commitments and contingencies

Net assets:

Common stock, \$1 par value; authorized 20,000,000 shares; 4,561,618 issued; 4,351,718 shares outstanding	4,561,618	4,561,618
Additional paid-in-capital	35,960,535	37,058,788
Treasury stock at cost, 209,900 shares	(1,734,967)	(1,734,967)
Distributable earnings	12,642,075	811,618
Net unrealized appreciation of investments	27,420,628	28,708,907
Net assets, equivalent to \$18.12 and \$15.95 per share at June 30, 2004 and December 31, 2003, respectively	78,849,889	69,405,964
	\$ 111,476,403	\$ 101,866,011

See accompanying notes

Renaissance Capital Growth & Income Fund III, Inc.
Schedules of Investments
(unaudited)

			June 30, 2004		
	Interest Rate	Due Date	Cost	Fair Value	% of Net Investments
Eligible Portfolio Investments -					
Convertible Debentures and					
Promissory Notes					
Digital Learning					
Management Corp. -					
Convertible debenture (2)	7.00%	02/27/11	\$ 1,000,000	\$ 2,684,563	4.24%
iLinc Communications, Inc. -					
Convertible redeemable note (2)	12.00	03/29/12	500,000	500,000	0.79
Gasco Energy, Inc. -					
Convertible debenture (2)	8.00	10/15/08	625,000	2,031,251	3.21
Integrated Security Systems, Inc. -					
Promissory notes (4)	8.00	09/30/04	525,000	525,000	0.83
Promissory notes (4)	7.00	10/01/04	200,000	200,000	0.32
Simtek Corporation -					
Convertible debenture	7.50	06/28/09	1,000,000	2,275,641	3.60
			\$ 3,850,000	\$ 8,216,455	12.99%

See accompanying notes

Renaissance Capital Growth & Income Fund III, Inc.
 Schedules of Investments (continued)
 (unaudited)

			June 30, 2004		
	Interest Rate	Due Date	Cost	Fair Value	% of Net Investments
Other Portfolio Investments -					
Convertible Debentures and					
Promissory Notes					
Interpool, Inc. -					
Convertible debenture (2)	9.25%	12/27/22	\$ 375,000	\$ 375,000	0.59%
			\$ 375,000	\$ 375,000	0.59%

See accompanying notes

Renaissance Capital Growth & Income Fund III, Inc.
Schedules of Investments (continued)
(unaudited)

	Shares	Cost	June 30, 2004 Fair Value	% of Net Investments
Eligible Portfolio Investments - Common Stock, Preferred Stock, and Miscellaneous Securities				
CaminoSoft Corp. -				
Common stock	1,750,000	\$ 4,000,000	\$ 700,000	1.11%
Common stock (2)	1,539,414	1,150,000	615,766	0.97
Common stock (2)	250,000	125,000	100,000	0.16
eOriginal, Inc.				
Series A, preferred stock (1)(3)	10,680	4,692,207	387,656	0.61
Series B, preferred stock (1)(3)	25,646	620,329	1,052,420	1.66
Series C, preferred stock (1)(3)	28,929	699,734	1,186,660	1.88
Series New C, preferred stock (1)(3)	22,319	360,000	204,803	0.32
Gaming & Entertainment Group, Inc.-				
Common stock	500,000	500,000	335,000	0.53
Gasco Energy, Inc. -				
Common stock	500,000	625,000	975,000	1.54
Global Access Corporation -				
Common stock (2)	4,766,666	1,261,667	2,431,000	3.84
Integrated Security Systems, Inc. -				
Common stock (2)	26,898,362	5,523,298	11,566,296	18.28
Series D, preferred stock (2)	187,500	150,000	96,750	0.15

See accompanying notes

Renaissance Capital Growth & Income Fund III, Inc.
Schedules of Investments (continued)
(unaudited)

	Shares	Cost	June 30, 2004 Fair Value	% of Net Investments
Eligible Portfolio Investments -				
Common Stock, Preferred Stock, and Miscellaneous Securities, continued				
Inyx, Inc. -				
Common stock (2)	300,000	300,000	270,000	0.43
Laserscope -				
Common stock	600,000	750,000	16,530,000	26.12
Poore Brothers, Inc. -				
Common stock (2)	1,686,357	1,748,170	4,232,756	6.69
PracticeXpert, Inc. -				
Common stock (2)	4,166,667	500,000	1,166,666	1.84
Simtek Corp. -				
Common stock	1,000,000	195,000	710,000	1.12
Common stock - private placement (2)	550,661	500,000	390,969	0.62
ThermoView Industries, Inc. -				
Common stock	234,951	563,060	91,631	0.14
Miscellaneous Securities		-	1,169,986	1.85
		\$ 24,263,465	\$ 44,213,359	69.86%

See accompanying notes

Renaissance Capital Growth & Income Fund III, Inc.
Schedules of Investments (continued)
(unaudited)

	Shares	Cost	June 30, 2004 Fair Value	% of Net Investments
Other Portfolio Investments -				
Common Stock, Preferred Stock, and Miscellaneous Securities				
AdStar, Inc. -				
Common stock (2)	269,231	\$ 350,000	\$ 592,308	0.94%
Capital Senior Living Corp -				
Common stock	57,100	146,335	274,651	0.43
CNE Group, Inc. -				
Common stock (2)	125,000	250,000	48,750	0.08
Dave & Busters, Inc. -				
Common stock	100,000	653,259	1,879,000	2.97
iLinc Communications, Inc. -				
Common stock	48,266	27,033	43,922	0.07
Flamel Technologies, S.A. -				
Common stock	25,000	131,868	615,750	0.97
Franklin Covey -				
Common stock	207,876	293,251	540,478	0.85
Gasco Energy, Inc. -				
Common stock	750,000	639,105	1,462,500	2.31
Inet Technologies, Inc. -				
Common stock	96,600	692,000	1,204,602	1.90

See accompanying notes

Renaissance Capital Growth & Income Fund III, Inc.
Schedules of Investments (continued)
(unaudited)

	Shares	Cost	June 30, 2004 Fair Value	% of Net Investments		
Other Portfolio Investments - Common Stock, Preferred Stock, and Miscellaneous Securities, continued						
Intrusion, Inc. - Convertible preferred stock						
	159,033	500,000	377,862	0.60		
Medical Action Industries, Inc. -						
	(2)	90,452	88,755	\$10.57	9/19/2021	25,237(14)
			88,755			
	(3)	88,759	62,129	\$10.57	1/1/2023	
			66,270			
	4/1/2014 (4)	26,628	50,474	\$13.52	4/1/2024	
	6/30/2014 (5)	28,404		\$16.06	6/30/2024	
	6/30/2015 (6)	-		\$40.12	6/30/2025	
Gregory S.	8/30/2013 (7)	-	177,514	\$10.06		8/30/2023
			41,419			
Rush,	6/30/2014 (5)	17,752	16,264	\$16.06		6/30/2024
<i>Executive Vice</i>	6/30/2015 (6)	-		\$40.12		6/30/2025
<i>President and Chief Financial Officer</i>						
Alistair	9/28/2010 (8)	-	29,680	\$8.45		10/5/2020
			35,312			
Macdonald,	8/17/2012 (9)	-	66,270	\$10.57		9/24/2022
			17,398			
<i>President and Chief Operating Officer</i>						
	6/30/2014 (5)	-		\$16.06		6/30/2024
	6/30/2015 (6)	-		\$40.12		6/30/2025
Michael	9/28/2010 (10)	189,716	51,928	\$8.45		10/5/2020
		14,628	9,750			

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Gibertini, PhD	8/17/2012 (11)	17,752	41,419 16,825	\$10.57	9/24/2022
<i>President, Clinical</i>	6/30/2014 (5)	-		\$16.06	6/30/2024
	6/30/2015 (6)			\$40.12	6/30/2025
<i>Development</i>					
Christopher L.	4/2/2012 (12)	-	18,933 23,667	\$10.57	4/2/2022
Gaenzle,	8/18/2013 (13)	-	41,419 14,581	\$10.06	8/18/2023
<i>Chief Administrative</i>	6/30/2014 (5)	17,752		\$16.06	6/30/2024
	6/30/2015 (6)	-		\$40.12	6/30/2025
<i>Officer, General Counsel and Secretary</i>					

(1) Calculation is based on the closing market price of \$48.51 of our stock on the NASDAQ on December 31, 2015.

(2) This option was granted on September 19, 2011 and amended by the Board on August 5, 2013 and October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. A total of 295,857 Common Stock shares are subject to the option, of which 147,929 Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and 147,928 Common Stock shares vest in five equal annual installments beginning on December 31, 2013.

(3) This option was granted on January 1, 2013 and amended by the Board on August 5, 2013 and October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on

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Form 10-K for the year ended December 31, 2015. A total of 177,514 Common Stock shares are subject to the option, of which 88,757 Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and 88,757 Common Stock shares vest in five equal annual installments beginning on December 31, 2013.

- (4) This option was granted on April 1, 2014 and amended by the Board on October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. A total of 88,757 Common Stock shares are subject to the option, of which 44,379 Common Stock shares vest in five equal annual installments beginning on December 31, 2014.
- (5) These options were granted on June 30, 2014 and amended by the Board on October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. Half of the Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and half of the Common Stock shares vest in five equal annual installments beginning on December 31, 2014.
- (6) These options were granted on June 30, 2015 and will vest in four equal annual installments beginning on the first anniversary of the grant date.
- (7) This option was granted on August 30, 2013 and amended by the Board on October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. A total of 355,029 Common Stock shares are subject to the option, of which 177,515 Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and 177,514 Common Stock shares vest in five equal annual installments beginning on December 31, 2013.
- (8) This option was granted on October 5, 2010 and amended by the Board on August 5, 2013 and October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. A total of 148,402 Common Stock shares are subject to the option, of which 74,201 Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and 74,201 Common Stock shares vest in five equal annual installments beginning on December 31, 2013.
- (9) This option was granted on September 24, 2012 and amended by the Board on August 5, 2013 and October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. A total of 88,284 Common Stock shares are subject to the option, of which 44,142 Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and 44,142 Common Stock shares vest in five equal annual installments beginning on December 31, 2013.

(10)

This option was granted on October 5, 2010 and amended by the Board on August 5, 2013 and October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. A total of 259,644 Common Stock shares are subject to the option, of which 129,822 Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and 129,822 Common Stock shares vest in five equal annual installments beginning on December 31, 2013.

(11) This option was granted on September 24, 2012 and amended by the Board on August 5, 2013 and October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. A total of 24,378 Common Stock shares are subject to the option, of which 12,189 Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and 12,189 Common Stock shares vest in five equal annual installments beginning on December 31, 2013.

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- (12) This option was granted on April 2, 2012 and amended by the Board on August 5, 2013 and October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. A total of 47,337 Common Stock shares are subject to the option, of which 23,669 Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and 23,668 Common Stock shares vest in five equal annual installments beginning on December 31, 2013.
- (13) This option was granted on August 18, 2013 and amended by the Board on October 3, 2014, as set forth in Note 8 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015. A total of 47,337 Common Stock shares are subject to the option, of which 23,669 Common Stock shares vest in five equal annual installments beginning on the first anniversary of the vesting commencement date and 23,668 Common Stock shares vest in five equal annual installments beginning on December 31, 2013.
- (14) These restricted stock units were granted on June 30, 2015 and will vest in four equal annual installments beginning on the first anniversary of the grant date.

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The following table sets forth information concerning the exercise of options by our NEOs during 2015. None of the outstanding restricted stock units held by our NEOs vested during 2015.

Name	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized On Exercise \$(1)
D. Jamie Macdonald, <i>Chief Executive Officer and Director</i>	116,650	\$3,899,610 (2)
Gregory S. Rush, <i>Executive Vice President and Chief Financial Officer</i>	177,515	\$5,931,661 (3)
Alistair Macdonald, <i>President and Chief Operating Officer</i>	200,098	\$7,115,897
Michael Gibertini, PhD	18,000	\$679,140

President, Clinical

Development

Christopher L.	52,074	\$1,762,406
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Gaenzle,

Chief Administrative

Officer, General

Counsel and

Secretary

- (1) The value realized is based on the difference between the exercise price and the closing price of our common stock on the date of exercise.
- (2) The shares of common stock were exercised in relation to a registered underwritten secondary offering pursuant to the underwriting agreement dated August 11, 2015 (the August 2015 Underwriting Agreement), entered into by and among the Selling Stockholders (as defined in the August 2015 Underwriting Agreement) and Credit Suisse Securities (USA) LLC and J.P. Morgan Securities LLC as the underwriters. The value realized reflects the offering price of \$44.00 per share after underwriting discounts.
- (3) 28,551 of these shares were exercised in a registered underwritten secondary offering pursuant to the underwriting agreement dated May 7, 2015 (the May 2015 Underwriting Agreement) entered into by and among the Selling Stockholders (as defined in May 2015 Underwriting Agreement) and Goldman, Sachs & Co. and Credit Suisse Securities (USA) LLC as the lead book-running managers and Jeffries LLC as a book running manager for the offering. The value realized represents the offering price of \$31.00 per share (\$29.68 per share after underwriting discounts).

Table of Contents**2015 Nonqualified Deferred Compensation**

Pursuant to our elective nonqualified deferred compensation plan, eligible employees in the United States, including our named executive officers, may defer up to 50% of their eligible base salaries as of the first day of the calendar year and up to 100% of awards earned under the Management Incentive Plan. Deferral elections are made by eligible employees before the beginning of the calendar year for which the compensation is payable. Contributions to the elective nonqualified deferred compensation plan consist solely of participants' elective deferral contributions, with no matching or other employer contributions. None of the named executive officers elected to defer any portion of their salaries or cash bonuses during 2015, although Dr. Gibertini has assets in the plan that he deferred in prior years.

Eligible employees are permitted to make individual investment elections that best suit their goals, time horizon and risk tolerance on their deferral amounts under the elective nonqualified deferred compensation plan. Participants may change their investment elections at any time. Deferrals are only deemed to be invested in the investment options selected. The investment options consist of a variety of well-known mutual funds. The plan does not operate in a manner to provide any above-market returns or preferential earnings to participants. For 2015, participants were able to choose among a total of 29 investment options, however, Dr. Gibertini only elected to invest in the following investment option in 2015:

Name of Fund	Rate of Return % (YE 12/31/2015)
<i>Fidelity Management & Research</i> Fidelity Contra fund	6.49

Distributions of amounts credited to the account of a named executive officer under the elective nonqualified deferred compensation plan will generally commence six months after the date of the executive's separation from service. NEOs may also elect to receive in-service distributions of such amounts at the time they make their deferral elections. In addition, upon a showing of an unforeseeable emergency, an executive may be allowed to access funds in his deferred compensation account before he otherwise would have been eligible to. Benefits can generally be received either as a lump sum payment or in annual installments over a period not to exceed 5 years, or a combination thereof, except in the case of in-service distributions or death, which are always paid in a lump sum.

The following table provides information related to the potential benefits payable to each of our NEOs under our elective nonqualified deferred compensation plan.

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY(1) (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (\$)
D. Jamie Macdonald	-	-	-	-	-
Gregory S. Rush	-	-	-	-	-
Alistair Macdonald (2)	-	-	-	-	-
Michael Gibertini, PhD	-	-	10,984	-	180,137
Christopher L. Gaenzle	-	-	-	-	-

(1) Amounts in this column are not reported as compensation for fiscal year 2015 in the Summary Compensation Table since they do not reflect above market or preferential earnings.

(2) Because this is a US plan, Mr. A. Macdonald is not eligible to participate.

2015 PENSION BENEFITS

Our NEOs did not participate in any pension arrangements during 2015 that were not generally available to other employees.

Table of Contents**Employment Agreements**

We have entered into employment agreements with each of our NEOs. The material provisions of each such agreement are described below.

Jamie Macdonald, Greg Rush, Michael Gibertini, Ph.D., and Chris Gaenzle

In July 2014, we entered into an employment agreement with Jamie Macdonald, our Chief Executive Officer; Michael Gibertini, PhD., our President, Clinical Development; and Chris Gaenzle, our Chief Administrative Officer, General Counsel and Secretary; and in August 2013, we entered into an employment agreement with Greg Rush, our Executive Vice President and Chief Financial Officer. We refer to each of Messrs. Macdonald, Rush and Gaenzle, and Dr. Gibertini as an Executive. The agreements are governed by the laws of North Carolina. Under the agreements, we pay the Executives an annual base salary established by our Board or our compensation committee. In 2015, the annual base salaries were \$675,000 for Mr. Macdonald, \$435,000 for Mr. Rush, \$450,000 for Dr. Gibertini and \$390,000 for Mr. Gaenzle. Our Board will review the Executive's salary from time to time.

Either we or the Executive may terminate the agreements at any time upon 45 days prior written notice, which notice we can shorten in our discretion. We may terminate the Executive's employment immediately by written notice for disability and cause and the Executive may resign by written notice for good reason. Under the agreements, disability means a physical or mental condition that renders the Executive unable to perform the essential functions of the Executive's job, with or without reasonable accommodation, for a continuous period of more than 90 days or for 90 days in any period of 180 consecutive days, and will be determined by a physician satisfactory to us and in accordance with applicable law. Under the agreements, cause means (i) the Executive's breach of any fiduciary duty or legal or contractual obligation to us or our Board, (ii) the Executive's failure to follow the reasonable instructions of our Board (or, in the cases of Messrs. Rush, Gaenzle and Dr. Gibertini, their direct supervisor) consistent with the Executive's duties and responsibilities, which breach, if curable, is not cured within 10 business days after notice to the Executive or, if cured, recurs within 180 days, (iii) the Executive's gross negligence, willful misconduct, fraud, insubordination or acts of dishonesty relating to us, or (iv) the Executive's commission of any misdemeanor relating to us or of any felony. Under the agreements, good reason means the occurrence, without the Executive's express written consent, of any of the following: (i) a material reduction in the Executive's base salary or target bonus payout under our management incentive bonus program; (ii) a material adverse change to Executive's title or a material reduction in the Executive's authority, job duties, or responsibilities; (iii) a requirement that the Executive relocate to a principal place of employment more than 50 miles from our offices at 3201 Beechleaf Court, in Raleigh, North Carolina; or (iv) a material breach of the employment agreement by us; provided that, any such event will only constitute good reason if the Executive provides us with written notice of the basis for the good reason within 45 days of our initial actions or inactions giving rise to such good reason and subject to a 30 day cure period.

If we terminate the Executive's employment due to his disability or death, we must pay to him or his estate, in addition to any short- or long-term disability and life benefits to which he is entitled, his Accrued Payments (some of which may be prorated). We must also pay the Executive Accrued Payments if we terminate his employment for cause or the Executive resigns without good reason. Under the agreements, Accrued Payments means (i) any unpaid base salary earned by the Executive as of his termination of employment, (ii) any unpaid amount actually earned and due to the Executive pursuant to our management incentive bonus program, and (iii) any business expenses for which Executive is entitled to reimbursement.

If we terminate the Executive's employment without cause or the Executive resigns for good reason, we must pay him his Accrued Payments. Subject to the Executive's compliance with certain provisions of his agreements, we must also pay the Executive his base salary at termination for 18 months for Mr. Macdonald and 12 months for Messrs. Rush,

Gaenzle and Dr. Gibertini. We also must reimburse the Executive for the entire amount of any premiums paid by the Executive prior to such date necessary to continue COBRA coverage for the

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Executive and his spouse and eligible dependents and thereafter pay the entire premium necessary to continue such coverage, in each case, until the earlier of (A) 18 months following the termination date, or (B) the date on which the Executive becomes eligible for group health insurance coverage under another employer's plan.

In addition to these payments, if the Executive is terminated without cause or resigns for good reason within 12 months following a Change in Control, we must pay him a lump sum amount equal to 50% of his then current base salary or his target bonus payout under our management incentive bonus program, whichever is higher. Under the agreements, Change in Control means (i) any merger, consolidation, or reorganization involving us, in which, immediately after giving effect to the event, less than 50% of the total voting power of outstanding stock of the surviving or resulting entity is then beneficially owned (within the meaning of Rule 13d-3 of the Exchange Act) in the aggregate by our stockholders immediately prior to such event, (ii) any sale, lease, exchange, or other transfer of all or substantially all of our assets to any other person or entity, (iii) our dissolution or liquidation, (iv) when any person or entity not currently a stockholder acquires or gains control of more than 50% of our outstanding stock, or (v) as a result of or in connection with a contested election of directors, the persons who were our directors cease to constitute a majority of our Board.

The agreements include non-solicitation and non-competition provisions that apply during the Executive's employment and extend for 18 months thereafter for Mr. Macdonald, 12 months thereafter for Dr. Gibertini and Mr. Gaenzle, and 12 months (non-solicitation) and six months (non-competition) thereafter for Mr. Rush.

Alistair Macdonald

In July 2014, we entered into an employment agreement with Alistair Macdonald, our Chief Operating Officer. The agreement is governed by English law. Under the agreement, we must pay Mr. Macdonald a base salary of GBP 296,052.96 per year, (or U.S. dollars 452,576.15 converted at the average 2015 exchange rate of 1 GBP to 1.5287 U.S. dollars) subject to our Board's annual review.

Either we or Mr. Macdonald may terminate the agreement for any reason upon three months prior written notice. We also can terminate Mr. Macdonald immediately upon written notice by paying him three months of his base salary in lieu of the notice period. This payment is not required if Mr. Macdonald (i) commits any serious breach or repeated or continued breach of his obligations under the agreement, or breaches provisions in the agreement relating to employment activities with other companies, confidentiality, inventions and intellectual property rights, and/or statements he may make about us, (ii) is guilty of conduct tending to bring him or us into disrepute, (iii) becomes bankrupt or had an interim order made against him under applicable insolvency laws or compounded with his creditors generally, (iv) fails to perform his duties to a satisfactory standard, after having received a written warning from us relating to the same, or (v) has been convicted of an offence under any applicable statutory enactment or regulation (other than a traffic offence for which no custodial sentence is given).

If we are wound up for the purposes of reconstruction or amalgamation and, as a result, Mr. Macdonald is terminated or his duties redefined in a manner consistent with his current position or status with us, he will have no claim against us for termination of employment or otherwise as long as he is first offered employment with the resulting company on terms no less favorable to Mr. Macdonald as those in the agreement. If Mr. Macdonald unreasonably refuses such employment or transfer of his agreement to the resulting company, we may terminate his employment.

The agreement includes non-solicitation and non-competition provisions that apply during Mr. Macdonald's employment and extend for 12 months after the earlier of Mr. Macdonald's termination of employment or notice thereof.

Table of Contents**Summary of Potential Payments Upon Termination of Employment or Change in Control**

The following table sets forth the potential payments and benefits our NEOs would receive in the event of a termination of employment. These payments and benefits have been quantified assuming their termination of employment, or their termination upon death or disability, or their termination following a change in control occurred on the last trading day of our most recently completed fiscal year December 31, 2015 and that the price per share of our common stock is the closing market price on December 31, 2015 of \$48.51 per share.

	D. Jamie Macdonald	Gregory S. Rush	Alistair Macdonald	Michael Gibertini	Christopher L. Gaenzle
<i>Termination Without Cause or Resignation For Good Reason(1)</i>					
Accrued Payments(2)	\$ 843,413	\$ 383,670	\$ 0	\$ 330,750	\$ 286,650
Continuation of Base Salary	\$ 1,012,500 (3)	\$ 435,000 (10)	\$ 109,714 (12)	\$ 450,000 (10)	\$ 390,000 (10)
COBRA	\$ 35,980 (4)	\$ 35,980 (4)	\$ 0	\$ 21,541 (4)	\$ 35,819 (4)
Total	\$ 1,891,893	\$ 854,650	\$ 109,714	\$ 802,291	\$ 712,469
<i>Termination For Cause or Resignation Without Good Reason</i>					
Accrued Payments(2)	\$ 843,413	\$ 383,670	\$ 0	\$ 330,750	\$ 286,650
Total	\$ 843,413	\$ 383,670	\$ 0	\$ 330,750	\$ 286,650
<i>Termination Upon Death</i>					
Accrued Payments(2)	\$ 843,413	\$ 383,670	\$ 0	\$ 330,750	\$ 286,650
Group Life Insurance	\$ 1,000,000 (5)	\$ 250,000 (5)	\$ 1,686,176 (5)	\$ 250,000 (5)	\$ 250,000 (5)
Total	\$ 1,843,413	\$ 633,670	\$ 1,686,176	\$ 580,750	\$ 536,650
<i>Termination Upon Disability(1)</i>					
Accrued Payments(2)	\$ 843,413	\$ 383,670	\$ 0	\$ 330,750	\$ 286,650
Long-Term Disability Benefits	\$ 120,000 (6)	\$ 120,000 (6)	\$ 329,143 (13)	\$ 120,000 (6)	\$ 120,000 (6)

Total	\$ 963,413	\$ 503,670	\$ 329,143	\$ 450,750	\$ 406,650
Termination Without Cause or Resignation For Good Reason Within 12 Months Following Change in Control					
Accrued Payments(2)	\$ 843,413	\$ 383,670	\$ 0	\$ 330,750	\$ 286,650
Continuation of Base Salary	\$ 1,012,500 (3)	\$ 435,000 (10)	\$ 109,714 (12)	\$ 450,000 (10)	\$ 390,000 (10)
Lump Sum Payment	\$ 573,750 (7)	\$ 261,000 (7)	\$ 0	\$ 225,000 (11)	\$ 195,000 (11)
COBRA	\$ 35,980 (4)	\$ 35,980 (4)	\$ 0	\$ 21,541 (4)	\$ 35,819 (4)
Stock Option Vesting	\$ 11,482,561 (8)	\$ 8,305,915 (8)	\$ 4,825,149 (8)	\$ 3,935,359 (8)	\$ 3,094,695 (8)
Restricted Stock Unit Vesting	\$ 1,224,247 (9)	\$ 394,483 (9)	\$ 421,988 (9)	\$ 408,066 (9)	\$ 353,686 (9)
Total	\$ 15,172,451	\$ 9,816,048	\$ 5,356,851	\$ 5,370,716	\$ 4,355,850

1. Cause, good reason, disability, and change in control are defined in each NEO's employment agreement.
2. Accrued payments is defined in each NEO's employment agreement.
3. Continuation of salary for 18 months, paid monthly over 18 months.
4. COBRA coverage premiums for 18 months, paid over 18 months or until eligible for health coverage at subsequent employer.
5. Payment to the estate of executive in lump sum.
6. Yearly amount due to the executive, paid monthly for the term of the disability.
7. Higher of 50% of the NEO's base salary or target bonus under the MIP, paid in a lump sum 60 days following termination. Amount shown represents target bonus under the MIP.
8. Vesting of all unvested stock options on the termination date pursuant to the Company's 2010 Equity Incentive Plan and 2014 Equity Incentive Plan and associated award agreements. Amount shown represents the in-the-money value of unvested options at the closing market price of our common stock on December 31, 2015.
9. Vesting of all unvested restricted stock units on the termination date pursuant to the Company's 2014 Equity Incentive Plan and associated award agreements. Amount shown represents the value of unvested restricted stock units at the closing market price of our common stock on December 31, 2015.
10. Continuation of salary for 12 months, paid monthly over 12 months.
11. Higher of 50% of the NEO's base salary or target bonus under the MIP, paid in a lump sum 60 days following termination. Amount shown represents 50% of base salary.
12. Continuation of salary for 3 months, paid in a lump sum.
13. Yearly benefit after 26 week waiting period, paid monthly for maximum of five years.

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PROPOSAL TWO ADVISORY (NONBINDING) VOTE ON EXECUTIVE COMPENSATION

As discussed in the CD&A, our compensation strategy focuses on providing a total compensation package that is designed to attract and retain high-caliber executives by incentivizing them to achieve company and individual performance goals and closely aligning these goals with stockholder interests. Our philosophy reflects our emphasis on pay for performance and on long-term value creation for our stockholders.

As required by Section 14A of the Exchange Act, we are providing stockholders with an advisory (nonbinding) vote on the compensation of our NEOs as described in this Proxy Statement. This proposal, known as a Say-on-Pay proposal, is designed to give our stockholders the opportunity to endorse or not endorse our Company's executive compensation program through the following resolution:

Resolved, that the stockholders approve, on an advisory (nonbinding) basis, the compensation of our NEOs, as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the SEC (which disclosure includes the CD&A, the Summary Compensation Table for fiscal year 2015, and the other related tables and disclosures).

When you cast your vote, we urge you to consider the description of our executive compensation program contained in the CD&A and the accompanying tables and narrative disclosure.

Required Vote

The affirmative vote of a majority of our common stock present or represented and voting on our executive compensation is required to approve our executive compensation. Because your vote is advisory, it will not be binding upon our Board, will not overrule any decision by our Board and will not create or imply any additional fiduciary duties on our Board or any member thereof. However, our Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

In accordance with Delaware law, abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum. Abstentions and broker non-votes will not be counted for purposes of determining the number of shares represented and voted in the meeting and, accordingly, will not affect the outcome of this proposal.

The Board unanimously recommends that stockholders vote FOR Proposal Two on our executive compensation as described in this Proxy Statement.

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PROPOSAL THREE ADVISORY (NONBINDING) VOTE ON THE FREQUENCY OF FUTURE STOCKHOLDERS ADVISORY VOTES ON EXECUTIVE COMPENSATION

Under the Dodd-Frank Act, we are required to seek a nonbinding advisory stockholder vote regarding the frequency of submission to stockholders of a say on pay advisory vote such as Proposal Two. The Dodd-Frank Act specifies that stockholders be given the opportunity to vote on our executive compensation programs either annually, every two years or every three years. Although this vote is advisory and nonbinding, our Board will review voting results and give serious consideration to the outcome of such voting. We will present this proposal to our stockholders at least once every six years.

You may cast your advisory vote on whether the advisory vote on executive compensation will occur every one, two or three years, or you may abstain from voting on the matter.

Our Board recommends that stockholders vote in favor of holding an advisory vote on executive compensation every year. In making this recommendation, our Board considered the relevant merits of each of the three frequency alternatives. Our Board believes that holding the advisory vote every year will allow stockholders to provide timely, direct input on our executive compensation philosophy, policies and practices as disclosed in the Proxy Statement each year and is therefore consistent with our efforts to engage in an ongoing dialogue with stockholders on executive compensation and corporate governance matters.

Required Vote

The option of one year, two years, or three years that receives the highest number of votes cast by stockholders will be the frequency for the advisory vote on executive compensation that has been selected by stockholders. Because your vote is advisory, it will not be binding upon our Board, overrule any decision by our Board, or create or imply any additional fiduciary duties on our Board or any member of our Board. However, our Board will take into account the outcome of the vote when making future decisions regarding the frequency of future stockholder advisory votes on executive compensation.

In accordance with Delaware law, abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum. Abstentions and broker non-votes will not be counted for purposes of determining the number of shares represented and voted in the election and, accordingly, will not affect the outcome of this proposal.

The Board unanimously recommends that stockholders vote FOR one year (as opposed to two years or three years) for Proposal Three, the frequency of future stockholders advisory votes on executive compensation.

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PROPOSAL FOUR APPROVAL OF THE INC RESEARCH HOLDINGS, INC.

2016 EMPLOYEE STOCK PURCHASE PLAN

The Board of Directors (the Board) of the Company is seeking stockholder approval for the INC Research, Inc. 2016 Employee Stock Purchase Plan (the ESPP). If approved by the Company's stockholders, the ESPP will become effective immediately. The Board believes that the ESPP is in the best interest of the stockholders and the Company because it provides a broad-based plan to U.S. employees, and in the future, global employees, to become long-term stockholders through the purchase of shares of the Company's common stock on favorable terms through payroll deductions.

The Board believes that the ability to offer this type of program is an important recruiting and retention tool for the Company to attract, retain and reward the talented employees and officers needed for our success. In addition, the ESPP encourages stock ownership by employees and aligns the interests of employees and stockholders. If approved by the stockholders, a total of 1,000,000 shares of Company common stock will be made available for purchase under the ESPP. The total number of shares of Company common stock available for purchase under the ESPP should provide sufficient shares to meet expected purchases under the ESPP over the next five years, depending on the Company's share price and the level of enrollment in the ESPP.

The principal features of the ESPP are summarized below, but the summary is qualified in its entirety by reference to the full text of the ESPP. A copy of the ESPP is attached to this Proxy Statement as Appendix A and is incorporated herein by reference. For purposes of this proxy statement, Committee means the Compensation Committee of the Board or such other committees of the Board appointed by the Board.

Purpose. The purpose of the ESPP is to provide an opportunity for eligible employees of the Company and any subsidiary or affiliate of the Company that has been designated by the Board to participate in the ESPP (a Designated Company) to purchase the Company's common stock at a discount through voluntary contributions from employees eligible pay, thereby attracting, retaining and rewarding such persons and strengthening the mutuality of interest between such persons and the Company's stockholders.

The rights to purchase common stock granted under the ESPP are intended to be treated as either (i) purchase rights granted under an employee stock purchase plan, as that term is defined in Section 423 of the Internal Revenue Code (i.e., a 423 Offering), or (ii) purchase rights granted under an employee stock purchase plan that is not subject to the terms and conditions of Section 423 of the Internal Revenue Code (i.e., a Non-423 Offering). The Company will retain the discretion to grant purchase rights under either a 423 Offering or a Non-423 Offering.

Stock Subject to Plan and Adjustments upon Changes in Stock. An aggregate number of shares of Company common stock equal to (i) 1,000,000 shares of common stock will be authorized and reserved for issuance under the ESPP. Such shares may be authorized but unissued Company common stock, treasury shares or common stock purchased on the open market.

In the event of any change affecting the number, class, or terms of the shares of Company common stock by reason of stock dividend, stock split, recapitalization, reorganization, merger, consolidation, spin-off, disaffiliation of a subsidiary or affiliate, combination of shares, exchange of shares, stock rights offering, or other similar event, or any distribution to the holders of shares of common stock other than a regular cash dividend, then the Committee, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the ESPP, will, in such manner as it may deem equitable, adjust the number and class of common stock that may be delivered under the ESPP, the purchase price per share and the number of shares of common stock covered by each right under

the ESPP that has not yet been exercised.

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Administration. The ESPP will be administered by the Committee (the Administrator). The Committee may delegate some of its authority to a subcommittee or other persons or groups of persons to assist with the day-to-day administration of the ESPP. The Administrator will have, among other authority, the authority to interpret the ESPP and, for purchase rights granted under the 423 Offering, to adopt such rules and regulations for administering the ESPP as it may deem necessary to comply with the requirements of Section 423 of the Internal Revenue Code.

Eligibility. Generally, any individual in an employee-employer relationship with the Company or a Designated Company, including Designated Companies outside the United States, for income tax and employment tax withholding and reporting purposes, is eligible to participate in the ESPP. However, the Administrator, in its discretion may determine on a uniform basis for an offering that employees shall not be eligible to participate if they: (i) have not completed at least two (2) years of service since their last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily work not more than twenty (20) hours per week, (iii) customarily work not more than five (5) months per calendar year, (iv) are highly compensated employees within the meaning of Section 414(q) of the Code, or (v) are highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or are officers subject to the disclosure requirements of Section 16(a) of the Exchange Act. As of March 31, 2016, approximately 3,300 employees were eligible to participate in the ESPP.

No employee is eligible for the grant of any rights under the ESPP if, immediately after such grant, the employee would own stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or of any subsidiary of the Company (including any stock which such employee may purchase under all outstanding rights and options), nor will any employee be granted purchase rights to buy more than \$25,000 worth of Company common stock (such limit to be determined based on the fair market value of the common stock on the date the purchase rights are granted) under the ESPP in any calendar year such rights are outstanding.

Eligible employees who are citizens or resident of a jurisdiction outside the U.S. may be excluded from participation in the ESPP if their participation is prohibited under local laws or if complying with local laws would cause a 423 Offering to fail to qualify under Section 423 of the Code. In the case of a Non-423 Offering, an eligible employee may be excluded from participation in the ESPP or an offering if the Administrator has determined that participation of such eligible employees is not advisable or practicable for any reason.

Offering Periods. The ESPP will be implemented by consecutive offering periods with a new offering period commencing on the first trading date of the relevant offering period and terminating on the last trading date of the relevant offering period. Unless and until the Administrator determines otherwise in its discretion, each offering period will consist of one six (6)-month purchase period, which will run simultaneously with the offering period. The Administrator will have the authority to establish additional or alternative sequential or overlapping offering periods, multiple purchase periods within an offering period, or a different duration of offering periods with respect to future offerings, provided that no offering period may have a duration that exceeds 27 months.

Payroll Deductions. Except as otherwise provided by the Administrator, up to a maximum of 10% (or such greater percentage as the Administrator may establish from time to time before an offering period begins) of a participant's eligible pay, which includes base salary or wages (including 13th/14th month payments or similar concepts outside the United States, may be contributed by payroll deductions toward the purchase price of the shares during each purchase interval within an offering period or if payroll deductions are not permitted under applicable local law, such other method of contribution as specified by the Administrator under a Non-423 Offering. A participant may elect to increase or decrease the rate of such contributions during any subsequent enrollment period by submitting the appropriate form online through the Company's designated plan broker or to the Administrator. Except for a withdrawal from an offering period, an eligible employee may not initiate, increase or decrease contributions as of any

date other than during an enrollment period. All payroll deductions

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collected from a participant are credited to his or her account under the ESPP and deposited with the Company's general funds, unless otherwise required under applicable local law.

Purchase Price. The purchase price per share at which shares of Company common stock are sold in an offering period under the ESPP will be equal to the lesser of 85% of the Fair Market Value (as defined in the ESPP) of the shares of common stock (i) on the first trading date of the offering period, or (ii) on the purchase date (i.e., the last trading date of the offering). The Administrator has the authority to establish a different purchase price for any 423 Offering or Non-423 Offering, provided that the purchase price applicable to a 423 Offering complies with the provisions of Section 423 of the Code. As of March 31, 2016, the Fair Market Value of a share was \$41.21.

Purchase of Stock. Each purchase right will be automatically exercised on the applicable purchase date within the offering period, and shares of Company common stock will be purchased on behalf of each participant by applying the participant's contributions for the offering ending on the purchase date to the purchase of whole shares at the purchase price in effect for that purchase date.

The maximum number of shares purchasable per participant during any single offering period may not exceed 2,000 shares, subject to adjustments in the event of certain changes in our capitalization.

Any payroll deductions not applied to the purchase of shares of common stock on any purchase date because they are not sufficient to purchase a whole share or because of the limitations imposed under the ESPP on the number of shares that may be purchased under the ESPP will be carried over to the next offering period.

Transferability. Rights granted under the ESPP are not transferable by a participant other than by will or by the laws of descent and distribution, and are exercisable during the participant's lifetime only by the participant.

Withdrawals. A participant may withdraw from an offering by submitting the appropriate form online through the Company's designated plan broker or to the Administrator. A notice of withdrawal must be received by the last day of the month immediately preceding the month of the purchase date in order for such withdrawal to be effective during the current offering period. Upon receipt of such notice, automatic deductions of contributions on behalf of the participant will be discontinued commencing with the payroll period immediately following the effective date of the notice of withdrawal, and such participant may not again be eligible to participate in the ESPP until the next enrollment period. Amounts credited to the contribution account of any participant who withdraws by the last day of the month immediately preceding the month of the purchase date will be refunded, without interest, as soon as practicable.

Termination of Employment. Upon a participant ceasing to be an eligible employee for any reason prior to a purchase date, contributions for such participant will be discontinued and any amounts then credited to the participant's contribution account shall be refunded, without interest, as soon as practicable, except as otherwise provided by the Administrator.

Unless otherwise determined by the Administrator or prohibited by applicable local law, if a participant is granted a leave of absence, whether paid or unpaid, the participant will be automatically withdrawn from the offering period, as of the first day of such leave of absence, and may not again be eligible to participate in the ESPP until the enrollment period following the employee's return to work from such leave of absence. In the event that continued participation in the ESPP during the leave of absence is permitted by the Administrator or required by applicable local law, the Administrator or its designee shall establish rules and regulations applicable to such continued participation in the ESPP during such leave of absence; provided, however, to the extent necessary to comply with Section 423 of the Code, that if the period of leave exceeds three (3) months, the employment relationship as it relates to the ESPP will

be deemed to have terminated three (3) months and one (1) day following the commencement of such leave unless the participant's right to reemployment is guaranteed either by statute or by contract.

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A participant whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between the Company or a Designated Company will not be treated as having terminated employment for purposes of participating in the ESPP or an offering; however, if a participant transfers from a 423 Offering to a Non-423 Offering, the exercise of the right will be qualified under the 423 Offering only to the extent that such exercise complies with Section 423 of the Code. If a participant transfers from a Non-423 Offering to a 423 Offering, the exercise of the right will remain non-qualified under the Non-Section 423 Offering.

Change in Control. In the event of a Change in Control (as defined in the ESPP), each outstanding right to purchase shares will be equitably adjusted and assumed for an equivalent right to purchase shares substituted by the successor corporation. In the event that the successor corporation refuses to assume or substitute for the purchase right, or the successor corporation is not a publicly traded corporation, the offering period then in progress will be shortened by setting a new purchase date and will end on the new purchase date. The new purchase date will be before the date of the Company's proposed Change in Control. The Administrator will notify each participant in writing, at least ten (10) trading days prior to the new purchase date, that the purchase date for the participant's purchase right has been changed to the new purchase date and that shares will be purchased automatically for the participant on the new purchase date, unless prior to such date the participant has withdrawn from the offering period.

Amendment and Termination of Plan. The Board or the Committee may amend the ESPP at any time, provided that, if stockholder approval is required pursuant to the Internal Revenue Code, securities laws or regulations, or the rules or regulations of the securities exchange on which the common stock is listed or traded, then no such amendment will be effective unless approved by the Company's stockholders within such time period as may be required. The Board may suspend the ESPP or discontinue the ESPP at any time, including shortening an offering period in connection with a spin-off or similar corporate event. Upon termination of the ESPP, all contributions will cease and all amounts then credited to a participant's account will be equitably applied to the purchase of whole shares then available for sale, and any remaining amounts will be promptly refunded, without interest, to the participants.

Federal Income Tax Information. The following summary briefly describes U.S. federal income tax consequences of rights under the ESPP, but is not a detailed or complete description of all U.S. federal tax laws or regulations that may apply, and does not address any local, state or other country laws. Therefore, no one should rely on this summary for individual tax compliance, planning or decisions. Participants in the ESPP should consult their own professional tax advisors concerning tax aspects of rights under the ESPP. Nothing in this Proxy Statement is written or intended to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. The discussion below concerning tax deductions that may become available to us under U.S. federal tax law is not intended to imply that we will necessarily obtain a tax benefit or asset from those deductions. Taxation of equity-based payments in other countries is complex, does not generally correspond to federal tax laws, and is not covered by the summary below.

423 Offering. Rights to purchase shares granted under the 423 Offering are intended to qualify for favorable federal income tax treatment associated with rights granted under an employee stock purchase plan which qualifies under the provisions of Section 423(b) of the Internal Revenue Code. Under these provisions, no income will be taxable to a participant until the shares purchased under the ESPP are sold or otherwise disposed of. If the shares are disposed of within two years from the stock purchase right grant date (i.e., the beginning of the offering period or, if later, the date the participant entered the offering period) or within one year from the purchase date of the shares, a transaction referred to as a disqualifying disposition, the participant will realize ordinary income in the year of such disposition equal to the difference between the fair market value of the stock on the purchase date and the purchase price. The amount of such ordinary income will be added to the participant's basis in the shares, and any additional gain or resulting loss recognized on the disposition of the shares after such basis adjustment will be a capital gain or loss. A capital gain or loss will be long-term if the participant holds the shares for more than one year after the purchase date.

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If the stock purchased under the ESPP is sold (or otherwise disposed of) more than two years after the stock purchase right grant date and more than one year after the stock is transferred to the participant, then the lesser of (i) the excess of the sale price of the stock at the time of disposition over the purchase price, and (ii) the excess of the fair market value of the stock as of the date the participant entered the offering period over the purchase price (determined as of the date the participant entered the offering period) will be treated as ordinary income. If the sale price is less than the purchase price, no ordinary income will be reported. The amount of such ordinary income will be added to the participant's basis in the shares, and any additional gain or resulting loss recognized on the disposition of the shares after such basis adjustment will be long-term capital gain or loss.

The Company generally will be entitled to a deduction in the year of a disqualifying disposition equal to the amount of ordinary income realized by the participant as a result of such disposition, subject to the satisfaction of any tax-reporting obligations. In all other cases, no deduction is allowed.

Non-423 Offering. If the purchase right is granted under the Non-423 Offering, then the amount equal to the difference between the fair market value of the stock on the purchase date and the purchase price will be treated as ordinary income at the time of such purchase. In such instances, the amount of such ordinary income will be added to the participant's basis in the shares, and any additional gain or resulting loss recognized on the disposition of the shares after such basis adjustment will be a capital gain or loss. A capital gain or loss will be long-term if the participant holds the shares for more than one year after the purchase date.

The Company generally will be entitled to a deduction in the year of purchase equal to the amount of ordinary income realized by the participant as a result of such disposition, subject to the satisfaction of any tax-reporting obligations. For U.S. participants, FICA/FUTA taxes will be due in relation to ordinary income earned as a result of participation in the Non-423 Offering.

New Plan Benefits. As of the date of this Proxy Statement, no officer has been granted any rights under the proposed ESPP. Accordingly, the benefits to be received pursuant to the ESPP by the Company's officers and employees are not determinable at this time.

Registration of Shares. If this proposal is approved by our stockholders, the Board of Directors intends to cause the shares of common stock that will become available for issuance under the ESPP to be registered on a Form S-8 Registration Statement to be filed with the SEC at the Company's expense prior to the issuance of any such shares.

The Board unanimously recommends that stockholders vote FOR Proposal Four, the adoption of the Company's 2016 Employee Stock Purchase Plan.

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PROPOSAL FIVE APPROVAL OF THE INC RESEARCH HOLDINGS, INC.

2014 EQUITY INCENTIVE PLAN, AS AMENDED AND RESTATED,

INCLUDING TO INCREASE THE NUMBER OF SHARES AUTHORIZED FOR ISSUANCE AND

APPROVE MATERIAL TERMS UNDER CODE SECTION 162(M)

We are seeking stockholder approval of the INC Research Holdings, Inc. 2014 Equity Incentive Plan, as Amended and Restated (the Plan) to increase the number of shares of common stock reserved for issuance under the Plan from 3,272,828 shares to an aggregate of 4,572,828 shares and to allow us to grant qualified performance-based awards under the Plan that would be fully deductible for federal income tax purposes. In addition, if approved by our stockholders, the Plan, which was approved by our Board of Directors (the Board) on March 28, 2016, will amend and restate the original INC Research Equity Incentive Plan (the Initial Plan) in its entirety, effective as of the date of stockholder approval, with such amendment and restatement (the Amendment) being intended to implement certain equity plan and corporate governance best practices, as further discussed below.

Share Reserve Increase Proposal

Until the Amendment is approved by our stockholders, no awards may be granted under the Plan with respect to the additional shares reserved for issuance under the amendment. As of March 31, 2016, 1,822,531 shares of common stock were reserved for issuance and available for future awards under the Plan. The Plan is the Company's only active employee equity incentive plan (other than its employee stock purchase plan). As a result of the limited number of shares remaining available for issuance under the Plan, and in order to have an appropriate supply of shares available for future equity awards under the Plan to recruit, hire, and retain the talent necessary to achieve strong performance in the future, we are requesting the additional 1,300,000 shares for which stockholder approval is being sought.

The following awards granted under all equity-based compensation plans sponsored by the Company were outstanding as of March 31, 2016, options with respect to 3,611,833 shares of common stock in the aggregate with a weighted average exercise price of \$18.38 and a weighted average remaining term of 6 years, and full value awards with respect to 607,333 shares of common stock. Rights under our employee stock purchase plan have been excluded from the above share totals.

Approval of Material Terms of the Performance Goals under Internal Revenue Code Section 162(m)

In order to deduct in full for U.S. federal income tax purposes compensation that certain of the Company's officers may recognize in connection with performance-based awards that may be granted in the future under the Plan, the stockholders of the Company are also being asked to approve certain material terms of the performance goals for performance-based awards granted under the Plan. Section 162(m) of the Internal Revenue Code (Section 162(m)), generally denies a corporate tax deduction for annual compensation exceeding \$1,000,000 paid to the Chief Executive Officer or to any of the three other most highly compensated officers of a publicly held company other than the Chief Financial Officer. However, certain types of compensation, including qualified performance-based compensation that is payable under a plan satisfying certain requirements that has been approved by the public company's stockholders, are generally excluded from this limit. The Initial Plan was adopted by our Board on November 3, 2014 and was approved by our stockholders prior to the effectiveness of the initial public offering of our common stock.

For companies that become publicly traded in connection with an initial public offering, such as our company, public stockholder approval is required to be obtained upon the expiration of a limited transition period following a

company's initial public offering in order to preserve the ability to fully deduct certain performance-based awards. Although the Company's transition period does not expire until our Annual Meeting of Stockholders in 2018, the Company is taking this opportunity to obtain stockholder approval of the material terms of the performance goals for Section 162(m) purposes.

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Thus, by approving the Plan, to enable compensation in connection with awards granted under the Plan that are contingent on the attainment of performance goals to constitute qualified performance-based within the meaning of Section 162(m), the stockholders will be approving, among other things: (i) the eligibility requirements for participation in the Plan; (ii) the performance criteria upon which cash performance awards and certain awards of restricted stock and restricted stock units may be based; (iii) the maximum numbers of shares subject to stock options, stock appreciation rights, restricted stock awards and restricted stock units intended to qualify as performance-based compensation under Section 162(m) that may be granted to a participant in any calendar year; and (iv) the maximum dollar amount that may become payable to a participant in any calendar year under all cash performance awards and other awards that are settled in cash, as discussed in more detail below.

Material Changes to the INC Research 2014 Equity Incentive Plan

The following summary highlights the proposed material changes to the Initial Plan.

- 1 The number of shares reserved for issuance pursuant to awards granted under the Plan has been increased by 1,300,000 shares to 4,572,828 shares.
- 1 The provision addressing the number of shares reserved for issuance under the Plan has been amended to provide that all shares reserved for issuance under the Plan may be (but are not required to be) issued pursuant to incentive stock options.
- 1 The provision addressing awards granted to non-employee directors has been revised to provide that the maximum number of shares that may be subject to awards granted to any non-employee director during any calendar year shall be limited to \$500,000 in grant date fair value of common stock for all award types in the aggregate.
- 1 The Plan has been revised to include a provision which mandates a vesting period of at least one year for awards granted under the Plan (other than cash performance awards or substitute awards), except with respect to awards relating to 5% of the number of shares available for grant as of the effective date of the Amendment (the Amendment Effective Date).
- 1 The change in control provisions have been amended to provide for automatic vesting acceleration of outstanding awards only if the awards are not assumed by a successor corporation or where the awards are assumed but the participants are subject to an involuntary termination without cause or resign for good reason within a specified period following such change in control, except for performance-based awards, which are subject to the treatment provided for in the applicable award agreement upon a change in control.
- 1 The provision addressing employment transfers and leaves of absence has been revised to clarify that a participant's change in status from an employee to a consultant or other personal service provider shall be deemed a termination of service for purposes of the Plan (subject to compliance with Section 409A of the Internal Revenue Code (Code)).
- 1 A prohibition on repricing of stock options and stock appreciation rights has been added to the Plan providing that except in the case of adjustments provided for by the Plan, in the absence of stockholder approval: (i) the exercise price or base price of outstanding stock options or stock appreciation rights may not be reduced; (ii) outstanding stock options or stock appreciation rights may not be canceled in exchange for stock options or stock appreciation rights with an exercise price or base price that is less than the exercise price or base price of the original stock options or stock appreciation rights; and (iii) outstanding stock options or stock appreciation rights may not be canceled in exchange for other awards or cash at a time when the stock options or stock appreciation rights have a per share exercise price that is higher than the fair market value of a share of common

stock.

Table of Contents**Key Terms of the Plan at a Glance**

The following is a summary of the key provisions of the Plan, assuming the Amendment is adopted as set forth and stated herein.

Plan Term	The Plan (as amended) will become effective on the date the stockholders approve the Plan and will continue in effect until terminated by the Board or the Compensation Committee.
Eligible Participants	Employees, consultants or other personal service providers of the Company and any subsidiary of the Company (as defined in the Plan) and non-employee directors of the Company are eligible to receive each type of award offered under the Plan, except for incentive stock options, within the meaning of Section 422 of the Code, which may be granted only to employees of the Company or any subsidiary of the Company.
Shares Available for Awards	Over the term of the Plan, 4,572,828 shares (after giving effect to the increase of 1,300,000 shares if the Amendment is approved) plus shares relating to any portion of an award that is canceled, forfeited, settled in cash or otherwise terminated without delivery of shares to the participant in accordance with Section 4.2 of the Plan, subject to adjustment in the event of certain changes in the capitalization of the Company. If the Amendment is approved by the stockholders, approximately 3,122,531 shares would be available for the grant of new awards under the Plan (including shares available for issuance as of March 31, 2016).
Award Types	<ol style="list-style-type: none"> (1) Stock options (2) Stock appreciation rights (SARs) (3) Restricted stock awards (4) Restricted stock units (5) Cash performance awards

(6) Stock awards

Award Terms (Exercisability Period)	Stock options will have a term of no longer than 10 years, and incentive stock options granted to 10% owners will have a term of no longer than 5 years. All other awards have the terms set forth in the applicable award agreement and in the Plan.
Vesting Requirements	The Plan mandates a minimum one-year vesting period for all awards granted on or after the Amendment Effective Date (other than cash performance awards or substitute awards), except with respect to 5% of the number of shares available for grant as of the Amendment Effective Date.
ISO Limits	If the Amendment is approved, all of the 4,572,828 shares reserved for issuance under the Plan may be (although are not required to be) issued pursuant to incentive stock options granted under the Plan.

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162(m) Share Limits	<p>Section 162(m) requires among other things that the maximum number of shares awarded or cash payable to an individual must be approved by the stockholders in order for the awards granted under the plan to be eligible for treatment as performance-based compensation that will not be subject to the \$1,000,000 limitation on tax deductibility for compensation paid to certain specified senior executives. Accordingly, the Plan limits awards granted to an individual participant in any calendar year to:</p> <p>(1) With respect to stock options, stock appreciation rights, restricted stock awards or restricted stock units, no more than 2,000,000 shares for each such award type individually; and</p> <p>(2) With respect to cash performance awards and all other awards that are settled in cash, no more than \$2,000,000 which may become payable to a participant.</p>
Not Permitted Without Stockholder Approval	<p>(1) Repricing or reducing the exercise price of a stock option or stock appreciation right without stockholder approval.</p> <p>(2) Cancelling any outstanding stock option or stock appreciation right in exchange for an option or stock appreciation right with a lower exercise price or base price.</p> <p>(3) Replacing any outstanding stock option or stock appreciation with any other award or cash at a time when the stock option or stock appreciation right has an exercise price or base price that is higher than the fair market value of a share of common stock.</p>
No Liberal Share Recycling	<p>Shares will not be added back to the number of shares available for issuance when (i) shares covered by an award are tendered or withheld in payment of the purchase price or tax withholding due with respect to the award, or when (ii) shares are not issued or delivered as a result of net settlement of an outstanding stock appreciation right or option.</p>
Change in Control	<p>No single-trigger vesting acceleration, for those awards granted after the Amendment Effective Date.</p>

Summary of the Plan

The following summary of certain material features of the Plan is qualified in its entirety by reference to the Plan, which is attached to this proxy statement as [Appendix B](#).

The Initial Plan became effective in November 2014 in connection with our initial public offering. The Plan provides for the grant of awards to eligible employees, non-employee directors, consultants or other personal service providers

in the form of stock options, stock appreciation rights, restricted stock awards, restricted stock units (RSUs), stock awards and cash performance awards.

Administration. The Plan will be administered by the Compensation Committee or another committee of the Board, comprised of no fewer than two members of the Board who are appointed by the Board to administer the plan, or, subject to the limitations set forth in the Plan, the Board (the plan administrator is referred to herein as the Committee). Subject to the limitations set forth in the Plan, the Committee has the authority (among

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other things) to determine the persons to whom awards are to be granted, prescribe the restrictions, terms and conditions of all awards, interpret the Plan and adopt sub-plans and rules for the administration, interpretation and application of the Plan.

Reservation of Shares. Subject to adjustments as described below, the maximum aggregate number of shares of common stock that may be issued pursuant to awards granted under the Plan will be equal to 4,572,828, all of which may be (though are not required to be) granted as incentive stock options within the meaning of Section 422 of the Code. Any shares of common stock issued under the Plan will consist of authorized and unissued shares or treasury shares.

In the event of any recapitalization, reclassification, stock dividend, extraordinary dividend, stock split, reverse stock split or other distribution with respect to common stock, or any merger, reorganization, consolidation, combination, spin-off, stock purchase, or other similar corporate change or any other change affecting common stock (other than regular cash dividends to our stockholders), the Committee shall, in the manner and to the extent it considers equitable to the participants in the Plan and consistent with the terms of the Plan, cause adjustments to the maximum number and kind of shares of common stock available for grant, as well as to the maximum award limitations under the Plan, the number and kind of shares of common stock and/or other terms including the exercise price or base price of outstanding awards and/or issue additional awards or shares of common stock, issue dividend equivalent rights or make cash payments to holders of outstanding awards under the Plan.

Share Counting. To the extent that an award granted under the Plan is canceled, expired, forfeited, surrendered, settled by delivery of fewer shares than the number underlying the award, settled in cash or otherwise terminated without delivery of the shares, the shares of common stock retained by or returned to us will: (i) not be deemed to have been delivered under the Plan, (ii) be available for future awards under the Plan, and (iii) increase the share reserve by one share for each share that is retained by or returned to us. Notwithstanding the foregoing, shares that are (x) withheld from an award or separately surrendered by the participant in payment of the exercise or purchase price or taxes relating to such an award or (y) not issued or delivered as a result of the net settlement of an outstanding stock option or stock appreciation right shall be deemed to constitute delivered shares, will not be available for future awards under the Plan and shall continue to be counted as outstanding for purposes of determining whether award limits have been attained. Awards assumed or substituted for in a merger, consolidation, acquisition of property or stock or reorganization will not reduce the share reserve, will not be subject to or counted against the award limits under the Plan, and will not replenish the share reserve upon the occurrence of any of the events described at the beginning of this paragraph.

Eligibility. Employees, consultants or other personal service providers of the Company and any subsidiary of the Company (as defined in the Plan) and non-employee directors of the Company are eligible to receive awards under the Plan. As of March 31, 2016, approximately 756 persons, including 744 employees, 7 executive officers, 5 non-employee directors and no consultants or other personal service providers were eligible to receive awards under the Plan.

Fair Market Value of Shares. The fair market value of our shares on any relevant date under the Plan is generally the closing price per share on that date on the NASDAQ Stock Market. The closing price of our shares as reported on the NASDAQ Stock Market on March 31, 2016 was \$41.21 per share.

Minimum Vesting Requirements. Except with respect to 5% of the number of shares available for grant as of the Amendment Effective Date (the Unrestricted Pool), the Plan mandates a minimum one-year vesting period for all awards granted on or after the Amendment Effective Date, other than cash performance awards which are generally settled in cash, or awards granted in substitution for awards previously granted by a company acquired by the

Company. The Committee has discretion to accelerate the vesting of awards, provided that such acceleration does not cause an award subject to a one-year minimum vesting period to vest prior to one year from grant, other than upon a change in control or upon a participant's death or disability.

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Stock Options. Stock options granted under the Plan may be issued as either incentive stock options, within the meaning of Section 422 of the Code, or as nonqualified stock options. Incentive stock options may only be granted to employees of the Company and our subsidiaries as defined in Section 424(f) of the Code. The exercise price per share of an option will be not less than 100% of the fair market value of a share of common stock on the date of the grant of the option and the maximum term of an option will be 10 years from the date of grant. In addition, in the case of any incentive stock option granted to any individual who owns, as of the date of grant, shares possessing more than 10% of the total combined voting power of all classes of our shares, the incentive stock option must have an exercise price that is not less than 110% of the fair market value of a share on the date of grant and the maximum term of any such incentive stock option is 5 years. Subject to the Plan's minimum vesting requirements, the Committee will determine the vesting and/or exercisability requirements and the term of exercise of each option, including the effect of termination of service of a participant or a change in control. The vesting requirements may be based on the continued employment or service of the participant for a specified time period or on the attainment of specified business performance goals established by the Committee. The vesting of options may be accelerated in certain circumstances, as determined by the Committee.

To exercise an option, the participant must pay the exercise price, subject to specified conditions, (i) in cash or by cash equivalent acceptable to the Committee, or, (ii) to the extent permitted by the Committee, and set forth in an award agreement, (A) in shares of common stock, (B) through an open-market broker-assisted transaction, (C) by reducing the number of shares of common stock otherwise deliverable upon the exercise of the stock option, (D) by combination of any of the above methods or (E) by such other method approved by the Committee, and must pay any required tax withholding amounts. All options generally are nontransferable.

Stock Appreciation Rights. A stock appreciation right may be granted either in tandem with an option or without a related option. A stock appreciation right entitles the participant, upon settlement or exercise, to receive a payment based on the excess of the fair market value of a share of common stock on the date of settlement or exercise over the base price of the right, multiplied by the number of shares of common stock as to which the right is being settled or exercised. Stock appreciation rights may be granted on a basis that allows for the exercise of the right by the participant or that provides for the automatic payment of the right upon a specified date or event. The base price of a stock appreciation right may not be less than 100% of the fair market value of a share of common stock on the date of grant. Subject to the Plan's minimum vesting requirements, the Committee will determine the vesting requirements and the term of exercise of each stock appreciation right, including the effect of termination of service of a participant or a change in control. The vesting requirements may be based on the continued employment or service of the participant for a specified time period or on the attainment of specified business performance goals established by the Committee. The vesting of stock appreciation rights may be accelerated in certain circumstances, as determined by the Committee. The maximum term of a stock appreciation right will be ten years from the date of grant. Stock appreciation rights may be payable in cash or in shares of common stock or in a combination of both. All stock appreciation rights generally are nontransferable.

Restricted Stock Awards. A restricted stock award represents shares of common stock that are issued subject to restrictions on transfer and vesting requirements. Subject to the Plan's minimum vesting requirements, the vesting requirements may be based on the continued service of the participant for a specified time period or on the attainment of specified performance goals established by the Committee, and vesting may be accelerated in certain circumstances, as determined by the Committee. Unless otherwise set forth in an award agreement, restricted stock award holders will not have any of the rights of a stockholder with respect to unvested shares (including, the right to vote or receive dividends and other distributions paid or made with respect thereto), unless and until such shares vest. All restricted stock awards are generally nontransferable.

Restricted Stock Units. An award of restricted stock units, or RSUs, provides the participant the right to receive a payment based on the value of a share of common stock. Subject to the Plan's minimum vesting requirements, the Committee will determine the vesting requirements of RSUs and any other restrictions or conditions to payment. RSUs may vest based solely on the continued service of the participant for a specified time period. In addition, RSUs may be denominated as performance share units, or PSUs and may vest in whole

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or in part based on the attainment of specified performance goals established by the Committee. The vesting of RSUs and PSUs may be accelerated in certain circumstances, as determined by the Committee. RSU and PSU awards will become payable to a participant at the time or times determined by the Committee and set forth in the award agreement, which may be upon or following the vesting of the award. RSU and PSU awards are payable in cash or in shares of common stock or in a combination of both. RSUs and PSUs may be granted together with a dividend equivalent right with respect to the shares of common stock subject to the award. Dividend equivalent rights will be paid at such time as determined by the Committee in its discretion (including, without limitation, at the times paid to stockholders generally or at the times of vesting or payment of the RSU or PSU), as set forth in an award agreement. Dividend equivalent rights may be subject to forfeiture under the same conditions as apply to the underlying RSUs or PSUs, as set forth in an award agreement. All RSUs and PSUs are generally nontransferable.

Stock Awards. A stock award represents shares of common stock that, to the extent issued from the Unrestricted Pool, will be issued free of restrictions on transfer and free of forfeiture conditions and to which the participant is entitled all incidents of ownership. A stock award may be granted for past, or in anticipation of future, services, in lieu of any discretionary bonus or other discretionary cash compensation, directors' fees or for any other valid purpose as determined by the Committee. Subject to the Plan's minimum vesting requirements, the Committee will determine the terms and conditions of stock awards, and such stock awards may be made from the Unrestricted Pool without vesting requirements. Upon the issuance of shares of common stock under a stock award, the participant will have all rights of a stockholder with respect to such shares of common stock, including the right to vote the shares and receive all dividends and other distributions on the shares. Subject to Section 409A of the Code, upon advance written request of a participant and with the consent of the Committee, a participant who is a U.S. taxpayer may receive a portion of any cash compensation otherwise due in the form of common stock either currently or on a deferred basis. The right to receive shares of common stock on a deferred basis is generally nontransferable.

Cash Performance Awards. A performance award is denominated in a cash amount (rather than in shares) and is payable based on the attainment of pre-established business and/or individual performance goals. The requirements for vesting may be also based upon the continued service of the participant during the performance period, and vesting may be accelerated in certain circumstances, as determined by the Committee. All cash performance awards are generally nontransferable. The maximum amount of cash compensation that may be paid to a participant during any one calendar year under all cash performance awards and all other awards that are actually paid or settled in cash is limited to \$2,000,000. In the discretion of the Committee, cash performance awards may be paid in shares. To the extent that a cash performance award vests earlier than one year from the date of grant other than upon a change of control or the participant's death or disability, any shares issued in payment of the award will be counted against the Unrestricted Pool.

Performance Criteria. For purposes of cash performance awards, as well as for any other awards under the Plan intended to qualify as performance-based compensation under Section 162(m), the performance criteria will be one or any combination of the following, for the Company or any identified subsidiary, division or business unit or line, as determined by the Committee at the time of the award: (i) total stockholder return; (ii) such total stockholder return as compared to total return (on a comparable basis) of a publicly available index such as, but not limited to, the Standard & Poor's 500 Stock Index; (iii) net income; (iv) pretax earnings; (v) adjusted net income; (vi) adjusted pretax earnings; (vii) adjusted earnings per share; (viii) adjusted earnings before interest expense, taxes, depreciation and amortization, or EBITDA; (ix) pretax operating earnings after interest expense and before bonuses, service fees and extraordinary or special items; (x) operating margin; (xi) earnings per share; (xii) return on equity; (xiii) return on capital; (xiv) return on investment; (xv) operating earnings; (xvi) working capital; (xvii) ratio of debt to stockholders equity; (xviii) revenue; (xix) free cash flow (generally defined as adjusted EBITDA, less cash taxes, cash interest and net capital expenditures, mandatory payments of principal under any credit facility and payments under collateralized lease obligations and financing lease obligations); and (xx) any combination of or a specified increase in any of the

foregoing. Each of the performance criteria will be applied and interpreted in accordance with an objective formula or standard

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established by the Committee at the time of grant of the award, which may include, without limitation, generally accepted accounting principles, or GAAP.

The performance goals shall be the levels of achievement relating to the performance criteria selected by the Committee for the award. The performance goals shall be written and shall be expressed as an objective formula or standard that precludes discretion to increase the amount of compensation payable that would otherwise be due upon attainment of the goal. The performance goals may be applied on an absolute basis or relative to an identified index, peer group or one or more competitors or other companies (including particular business segments or divisions of such companies), as specified by the Committee.

At the time that an award is granted, the Committee may provide for the performance goals or the manner in which performance will be measured against the performance goals to be adjusted in such objective manner as it deems appropriate, including, without limitation, adjustments to reflect non-cash losses or charges (e.g., amortization expense, stock-based compensation, impairments, etc.), charges for restructurings, non-operating income, the impact of corporate transactions, severance and recruitment costs, run rate savings, costs incurred in establishing new manufacturing sources, specified legal expenses, discontinued operations, or financing transactions, extraordinary and other unusual or non-recurring items or events and the cumulative effects of accounting or tax law changes. In addition, with respect to a participant hired or promoted following the beginning of a performance period, the Committee may determine to prorate the performance goals and/or the amount of any payment in respect of such participant's performance awards for the partial performance period.

Further, the Committee shall, to the extent provided in an award agreement, have the right, in its discretion, to reduce or eliminate the amount otherwise payable to any participant under an award and to establish rules or procedures that have the effect of limiting the amount payable to any participant to an amount that is less than the amount that is otherwise payable under an award. The Committee shall not have discretion to increase the amount that is otherwise payable to any participant. Following the conclusion of the performance period, the Committee shall certify in writing whether the applicable performance goals have been achieved, or certify the degree of achievement, if applicable. Upon certification of the performance goals, the Committee shall determine the level of vesting or amount of payment to the participant pursuant to the award, if any.

Notwithstanding anything to the contrary contained in the Plan, with respect to any award intended to qualify as performance-based compensation under Section 162(m), unless the Board determines that an applicable exemption under applicable law applies, all references to the Committee or the Board in the Plan shall solely mean each such member of the Committee that satisfies the requirements for an outside director under Section 162(m).

Award Limitations. For purposes of complying with the requirements of Section 162(m), the maximum number of shares of common stock that may be subject to stock options, stock appreciation rights, performance-based restricted stock awards and performance-based RSUs granted to any participant other than a non-employee director during any calendar year will be limited to 2,000,000 shares of common stock for each such award type individually.

Further, the maximum number of shares of common stock that may be subject to stock options, stock appreciation rights, restricted stock awards, RSUs and stock awards granted to any non-employee director during any calendar year will be limited to \$500,000 in grant date fair market value of common stock for all such award types in the aggregate.

If an award is settled in cash, the number of shares of common stock on which the award is based shall not count toward any individual share limit, but shall count against the annual cash performance award limit set forth above under Cash Performance Awards.

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Effect of Change in Control. Upon the occurrence of a change in control, unless otherwise provided in an award agreement entered into prior to the Amendment: (i) if a participant's awards are not converted, assumed, substituted or replaced by a successor or survivor corporation, or a parent or subsidiary thereof, then in connection with such change in control such awards shall become fully exercisable and all forfeiture restrictions on such awards shall lapse; and (ii) if an employee participant's awards are converted, assumed, substituted or replaced by a successor or survivor corporation, or a parent or subsidiary thereof after a change in control, the vesting of the awards will automatically accelerate, and become fully exercisable and all forfeiture restrictions on such awards shall lapse, upon an involuntary termination of the participant's employment without cause or participant's resignation for good reason (as defined in the applicable award agreement) within the period designated in the applicable award agreement following the change in control; provided, however, that the vesting and payout of performance awards in the event of a change in control shall be as provided in the applicable award agreement.

Subject to the limitations in the Plan, unless specifically prohibited under applicable law, or unless otherwise provided in the applicable award agreement, the Committee is authorized but not required to take such further action as it determines to be necessary or advisable, and fair and equitable to the Participants, with respect to outstanding awards, including, without limitation, the following (or any combination thereof): (i) continuation or assumption of our outstanding awards (if we are the surviving company or corporation) or by the surviving company or corporation or its parent; (ii) substitution by the surviving company or corporation or its parent of awards with substantially the same or comparable terms (including with respect to economic value) for outstanding awards; (iii) accelerated exercisability, vesting and/or payment immediately prior to or upon the occurrence of such event or upon a termination of employment following such event; and (iv) if all or substantially all of our outstanding shares of common stock are transferred in exchange for cash consideration in connection with such change in control: (A) upon written notice, provide that any outstanding stock options and stock appreciation rights are exercisable during a reasonable period of time immediately prior to the scheduled consummation of the event or such other reasonable period as determined by the Committee (contingent upon the consummation of the event), and at the end of such period, such stock options and stock appreciation rights will terminate to the extent not so exercised within the relevant period; and (B) cancellation of all or any portion of outstanding awards for fair value, as determined in the sole discretion of the Committee, subject to the limitations set forth in the Plan.

Forfeiture. The Committee may specify in an award agreement that an award will be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, including termination of service for cause (as defined in the Plan), violation of material Company policies, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the participant, or other conduct by the participant that is detrimental to our business or reputation. Unless otherwise provided by the Committee and set forth in an award agreement, if (i) a participant's service is terminated for cause or (ii) after termination of service for any other reason, the Committee determines in its discretion that the participant engaged in conduct that violates any continuing obligation or duty of the participant set forth in any executive or restrictive covenant agreement with respect to non-competition, non-solicitation, confidentiality, intellectual property or trade secret protection, or any similar agreement to which the participant is a party in favor of us or any of our subsidiaries, such participant's rights, payments and benefits with respect to such award shall be subject to cancellation, forfeiture and/or recoupment.

Right of Recapture. If pursuant to any award a participant receives compensation calculated by reference to financial statements that are subsequently required to be restated in a way that would decrease the value of such compensation, the participant will, upon the Committee's written request, forfeit and repay to us the difference between what the participant received during the period of three years preceding the date on which we become required to prepare the restatement and what the participant should have received based on the accounting restatement, in accordance with (i) our compensation recovery, clawback or similar policy, if any, as may be in effect from time to time and (ii) any compensation recovery, clawback or similar policy made applicable by law including the Dodd-Frank Wall Street

Reform and Consumer Protection Act.

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Parachute Payments. Notwithstanding anything to the contrary contained in the Plan, in the event the receipt of all payments or distributions by us in the nature of compensation to or for a participant's benefit, whether paid or payable pursuant to this plan or otherwise (a "Payment"), would subject the participant to the excise tax under Section 4999 of the Code, the Payments shall be reduced to the greatest amount of the Payments that can be paid and would not result in the imposition of the excise tax (the "Reduced Amount"), however, if the portion of the Payments the participant would receive after payment of all applicable taxes, including any excise taxes, is greater than the Reduced Amount, no such reduction shall occur.

Tax Withholding. We have the power and the right to deduct or withhold automatically from any amount deliverable under an award or otherwise, or require a participant to remit to us, the minimum statutory amount to satisfy federal, state and local taxes (including income taxes, social insurance, payroll taxes, fringe benefits taxes, payment on account or other tax-related items related to the participant's participation in the Plan and legally applicable to the participant), domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan. With respect to required withholding, participants may elect (subject to our automatic withholding right set out above) to satisfy the withholding requirement with respect to any taxable event arising as a result of the Plan, in whole or in part, generally by the methods described in the Plan applicable to the payment of the exercise price in connection with stock option exercises or similar methods in the case of awards other than stock options.

Deferrals of Payment. The Committee may in its discretion permit participants in the Plan to defer the receipt of payment of cash or delivery of shares of common stock that would otherwise be due by virtue of the exercise of a right or the satisfaction of vesting or other conditions with respect to an award or an election to receive shares of our common stock (in lieu of compensation otherwise payable in cash) on a deferred basis in accordance with the terms of the Plan; provided, however, that such discretion shall not apply in the case of a stock option or stock appreciation right.

Trading Policy Considerations. Stock option exercises and other awards granted under the Plan shall be subject to our insider trading policy or other trading or ownership policy related restrictions, terms and conditions as in effect, from time to time.

Term, Amendment and Termination. The Initial Plan originally became effective as of November 7, 2014. The Plan will become effective upon its approval by the Company's stockholders. The Committee may amend, modify, suspend or terminate the Plan at any time. However, no amendment, modification, suspension or termination of the Plan will adversely affect any award granted prior to such amendment, modification, suspension or termination without the consent of the participant or the permitted transferee of the award; except as otherwise provided in the Plan or determined by the Committee to be necessary to comply with applicable laws. The Committee or Board may seek the approval of any amendment, modification, suspension or termination by our stockholders to the extent it deems necessary or advisable for purposes of compliance with Section 162(m) or Section 422 of the Code, the listing requirements of the principal exchange on which our common stock is listed on such date, or for any other purpose.

Certain U.S. Federal Income Tax Consequences

We believe that, based on the laws as in effect on the date of this proxy statement, the following are the principal U.S. federal income tax consequences to participants and to us of options and other awards granted under the Plan. The summary is general in nature and is not intended to cover all tax consequences that may apply to a particular employee, director, consultant or other personal service provider to our Company. The provisions of the Code and regulations thereunder relating to these matters are complicated, may change and their impact in any one case may depend upon the particular circumstances. Further, this summary does not discuss the tax consequences of a

participant's death or the provisions of any income tax laws of any municipality, state or foreign country in which a participant may reside. The Plan is not qualified under Section 401(a) of the Code.

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Nonqualified Stock Options. With respect to nonqualified stock options: (i) no income is recognized by the participant at the time the nonqualified stock option is granted; (ii) generally, at exercise, ordinary income is recognized by the participant in an amount equal to the difference between the option exercise price paid for the shares and the fair market value of the shares on the date of exercise and we are entitled to a tax deduction in the same amount (subject to the restrictions on deductibility described under Section 162(m) Limitation below); and (iii) upon disposition of the shares, any gain or loss is treated as capital gain or loss. If the options are exercised and the shares acquired are sold on the same date, generally, the difference between the option exercise price paid for the shares and the sale price is recognized as ordinary income and no capital gain or loss is reported. If required, income tax must be withheld from the participant on the income recognized by the participant upon exercise of a nonqualified stock option.

Incentive Stock Options. The grant of an incentive stock option under the Plan will not result in any federal income tax consequences to the participant or to our company. A participant recognizes no federal taxable income upon exercising an incentive stock option (subject to the alternative minimum tax rules discussed below), and we receive no deduction at the time of exercise. In the event of a disposition of common stock acquired upon exercise of an incentive stock option, the tax consequences depend upon how long the participant has held the shares of common stock. If the participant does not dispose of the shares within two years after the incentive stock option was granted, or within one year after the incentive stock option was exercised, the participant will recognize a long-term capital gain (or loss) equal to the difference between the sale price of the shares and the exercise price. We are not entitled to any deduction under these circumstances.

If the participant fails to satisfy either of these holding periods, he or she must recognize ordinary income in the year of the disposition (referred to as a disqualifying disposition). The amount of such ordinary income generally is the lesser of (i) the difference between the amount realized on the disposition and the exercise price or (ii) the difference between the fair market value of the common stock on the exercise date and the exercise price. Any gain in excess of the amount taxed as ordinary income will be treated as a long or short-term capital gain, depending on whether the common stock was held for more than one year. In the year of the disqualifying disposition, we are entitled to a deduction equal to the amount of ordinary income recognized by the participant, subject to possible limitations imposed by Section 162(m).

The spread under an incentive stock option (*i.e.*, the difference between the fair market value of the shares at exercise and the exercise price) is classified as an item of adjustment in the year of exercise for purposes of the alternative minimum tax. If a participant's alternative minimum tax liability exceeds such participant's regular income tax liability, the participant will owe the larger amount of taxes. The alternative minimum tax will not apply with respect to incentive stock options if the participant sells the shares within the same calendar year in which the incentive stock options are exercised. However, such a sale of shares within the same year of exercise will constitute a disqualifying disposition, as described above.

Stock Appreciation Rights. Upon exercise of a stock appreciation right, the participant will recognize ordinary income in an amount equal to the difference between the aggregate fair market value of the shares with respect to the number of shares that the stock appreciation right is exercised over the aggregate base price for such shares subject to the stock appreciation right. We generally will be entitled to a business expense deduction in the same amount and at the same time as the participant recognizes ordinary compensation income (subject to the limits of Section 162(m)). If required, income tax must be withheld from the participant on the income recognized by the participant upon exercise of a stock appreciation right.

Restricted Stock Awards. In the absence of a Section 83(b) election (as described below), a participant who receives a restricted stock award will recognize no income at the time of grant. When the restrictions lapse, a participant will

recognize ordinary income equal to the fair market value of the stock when the restrictions lapse over the amount paid (if any) for the stock. As the restrictions applicable to a restricted stock award lapse (for example, if the restrictions on 20% of a grant lapse on each anniversary of the grant date), the participant will include the applicable portion of the shares that vests as ordinary income. The participant's basis in the

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common stock is equal to the amount included in income on the expiration of the restrictions and the amount paid (if any), and the holding period will begin when the restrictions end. Any disposition of the restricted stock will result in a long- or short-term capital gain or loss (depending on the time the common stock is held after the restrictions end). We generally will be entitled to a deduction equal to the fair market value of the common stock when it is included in the participant's income, and will also be entitled to a business expense deduction for dividends paid to the participant (if any) on common stock that remains subject to restrictions (in each case subject to the limits of Section 162(m)).

If a Section 83(b) election is made within 30 days of the grant of the award, the participant must recognize the fair market value of the restricted stock on the date of grant as ordinary income as of the date of grant, and the holding period for long-term capital gains treatment would begin at the time the restricted stock award is granted. We generally would be entitled to a corresponding business expense deduction for the grant, but dividends on the stock would not be deductible. Any subsequent disposition of the stock by the participant, other than by forfeiture, would result in capital gain or loss, which would be long- or short-term, depending on the holding period. Upon a subsequent forfeiture of restricted stock with respect to which a Section 83(b) election has been made, no deduction will be allowed in respect of the amount included as income at the time the Section 83(b) election was made; however, the participant will generally be allowed a loss deduction equal to the amount (if any) the participant paid for the restricted stock over the amount (if any) we paid the participant for the restricted stock at the time it is forfeited.

If required, income tax must be withheld from the participant on the income recognized by the participant at the time the restrictions on the restricted stock lapse (or grant of the restricted stock, in the event the participant makes a Section 83(b) election).

Restricted Stock Units. A participant will not recognize any income at the time an RSU is granted, nor will we be entitled to a deduction at that time. When payment on an RSU is made, the participant will recognize ordinary income in an amount equal to the fair market value of the common stock received (or if the RSU is settled in cash, the cash amount). If required, income tax must be withheld on the income recognized by the participant. We will receive a deduction for federal income tax purposes equal to the ordinary income recognized by the participant, subject to the limits of Section 162(m).

Dividend Equivalent Rights. A recipient of dividend equivalent rights generally will recognize ordinary income at the time the dividend equivalent right is paid. If required, income tax must be withheld on the income recognized by the participant. We will receive a deduction for federal income tax purposes equal to the ordinary income recognized by the participant, subject to the limits of Section 162(m).

Stock Awards. A participant who receives a stock award will recognize ordinary income at grant in an amount equal to the fair market value of the common stock received. If required, income tax must be withheld on the income recognized by the participant. We will receive a deduction for federal income tax purposes equal to the ordinary income recognized by the participant, subject to the limits of Section 162(m).

Performance-Based Awards (including PSUs and Cash Performance Awards). A participant will generally not recognize income at the time an award based on achievement of performance goals is granted, nor will we be entitled to a deduction at that time. When payment on the performance award is made, the participant generally will recognize ordinary income in an amount equal to the fair market value of the common stock received, or if the award is a cash performance award, the cash amount. If required, income tax must be withheld on the income recognized by the participant. We will receive a deduction for federal income tax purposes equal to the ordinary income recognized by the participant, subject to the limits of Section 162(m).

Section 162(m) Limitation. In general, under Section 162(m), income tax deductions of publicly-held corporations may be limited to the extent total compensation (including base salary, annual bonus, stock option exercises and non-qualified benefits paid) for specified executive officers exceeds \$1,000,000 (less the amount of

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any excess parachute payments as defined in Section 280G of the Code) in any one year. However, under Section 162(m), the deduction limit does not apply to certain performance-based compensation as provided for by the Code and established by an independent compensation committee which is adequately disclosed to, and approved by, stockholders. In particular, stock options and stock appreciation rights will satisfy the performance-based compensation exception if the awards are made by a qualifying compensation committee, the underlying plan sets the maximum number of shares that can be granted to any person within a specified period and the compensation is based solely on an increase in the stock price after the grant date (*i.e.*, the option exercise price is equal to or greater than the fair market value of the stock subject to the award on the grant date). Performance or incentive awards, such as performance-based restricted stock awards and restricted stock units or cash performance awards granted under the Plan may qualify as qualified performance-based compensation for purposes of Section 162(m) if such awards are granted or vest upon the pre-established objective performance goals described above. We have attempted to structure the Plan in such a manner that the Compensation Committee may grant stock options, stock appreciation rights and performance and incentive awards under the Plan in a manner that remuneration attributable to such awards will not be subject to the \$1,000,000 limitation.

Section 409A. Section 409A of the Code imposes certain requirements on non-qualified deferred compensation arrangements. These include requirements on an individual's election to defer compensation and the individual's selection of the timing and form of distribution of the deferred compensation. Section 409A also generally provides that distributions must be made on or following the occurrence of certain events (*e.g.*, the individual's separation from service, a predetermined date, or the individual's death). Section 409A imposes restrictions on an individual's ability to change his or her distribution timing or form after the compensation has been deferred. For specified officers, Section 409A requires that such individual's distribution commence no earlier than six months after such officer's separation from service.

Certain awards under the Plan may be designed to be subject to the requirements of Section 409A in form and in operation. For example, restricted stock units that provide for a settlement date following the vesting date may be subject to Section 409A. If an award under the Plan is subject to and fails to satisfy the requirements of Section 409A, the recipient of that award may recognize ordinary income on the amounts deferred under the award, to the extent vested, which may be prior to when the compensation is actually or constructively received. Also, if an award that is subject to Section 409A fails to comply with the requirements of Section 409A, Section 409A imposes an additional 20% federal penalty tax on compensation recognized as ordinary income, as well as interest on such deferred compensation.

Future Plan Benefits

All awards to employees, officers, directors, consultants and other personal service providers under the Plan are made at the discretion of the Committee. Therefore, the benefits and amounts that will be received or allocated under the Plan in the future are not determinable at this time.

Table of Contents**Prior Grants under the Initial Plan**

As of March 31, 2016, awards covering 1,454,927 shares of common stock have been granted under the Initial Plan. The following table shows information regarding the grants of those awards among the persons and groups identified below.

	Stock Options No. of Shares	RSUs No. of Shares	Performance-Based RSUs No. of Shares
Named Executive Officers:			
D. Jamie Macdonald	68,252	65,237	60,000
<i>Chief Executive Officer and</i>			
<i>Director</i>			
Gregory S. Rush	21,597	20,132	18,000
<i>Executive Vice President and</i>			
<i>Chief Financial Officer</i>			
Alistair Macdonald	22,287	19,699	16,500
<i>President and Chief Operating</i>			
<i>Officer</i>			
Michael Gibertini, PhD	21,714	19,412	16,500
<i>President, Clinical</i>			
<i>Development</i>			
Christopher L. Gaenzle	18,603	16,341	13,575
<i>Chief Administrative</i>			
<i>Officer, General Counsel and</i>			
<i>Secretary</i>			
Current Executive Officers	152,453	140,821	124,575
as a Group:			
Non-Employee Directors	18,776	9,388	-
Total for Current Non-Employee Directors as a	18,776	9,388	-

Group

All employees who are not	671,982	316,607	20,325
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executive officers, as a group:

Registration of Shares

If this proposal is approved by our stockholders, the Board of Directors intends to cause the shares of common stock that will become available for issuance under the Plan to be registered on a Form S-8 Registration Statement to be filed with the SEC at the Company's expense prior to the issuance of any such shares.

Table of Contents**Additional Plan Disclosure**

The following table summarizes the equity compensation plans under which the Company's common stock may be issued as of December 31, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	3,421,425	\$15.75	2,536,974
Equity compensation plans not approved by security holders	-	-	-
Total	3,421,425	\$15.75	2,536,974

Required Vote

Approval of this proposal requires the affirmative vote of at least a majority of the shares of our common stock present in person or by proxy at the Annual Meeting of Stockholders and entitled to vote on this proposal, provided a quorum is present.

Recommendation of the Board of Directors

Our Board of Directors unanimously recommends that stockholders vote FOR Proposal Five, to approve the INC Research Holdings, Inc. 2014 Equity Incentive Plan, as Amended and Restated, including to increase the number of shares authorized for issuance and approve material terms under Code Section 162(m).

Table of Contents**DIRECTOR COMPENSATION FOR FISCAL YEAR 2015****Director Compensation**

Our directors who are employed by us or our subsidiaries do not receive any compensation from us for serving on our Board, although we do, like with other directors, reimburse their reasonable expenses incurred in connection with serving on our Board, including documented travel expenses to attend meetings. Currently, our only director employed by us is Jamie Macdonald.

In 2015, each non-employee member of our Board (other than the current Chair of our Board) received compensation for their services as a director through cash Board fees of \$50,000 per year, and annual equity awards with an aggregate value per director of \$100,000 commencing at our 2015 annual stockholders meeting. The chair of the Board received an annual cash fee of \$100,000. Each of the members (other than the chair) of our audit committee, compensation committee and nominating and governance committee also received an annual cash fee of \$10,000, \$7,500 and \$5,000, respectively. We paid additional annual fees of \$20,000 to the audit committee chair, \$15,000 to the compensation committee chair and \$10,000 to the nominating and governance committee chair. All of these cash fees were paid in quarterly installments. We also reimbursed directors for reasonable out-of-pocket expenses incurred in connection with serving as directors.

The following table shows the compensation earned by and stock-based awards granted to each non-employee director of our Company for the year ended December 31, 2015.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) (1)	Option Awards (\$) (1)(2)	Total (\$)
James T. Ogle, Chairman	\$100,000	\$63,546	\$42,538	\$206,084
Robert W. Breckon	\$60,000	\$63,546	\$42,538	\$166,084
David F. Burgstahler (3)	-	-	-	-
Steve Faraone (3)(4)	-	-	-	-
Charles C. Harwood, Jr.	\$70,000	\$63,546	\$42,538	\$176,084
Richard N. Kender	\$60,000	\$57,939	\$38,773	\$156,712
David Y. Norton (4)	\$52,569	\$50,014	\$33,458	\$136,041

Terry Woodward (3)

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- (1) The reported amounts represent the aggregate grant date fair value of the awards computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 8 to the financial statements included in our annual report on Form 10-K for the year ended December 31, 2015 filed with the SEC on February 25, 2016.
- (2) As of March 31, 2016, Mr. Ogle had 165,394 options outstanding, of which 161,993 were exercisable, Mr. Breckon had 20,519 options, of which 17,118 were exercisable, Mr. Harwood had 32,986 options, of which 29,585 were exercisable, and Mr. Kender had 4,447 options, of which 450 were exercisable, and Mr. Norton had 4,126 options, of which 484 were exercisable.
- (3) In 2015, Messrs. Burgstahler, Faraone and Woodward waived and thus, did not receive any director compensation that they were otherwise entitled to receive in 2015.
- (4) On February 3, 2015, Mr. Faraone resigned from our Board and Mr. Norton became a director.

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Our compensation committee consists of Messrs. Norton (Chair), Harwood and Woodward. None of our executive officers serves as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of another entity that has one or more executive officers serving on our Board or compensation committee. No interlocking relationship exists between any member of the Board or any member of the compensation committee (or other committee performing equivalent functions) of any other company.

TRANSACTIONS WITH RELATED PERSONS

Set forth below is a description of certain relationships and related person transactions between us or our subsidiaries on the one hand, and any of our directors, executive officers and holders of more than 5% of our voting securities on the other hand. We believe that all of the following transactions were entered into with terms as favorable as could have been obtained from unaffiliated third parties.

Second Amended and Restated Stockholders Agreement

On November 6, 2014, in connection with our IPO, we entered into a Second Amended and Restated Stockholders Agreement with affiliates of our Sponsors, as well as our management investors. The Stockholders Agreement provides that each Sponsor will have the right to elect (i) two directors to our Board for so long as it owns at least 15% of our outstanding shares of Class A common stock and Class B common stock, and (ii) one director each for so long as it holds less than 15% but at least 5% of our outstanding shares of Class A common stock and Class B common stock. Furthermore, each Sponsor must vote all its stock to ensure the composition of our Board as set forth above, for so long as it owns at least 5% of our outstanding shares of common stock.

The Stockholders Agreement also provides customary information rights and registration rights, as described under Registration Rights below.

Registration Rights

Pursuant to the Stockholders Agreement, the Sponsors are required to create a coordination committee made up of one representative from each Sponsor to facilitate sales of our stock by the Sponsors in the first year following our IPO. Each Sponsor must consult with the coordination committee prior to entering into any definitive sale agreement with respect to any shares of our stock.

The Stockholders Agreement includes (i) demand registration rights following the 6-month anniversary of our initial IPO for Sponsors holding certain qualifying shares of our stock, or Registrable Securities, (ii) piggy-back registrations rights for Sponsors and management stockholders holding Registrable Securities, and (iii) shelf demand registration rights following the 12-month anniversary of our IPO for Sponsors holding more than 10% of the then outstanding Registrable Securities. The Sponsors must coordinate in connection with any sale pursuant to a shelf registration, including giving the non-initiating Sponsor two business days to elect to participate on the same terms. Management stockholders have no piggy-back rights with respect to sales by a Sponsor pursuant to a shelf registration. We are responsible for fees and expenses in connection with the Sponsors' registration rights, other than underwriters discounts and brokers' commissions.

In addition, for so long as either Sponsor holds more than 5% of our common stock, a Sponsor wishing to sell shares of our common stock pursuant to Rule 144 under the Securities Act must consult with the other Sponsor and afford such Sponsor the opportunity to participate in any such Rule 144 sale on a pro rata basis.

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Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. These agreements, among other things, require us to indemnify each director to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer, as applicable.

Other Transactions

Kari Nations, Dr. Gibertini's wife, serves as Senior Vice President, Clinical Development. Ms. Nations received total compensation in respect of base salary and bonus of \$316,212 for the year ended December 31, 2015. Ms. Nations also participates in other employee benefit plans and arrangements that are made generally available to other employees at her level.

Policies for Approval of Related Person Transactions

We have a written policy relating to the approval of related person transactions. Under that policy, our audit committee will review and approve or ratify all relationships and related person transactions between us and

- 1 our directors,
- 1 director nominees,
- 1 executive officers,
- 1 5+% record or beneficial owner of our common stock, or
- 1 any immediate family member of any such person.

Our compliance director is primarily responsible for the development and implementation of processes and controls to obtain information from our directors and executive officers with respect to related party transactions and for determining, based on the facts and circumstances, whether we or a related person have a direct or indirect material interest in the transaction.

As set forth in the related person transaction policy, in the course of its review and approval or ratification of a related party transaction, the committee will consider:

- 1 the position within or relationship of the related person to us;
- 1 the materiality of the transaction to the related person and us, including the dollar value of the transaction, without regard to profit or loss;
- 1 the business purpose for and reasonableness of the transaction (including the anticipated profit or loss from the transaction), taken in the context of the alternatives available to us for attaining the purposes of the transaction;
- 1 whether the transaction is comparable to a transaction that could be available on an arms-length basis or is on terms that we offer generally to persons who are not related persons;
- 1 whether the transaction is in the ordinary course of our business and was proposed and considered in the ordinary course of business; and
- 1

the effect of the transaction on our business and operations, including on our internal control over financial reporting and system of disclosure controls or procedures, and any additional conditions or controls (including reporting and review requirements) that should be applied to such transaction.

Any member of the audit committee who is a related person with respect to a transaction under review will not be permitted to participate in the discussions or approval or ratification of the transaction. However, such member of the audit committee will provide all material information concerning the transaction to the audit committee.

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STOCKHOLDER PROPOSALS

Stockholders may present proposals for action at meetings of stockholders only if they comply with the proxy rules established by the SEC, applicable Delaware law and our bylaws. We have not received any stockholder proposals for consideration at our 2016 Annual Meeting of Stockholders.

Under SEC Rule 14a-8, in order for a stockholder proposal to be included in our proxy solicitation materials for the 2017 Annual Meeting of Stockholders, it must be delivered to our principal executive offices located at 3201 Beechleaf Court, Suite 600, Raleigh, North Carolina 27604 by December 12, 2016; provided, however, that if the date of the 2017 annual meeting is more than 30 days before or after May 24, 2017, notice by the stockholder must be delivered not earlier than the close of business on the 120th day prior to the date of the 2017 annual meeting and not later than the close of business on the later of the 90th day prior to the date of the 2017 annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the Company.

Our bylaws permit any stockholder of record to nominate directors. Stockholders wishing to nominate a director must deliver written notice of the nomination to the Corporate Secretary (i) with respect to an election to be held at an annual meeting of stockholders, not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting, and (ii) with respect to an election to be held at a special meeting of stockholders called for the purpose of the election of directors, not more than 120 days before the meeting and not later than the first to occur of the close of business on the 10th day following the date on which notice of such meeting is first given to stockholders.

Management's proxy holders for the 2017 annual meeting will have discretion to vote proxies given to them on any stockholder proposal of which our Company does not have notice on or before February 25, 2017.

DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS

The SEC has adopted rules that permit companies to deliver a single Notice of Internet Availability or a single copy of proxy materials to multiple stockholders sharing an address unless a company has received contrary instructions from one or more of the stockholders at that address. This means that only one copy of the Annual Report, this Proxy Statement and Notice may have been sent to multiple stockholders in your household. If you would prefer to receive separate copies of the Notice of Internet Availability and/or Proxy Statement either now or in the future, please contact our Corporate Secretary either by calling 1-919-876-9300 or by mailing a request to Attn: 3201 Beechleaf Court, Suite 600, Raleigh, North Carolina 27604-1547. Upon written or oral request to the Corporate Secretary, the Company will provide a separate copy of the Annual Report and this Proxy Statement and Notice. In addition, stockholders at a shared address who receive multiple Notices of Internet Availability or multiple copies of proxy statements may request to receive a single Notice of Internet Availability or a single copy of proxy statements in the future in the same manner as described above.

ANNUAL REPORT ON FORM 10-K

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 as filed with the SEC is accessible free of charge on our website at www.incresearch.com under Investor Relations Financial information & SEC Filings. The Annual Report on Form 10-K contains audited consolidated balance sheets of our Company as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2015. You can request a copy of our Annual

Report on Form 10-K free of charge by calling 1-919-876-9300 or sending an e-mail to Investor.Relations@incresearch.com. Please include your contact information with the request.

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OTHER MATTERS

The audit committee of our Board has selected the independent registered public accounting firm of Deloitte & Touche to audit our consolidated financial statements for the fiscal year ending December 31, 2016. Ernst & Young audited our financial statements annually from 2000 through February 28, 2016, including auditing our consolidated financial statements for the fiscal year ended December 31, 2015. A representative of Deloitte & Touche and Ernst & Young are expected to be present at the 2016 Annual Meeting of Stockholders with the opportunity to make a statement if they desire to do so and to respond to appropriate questions. Our audit committee, in its discretion, may appoint a different independent registered public accounting firm at any time, if it believes doing so would be in the best interests of our Company and our stockholders.

Other than those matters set forth in this Proxy Statement, we do not know of any additional matters to be submitted at the meeting. If any other matters properly come before the annual meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares they represent as the Board recommends.

THE BOARD OF DIRECTORS

Dated: April 14, 2016

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APPENDIX A

INC RESEARCH HOLDINGS, INC.

2016 EMPLOYEE STOCK PURCHASE PLAN

1. Definitions.

(a) **Administrator** means the Committee or one or more of the Company's officers or management team appointed by the Board or Committee to administer the day-to-day operations of the Plan. Except as otherwise provided in the Plan, the Board or Committee may assign any of its administrative tasks to the Administrator.

(b) **Affiliate** means any Parent or Subsidiary and any person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company or any other entity designated by the Board in which the Company or a Subsidiary or Affiliate has an interest.

(c) **Applicable Law** means the requirements relating to the administration of equity-based awards under state corporate laws, United States federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where rights are, or will be, granted under the Plan.

(d) **Avista** means, collectively, Avista Capital Partners II, L.P., a Delaware limited partnership, Avista Capital Partners (Offshore) II L.P., a Bermuda exempted limited partnership, Avista Capital Partners (Offshore) IIA, L.P., a Bermuda exempted limited partnership, and ACP INC Research CoInvest LLC, a Delaware limited liability company, and their respective affiliates.

(e) **Beneficial Owner** shall have the meaning ascribed to such term in Rule 13d-3 under the Exchange Act.

(f) **Board** means the Board of Directors of the Company.

(g) **Capital Co.** means 1829356 Ontario Limited and any of its affiliates.

(h) **Change in Control** means the occurrence of any of the following:

(i) Any Person becomes the Beneficial Owner, directly or indirectly, of more than fifty percent (50%) of the combined voting power, excluding any Person who Beneficially Owns fifty percent (50%) or more of the voting power on the Effective Date of the Plan, of the then outstanding voting securities of the Company entitled to vote generally in the election of its directors (the **Outstanding Company Voting Securities**), including by way of merger, consolidation or otherwise; provided, however, that for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition of Outstanding Company Voting Securities directly from the Company, including, without limitation, a public offering of securities or (ii) any acquisition of Outstanding Company Voting Securities by (x) the Company or any of its Subsidiaries, including an acquisition by any employee benefit plan or related trust sponsored or maintained by the Company or any of its Subsidiaries, or (y)(i) either Sponsor or a group (as such term is used in Section 13(d) of the Exchange Act) in which a Sponsor is a member and (ii) after such acquisition, a Sponsor holds more than ten percent (10%) of the outstanding voting securities of the Company or such acquiring Person.

(ii) Consummation of a reorganization, merger, or consolidation to which the Company is a party or a sale or other disposition of all or substantially all of the assets of the Company (a Business Combination), unless, following such Business Combination: (i) any Persons who were the Beneficial Owners of Outstanding Company Voting Securities immediately prior to such Business Combination are the

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Beneficial Owners, directly or indirectly, of more than fifty percent (50%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors (or election of members of a comparable governing body) of the entity resulting from the Business Combination (including, without limitation, an entity which, as a result of such transaction, owns all or substantially all of the Company or all or substantially all of the Company's assets, either directly or through one or more subsidiaries) (the Successor Entity) in substantially the same proportions as their ownership immediately prior to such Business Combination; or (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust of the Company, any of its Subsidiaries, such Successor Entity or any of its subsidiaries) is the Beneficial Owner, directly or indirectly, of more than fifty percent (50%) of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or comparable governing body) of the Successor Entity, except to the extent that such ownership of the Company existed prior to the Business Combination.

(iii) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, to the extent necessary to comply with Section 409A of the Code with respect to the payment of nonqualified deferred compensation, Change of Control shall be defined as, and limited to, a change in control event as defined under Section 409A of the Code.

(i) Code means the United States Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or United States Treasury Regulation thereunder will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(j) Committee means the Compensation Committee of the Board or any subcommittee referred to in Section 4(c).

(k) Common Stock means the common stock of the Company, \$0.01 par value per share, as the same may be converted, changed, reclassified or exchanged.

(l) Company means INC Research Holdings, Inc., a Delaware corporation, or any successor to all or substantially all of the Company's business that adopts the Plan.

(m) Contributions means the amount of Eligible Pay contributed by a Participating Employee through payroll deductions and other additional payments that the Administrator may permit a Participating Employee to make to fund the exercise of rights to purchase Shares granted pursuant to the Plan.

(n) Designated Company means any Subsidiary or Affiliate, whether now existing or existing in the future, that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. The Administrator may designate Subsidiaries or Affiliates as Designated Companies in a Non-Section 423 Offering. For purposes of a Section 423 Offering, only the Company and its Subsidiaries may be Designated Companies, provided, however that at any given time, a Subsidiary that is a Designated Company under a Section 423 Offering will not be a Designated Company under a Non-Section 423 Offering.

(o) Effective Date means the date the Plan is approved by the Board.

(p) Eligible Employee means any individual in a employee-employer relationship with the Company or a Designated Company for income tax and employment tax withholding and reporting purposes. For purposes of clarity, the term Eligible Employee shall not include the following, regardless of any subsequent reclassification as an employee by the Company or a Designated Company, any governmental agency, or any

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court: (i) any independent contractor; (ii) any consultant; (iii) any individual performing services for the Company or a Designated Company who has entered into an independent contractor or consultant agreement with the Company or a Designated Company; (iv) any individual performing services for the Company or a Designated Company under an independent contractor or consultant agreement, a purchase order, a supplier agreement or any other agreement that the Company or a Designated Company enters into for services; (v) any individual classified by the Company or a Designated Company as contract labor (such as contractors, contract employees, job shoppers), regardless of length of service; (vi) any individual whose base wage or salary is not processed for payment by the payroll department(s) or payroll provider(s) of the Company or a Designated Company; and (vii) any leased employee. The Administrator shall have exclusive discretion to determine whether an individual is an Eligible Employee for purposes of the Plan.

(q) **Eligible Pay** means the total amount paid by the Company or any Subsidiary or Affiliate to the Eligible Employee (other than amounts paid after termination of employment date, even if such amounts are paid for pre-termination date services) as base salary or wages (including 13th/14th month payments or similar concepts under local law).

(r) **Enrollment Period** means the period during which an Eligible Employee may elect to participate in the Plan, with such period occurring before the first day of the next Offering Period, as prescribed by the Administrator.

(s) **Exchange Act** means the United States Securities Exchange Act of 1934, as amended, from time to time, or any successor law thereto, and the regulations promulgated thereunder.

(t) **Fair Market Value** means, with respect to a Share as of a given date of determination hereunder, unless otherwise determined or provided by the Administrator in the circumstances, the closing price as reported on the NASDAQ Global Select Market on such date or if the Common Stock was not traded on such date, then on the next preceding trading day that the Common Stock was traded on the NASDAQ Global Select Market, as reported by such responsible reporting service as the Committee may select. The Administrator may, however, provide with respect to a particular Offering under the Plan that the Fair Market Value shall equal the average of the high and low trading price as reported on the NASDAQ Global Select Market on the applicable date of determination, or if the Common Stock was not traded on such date, then on the next preceding trading day that the Common Stock was traded on the NASDAQ Global Select Market, as reported by such responsible reporting service as the Administrator may select.

(u) **Offering** means a Section 423 Offering or a Non-Section 423 Offering of a right to purchase Shares under the Plan during an Offering Period as further described in Section 6. For purposes of the Plan, the Administrator may establish separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Designated Companies may participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. With respect to Section 423 Offerings, the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy Code Section 423; a Non-Section 423 Offering need not satisfy such regulations.

(v) **Offering Period** means the periods established in accordance with Section 6 during which rights to purchase Shares may be granted pursuant to the Plan and may be purchased on one or more Purchase Dates. The duration and timing of Offering Periods may be changed pursuant to Sections 6 and 17.

(w) **Parent** means a parent corporation, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(x) **Participating Employee** means an Eligible Employee that elects to participate in the Plan.

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(y) **Person** means any person, entity or group within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, except for (i) the Company or any of its Subsidiaries or Affiliates, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities of the Company pursuant to an offering of the securities, (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company, or (v) a person or group as used in Rule 13d-1(b) under the Exchange Act.

(z) **Plan** means INC Research Holdings, Inc. 2016 Employee Stock Purchase Plan.

(aa) **Purchase Date** means the last Trading Day of each Purchase Period (or such other Trading Day as the Administrator shall determine).

(bb) **Purchase Period** means a period of time within an Offering Period, as may be specified by the Administrator in accordance with Section 6, generally beginning on the first Trading Day of each Offering Period and ending on a Purchase Date. An Offering Period may consist of one or more Purchase Periods.

(cc) **Purchase Price** means the purchase price at which Shares may be acquired on a Purchase Date and which shall be set by the Administrator; provided, however, that the Purchase Price for a Section 423 Offering shall not be less than eighty-five percent (85%) of the lesser of (a) the Fair Market Value of the Shares on the first Trading Date of the Offering Period or (b) the Fair Market Value of the Shares on the Purchase Date. Unless otherwise provided by the Board prior to the commencement of an Offering Period, the Purchase Price shall be eighty-five percent (85%) of the lesser of (a) the Fair Market Value of the Shares on the first Trading Date of the Offering Period or (b) the Fair Market Value of the Shares on the Purchase Date.

(dd) **Shares** means the shares of Common Stock subject to the Plan.

(ee) **Sponsors** means Avista and Capital Co.

(ff) **Subsidiary** means a subsidiary corporation, whether now or hereafter existing, as defined in Section 424(f) of the Code.

(gg) **Tax-Related Items** means any income tax, social insurance, payroll tax, payment on account or other tax-related items arising in relation to the Participating Employee's participation in the Plan.

(hh) **Trading Day** means a day on which the NASDAQ Global Select Market is open for trading.

2. **Purpose of the Plan.** The purpose of the Plan is to provide an opportunity for Eligible Employees of the Company and its Designated Companies to purchase Common Stock at a discount through voluntary Contributions, thereby attracting, retaining and rewarding such persons and strengthening the mutuality of interest between such persons and the Company's shareholders. The Company intends for offerings under the Plan to qualify as an employee stock purchase plan under Section 423 of the Code (a Section 423 Offering); provided, however, that the Administrator may also authorize the grant of rights under the Plan that are not intended to comply with the requirements of Section 423 of the Code, pursuant to any rules, procedures, or sub-plans adopted by the Administrator for such purpose (a Non-Section 423 Offering).

3. **Shares Reserved for the Plan.** Subject to adjustment pursuant to Section 16 hereof, 1 Million (1,000,000) Shares be sold pursuant to the Plan. Such Shares may be authorized but unissued Common Stock, treasury shares or Common Stock purchased in the open market. For avoidance of doubt, the limitation set forth in this Section may be used to

Edgar Filing: RENAISSANCE CAPITAL GROWTH & INCOME FUND III INC - Form 10-Q
satisfy purchases of Shares under either a Section 423 Offering or a Non-Section 423 Offering.

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Table of Contents**4. Administration of the Plan.**

(a) **Committee as Administrator.** The Plan shall be administered by the Committee. Anything in the Plan to the contrary notwithstanding, subject to Applicable Law, any authority or responsibility that, under the terms of the Plan, may be exercised by the Committee may alternatively be exercised by the Board. Subject to Applicable Law, no member of the Board or Committee (or its delegates) shall be liable for any good faith action or determination made in connection with the operation, administration or interpretation of the Plan. In the performance of its responsibilities with respect to the Plan, the Committee shall be entitled to rely upon, and no member of the Committee shall be liable for any action taken or not taken in reliance upon, information and/or advice furnished by the Company's officers or employees, the Company's accountants, the Company's counsel and any other party that the Committee deems necessary.

(b) **Powers of the Administrator.** The Committee shall have full power and authority to: administer the Plan, including, without limitation, the authority to (i) construe, interpret, reconcile any inconsistency in, correct any default in and supply any omission in, and apply the terms of the Plan and any enrollment form or other instrument or agreement relating to the Plan, (ii) determine eligibility and adjudicate all disputed claims filed under the Plan, including whether Eligible Employees shall participate in a Section 423 Offering or a Non-Section 423 Offering and which Subsidiaries and Affiliates of the Company shall be Designated Companies participating in either a Section 423 Offering or a Non-Section 423 Offering, (iii) determine the terms and conditions of any right to purchase Shares under the Plan, (iv) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan, (v) amend an outstanding right to purchase Shares, including any amendments to a right that may be necessary for purposes of effecting a transaction contemplated under Section 16 hereof (including, but not limited to, an amendment to the class or type of stock that may be issued pursuant to the exercise of a right or the Purchase Price applicable to a right), provided that the amended right otherwise conforms to the terms of the Plan, and (vi) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan. Notwithstanding any provision to the contrary in this Plan, the Administrator may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures for jurisdictions outside of the United States. Without limiting the generality of the foregoing, the Administrator specifically is authorized to adopt rules, procedures and subplans, which, for purposes of a Non-Section 423 Offering, may be outside the scope of Section 423 of the Code, regarding, without limitation, eligibility to participate, the definition of Eligible Pay, handling of payroll deductions, making of contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold payroll deductions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary-designation requirements, withholding procedures and handling of Share issuances, which may vary according to local requirements. All determinations by the Administrator in carrying out and administering the Plan and in construing and interpreting the Plan and any enrollment form or other instrument or agreement relating to the Plan shall be made in the Administrator's sole discretion and shall be final, binding and conclusive for all purposes and upon all interested persons.

(c) **Delegation of Authority.** To the extent not prohibited by Applicable Law, the Administrator may, from time to time, delegate some or all of its authority under the Plan to a subcommittee or subcommittees of the Committee or other persons or groups of persons as it deems necessary, appropriate or advisable under conditions or limitations that it may set at or after the time of the delegation. For purposes of the Plan, reference to the Administrator shall be deemed to refer to any subcommittee, subcommittees, or other persons or groups of persons to whom the Committee delegates authority pursuant to this Section 4(c).

5. Eligible Employees.

(a) General. Any individual who is an Eligible Employee as of the commencement of an Offering Period will be eligible to participate in the Plan, subject to the requirements of Section 7.

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(b) Non-U.S. Employees. An Eligible Employee who works for a Designated Company and is a citizen or resident of a jurisdiction other than the United States (without regard to whether such individual also is a citizen or resident of the United States or is a resident alien (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from participation in the Plan or an Offering if the participation of such Eligible Employee is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or a Section 423 Offering to violate Section 423 of the Code. In the case of a Non-Section 423 Offering, an Eligible Employee (or group of Eligible Employees) may be excluded from participation in the Plan or an Offering if the Administrator has determined, in its sole discretion, that participation of such Eligible Employee(s) is not advisable or practicable for any reason.

(c) Limitations. Notwithstanding any provisions of the Plan to the contrary, no Eligible Employee shall be granted a right to purchase Shares under a Section 423 Offering (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company and/or hold outstanding rights to purchase capital stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase capital stock under all employee stock purchase plans of the Company and its Subsidiaries accrues at a rate that exceeds Twenty-Five Thousand Dollars (US\$25,000) worth of such stock (determined at the fair market value of the shares of such stock at the time such right is granted) for each calendar year in which such purchase right is both outstanding and exercisable. The Administrator, in its discretion, from time to time may, prior to an Enrollment Period for all options to be granted in an Offering, determine (on a uniform and nondiscriminatory basis) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Committee in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering in an identical manner to all highly compensated individuals of the Designated Company whose employees are participating in that Offering.

6. Offering Periods. The Plan will be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day of the relevant Offering Period and terminating on the last Trading Date of the relevant Offering Period. Unless and until the Administrator determines otherwise in its discretion, each Offering Period shall consist of one six (6)-month Purchase Period, which shall run simultaneously with the Offering Period. The Administrator will have the authority to establish additional or alternative sequential or overlapping Offering Periods, multiple Purchase Periods within an Offering Period, a different duration for one or more Offering Periods or Purchase Periods or different commencement or ending dates for such Offering Periods with respect to future offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter, provided, however, that no Offering Period may have a duration exceeding twenty-seven (27) months. In addition, to the extent that the Administrator establishes overlapping Offering Periods with more than one Purchase Period in each Offering Period, the Administrator will have the discretion to structure an Offering Period so that if the Fair Market Value of the shares of Common Stock on the first Trading Day of a new Purchase Period within that Offering Period is less than or equal to the Fair Market Value of the shares of Common Stock on the first Trading Day of that Offering Period, then (i) that Offering Period will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering Period will be automatically enrolled in a new Offering Period beginning on the first Trading Day of such new Purchase Period.

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7. Election to Participate and Payroll Deductions. An Eligible Employee may elect to participate in an Offering Period under the Plan during any Enrollment Period. Any such election shall be made by completing the online enrollment process through the Company's designated Plan broker or by completing and submitting an enrollment form to the Administrator during such Enrollment Period, as directed by the Administrator, authorizing Contributions in whole percentages from 1% to 10% (or such greater percentage as the Administrator may establish from time to time before an Offering Period begins) of an amount not exceeding 10% (or such greater percentage as the Administrator may establish from time to time before an Offering Period begins) of the Eligible Employee's Eligible Pay for the payroll period to which the deduction applies. A Participating Employee may elect to increase or decrease the rate of such Contributions during any subsequent Enrollment Period by submitting the appropriate form online through the Company's designated Plan broker or to the Administrator, provided that no change in Contributions shall be permitted to the extent that such change would result in total Contributions exceeding 10% (or such greater percentage as the Committee may establish from time to time before an Offering Period begins) of the Eligible Employee's Eligible Pay, or such other amount as may be determined by the Administrator. Except for a withdrawal from an Offering Period as set forth in Section 14, an Eligible Employee may not initiate, increase or decrease Contributions as of any date other than during an Enrollment Period. If a Participating Employee reduces his or her rate of Contributions to zero, the Participating Employee will be automatically withdrawn from the Plan, and may not again be eligible to participate in the Plan until the next Enrollment Period.

8. Contributions. The Company shall establish an account in the form of a bookkeeping entry for each Participating Employee for the purpose of tracking Contributions made by each Participating Employee during the Offering Period, and shall credit all Contributions made by each Participating Employee to such account. The Company shall not be obligated to segregate the Contributions from the general funds of the Company or any Designated Company nor shall any interest be paid on such Contributions, unless otherwise determined by the Administrator or required by Applicable Law. All Contributions received by the Company for Shares sold by the Company on any Purchase Date pursuant to this Plan may be used for any corporate purpose.

9. Limitation on Number of Shares That an Employee May Purchase. Subject to the limitations set forth in Section 5(c), each Participating Employee shall have the right to purchase as many whole Shares as may be purchased with the Contributions credited to his or her account as of the last day of the Offering Period (or such other date as the Administrator shall determine) at the Purchase Price applicable to such Offering Period; provided, however, that a Participating Employee may not purchase in excess of 2,000 Shares under the Plan per Offering Period (subject to adjustment pursuant to Section 16 hereof). Any amount remaining in a Participating Employee's account as of the relevant Purchase Date in excess of the amount that may properly be applied to the purchase of Shares as a result of the application of the limitations set forth herein (or as designated by the Administrator) shall be carried over to the next Offering Period.

10. Taxes. At the time a Participating Employee's purchase right is exercised, in whole or in part, or at the time a Participating Employee disposes of some or all of the Shares acquired under the Plan, the Participating Employee shall make adequate provision for any Tax-Related Items. In their sole discretion, the Company or the Designated Company that employs the Participating Employee may satisfy their obligations to withhold Tax-Related Items by (a) withholding from the Participating Employee's compensation, (b) withholding a sufficient whole number of Shares otherwise issuable following purchase having an aggregate Fair Market Value sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the Shares, or (c) withholding from proceeds from the sale of Shares issued upon purchase, either through a voluntary sale or a mandatory sale arranged by the Company.

11. Brokerage Accounts or Plan Share Accounts. By enrolling in the Plan, each Participating Employee shall be deemed to have authorized the establishment of a brokerage account on his or her behalf at a securities brokerage firm selected by the Administrator. Alternatively, the Administrator may provide for Plan share accounts for each

Participating Employee to be established by the Company or by an outside entity selected by the Administrator which is not a brokerage firm. Shares purchased by a Participating Employee pursuant to the Plan shall be held in the Participating Employee's brokerage or Plan share account.

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12. Rights as a Stockholder. A Participating Employee shall have no rights as a stockholder with respect to Shares subject to any rights granted under this Plan or any Shares deliverable under this Plan unless and until recorded in the books of the brokerage firm selected by the Administrator or, as applicable, the Company, its transfer agent, stock plan administrator or such other outside entity which is not a brokerage firm.

13. Rights Not Transferable. Rights granted under this Plan are not transferable by a Participating Employee other than by will or the laws of descent and distribution, and are exercisable during a Participating Employee's lifetime only by the Participating Employee.

14. Withdrawals. A Participating Employee may withdraw from an Offering Period by submitting the appropriate form online through the Company's designated Plan broker or to the Administrator. A notice of withdrawal must be received no later than the last day of the month immediately preceding the month of the purchase date. Upon receipt of such notice, automatic deductions of Contributions on behalf of the Participating Employee shall be discontinued commencing with the payroll period immediately following the effective date of the notice of withdrawal, and such Participating Employee may not again be eligible to participate in the Plan until the next Enrollment Period. Amounts credited to the contribution account of any Participating Employee who withdraws prior to the date set forth in this Section 14 shall be refunded, without interest, as soon as practicable.

15. Termination of Employment.

(a) General. Upon a Participating Employee ceasing to be an Eligible Employee for any reason prior to a Purchase Date, Contributions for such Participating Employee shall be discontinued and any amounts then credited to the Participating Employee's contribution account shall be refunded, without interest, as soon as practicable, except as otherwise provided by the Administrator.

(b) Leave of Absence. Unless otherwise determined by the Administrator or prohibited by Applicable Law, if a Participating Employee is granted a leave of absence, whether paid or unpaid, the Participating Employee will be automatically withdrawn from the Offering Period, as provided in Section 14 hereof, as of the first day of such leave of absence, and may not again be eligible to participate in the Plan until the Enrollment Period following the employee's return to work from such leave of absence. In the event that continued participation in the Plan during the leave of absence is permitted by the Administrator or required by Applicable Law, the Administrator or its designee shall establish rules and regulations applicable to such continued participation in the Plan during such leave of absence; provided, however, to the extent necessary to comply with Section 423 of the Code, that if the period of leave exceeds three (3) months, in regards to the participation in the Plan, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave unless the Participating Employee's right to reemployment is guaranteed either by statute or by contract.

(c) Transfer of Employment. A Participating Employee whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between the Company or a Designated Company will not be treated as having terminated employment for purposes of participating in the Plan or an Offering; however, if a Participating Employee transfers from a Section 423 Offering to a Non-Section 423 Offering, the exercise of the right will be qualified under the Section 423 Offering only to the extent that such exercise complies with Section 423 of the Code. If a Participating Employee transfers from a Non-Section 423 Offering to a Section 423 Offering, the exercise of the right will remain non-qualified under the Non-Section 423 Offering.

16. Adjustment Provisions.

(a) Changes in Capitalization. In the event of any change affecting the number, class or terms of the shares of Common Stock by reason of stock dividend, stock split, recapitalization, reorganization, merger,

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consolidation, spin-off, disaffiliation of a Subsidiary or Affiliate, combination of shares, exchange of shares, stock rights offering, or other similar event, or any distribution to the holders of shares of Common Stock other than a regular cash dividend, then the Committee, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan (including the numerical limits of Sections 3 and 9), the Purchase Price per Share and the number of shares of Common Stock covered by each right under the Plan that has not yet been exercised. For the avoidance of doubt, the Committee may not delegate its authority to make adjustments pursuant to this Section. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to a purchase right.

(b) Change in Control. In the event of a Change in Control, each outstanding right to purchase Shares shall be equitably adjusted and assumed or an equivalent right to purchase Shares substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation in a Change in Control refuses to assume or substitute for the purchase right or the successor corporation is not a publicly traded corporation, the Offering Period then in progress shall be shortened by setting a New Purchase Date and shall end on the New Purchase Date. The New Purchase Date shall be before the date of the Company's proposed Change in Control. The Administrator shall notify each Participating Employee in writing, at least ten (10) Trading Days prior to the New Purchase Date, that the Purchase Date for the Participating Employee's purchase right has been changed to the New Purchase Date and that Shares shall be purchased automatically for the Participating Employee on the New Purchase Date, unless prior to such date the Participating Employee has withdrawn from the Offering Period, as provided in Section 14 hereof.

17. Amendments and Termination of the Plan. The Board or the Committee may amend the Plan at any time, provided that, if shareholder approval is required pursuant to the Code, United States federal securities laws or regulations, or the rules or regulations of the NASDAQ Global Select Market (or any other securities exchange on which the Common Stock is listed or traded), then no such amendment shall be effective unless approved by the Company's shareholders within such time period as may be required. The Board may suspend the Plan or discontinue the Plan at any time, including shortening an Offering Period in connection with a spin off or other similar corporate event. Upon termination of the Plan, all Contributions shall cease and all amounts then credited to a Participating Employee's account shall be equitably applied to the purchase of whole Shares then available for sale, and any remaining amounts shall be promptly refunded, without interest, to Participating Employees. For the avoidance of doubt, the Board or Committee, as applicable herein, may not delegate its authority to make amendments to or suspend the operations of the Plan pursuant to this Section.

18. Stockholder Approval; Effective Date. The Plan will be subject to approval by the shareholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws. The Plan shall become effective on the Effective Date, subject to approval of the shareholders of the Company as contemplated in the foregoing sentence. For the avoidance of doubt, the Board may not delegate its authority to approve the Plan pursuant to this Section.

19. Conditions Upon Issuance of Shares. Notwithstanding any other provision of the Plan, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon exercise of a right under the Plan prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of any governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Administrator shall, in its absolute discretion, deem necessary or advisable. The Company is under no obligation

to register or qualify the Shares with any state or foreign securities commission, or to seek approval or clearance from any governmental authority for the issuance or sale

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of the Shares. If, pursuant to this Section 19, the Administrator determines that the Shares will not be issued to any Participating Employee, any Contributions credited to such Participating Employee's account shall be promptly refunded, without interest, to the Participating Employee, without any liability to the Company or any of its Subsidiaries or Affiliates.

20. Code Section 409A: Tax Qualification.

1. **Code Section 409A.** Rights to purchase Shares granted under a Section 423 Offering are exempt from the application of Section 409A of the Code. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that a right granted under the Plan may be subject to Section 409A of the Code or that any provision in the Plan would cause a right under the Plan to be subject to Section 409A of the Code, the Administrator may amend the terms of the Plan and/or of an outstanding right granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participating Employee's consent, to exempt any outstanding right or future right that may be granted under the Plan from or to allow any such rights to comply with Section 409A of the Code, but only to the extent any such amendments or action by the Administrator would not violate Section 409A of the Code. Notwithstanding the foregoing, the Company will have no liability to a Participating Employee or any other party if the right to purchase Shares under the Plan that is intended to be exempt from or compliant with Section 409A of the Code is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the right to purchase Shares under the Plan is compliant with Section 409A of the Code.

2. **Tax Qualification.** Although the Company may endeavor to (i) qualify a right to purchase Shares for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment (*e.g.*, under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan, including Section 20(a) hereof. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on Participating Employees under the Plan.

21. **No Employment Rights.** Participation in the Plan shall not be construed as giving any Participating Employee the right to be retained as an employee of the Company, its Subsidiary, or one of its Affiliates, as applicable. Furthermore, the Company, a Subsidiary, or an Affiliate may dismiss any Participating Employee from employment at any time, free from any liability or any claim under the Plan.

22. **Governing Law.** Except to the extent that provisions of this Plan are governed by applicable provisions of the Code or any other substantive provision of United States federal law, this Plan shall be construed in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws principles thereof. Any legal action related to the Plan, the purchase rights granted under the Plan or any enrollment form or other instrument or agreement relating to the Plan shall be brought only in a United States federal or state court located in Delaware.

23. **Headings.** Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan.

24. **Expenses.** Unless otherwise set forth in the Plan or determined by the Administrator, all expenses of administering the Plan, including expenses incurred in connection with the purchase of Shares for sale to Participating Employees, shall be borne by the Company and its Subsidiaries or Affiliates.

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APPENDIX B

INC RESEARCH HOLDINGS, INC.

2014 EQUITY INCENTIVE PLAN, AS AMENDED AND RESTATED

1. **Purpose.** The purpose of the INC Research Holdings, Inc. 2014 Equity Incentive Plan is to further align the interests of eligible participants with those of the Company's stockholders by providing long-term incentive compensation opportunities tied to the performance of the Company and its Common Stock. The Plan is intended to advance the interests of the Company and increase stockholder value by attracting, retaining and motivating key personnel upon whose judgment, initiative and effort the successful conduct of the Company's business is largely dependent.

2. **Definitions.** Wherever the following capitalized terms are used in the Plan, they shall have the meanings specified below:

Accounting Firm shall have the meaning set forth in Section 15.8(b)(i) hereof.

Affiliate means, with respect to any Person, any other Person that the subject Person, either directly or indirectly, is under common control with, is controlled by or controls.

Amendment Effective Date shall have the meaning set forth in Section 16.2 hereof.

Award means an award of a Stock Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit, Cash Performance Award or Stock Award granted under the Plan.

Award Agreement means a notice or an agreement entered into between the Company and a Participant setting forth the terms and conditions of an Award granted to a Participant as provided in Section 15.2 hereof.

Avista means, collectively, Avista Capital Partners II, L.P., a Delaware limited partnership, Avista Capital Partners (Offshore) II L.P., a Bermuda exempted limited partnership, Avista Capital Partners (Offshore) II-A, L.P., a Bermuda exempted limited partnership, and ACP INC Research Co-Invest LLC, a Delaware limited liability company, and their respective Affiliates.

Beneficial Owner shall have the meaning ascribed to such term in Rule 13d-3 under the Exchange Act.

Board means the Board of Directors of the Company.

Business Combination shall have the meaning set forth in Section 12.4(b) hereof.

Cash Performance Award means an Award that is denominated by a cash amount to an Eligible Person under Section 10 hereof, payable based upon the attainment of pre-established business and/or individual Performance Goals over a specified performance period and subject to such conditions, in each case, as are set forth in the Plan and the applicable Award Agreement.

Capital Co. means 1829356 Ontario Limited and any of its Affiliates.

Cause shall have the meaning set forth in Section 13.2(b) hereof.

Change in Control shall have the meaning set forth in Section 12.4 hereof.

Chosen Court shall have the meaning set forth in Section 15.17 hereof.

Code means the Internal Revenue Code of 1986, as amended.

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Committee means (i) the Compensation Committee of the Board, (ii) such other committee of the Board appointed by the Board to administer the Plan, or (iii) subject to the terms of the Plan, the Board.

Common Stock means the Company's Class A common stock, par value \$0.01 per share, as the same may be converted, changed, reclassified or exchanged.

Company means INC Research Holdings, Inc., a Delaware corporation, and any successor thereto.

Date of Grant means, with respect to any Award under the Plan, the date on which such Award is granted by the Committee or such later date as the Committee may specify in the resolutions comprising the corporate action constituting such grant by the Company of such Award to be the effective date of an Award, in each case in accordance with Section 5.4 hereof.

Disability means, unless otherwise set forth in an Award Agreement,

(i) if a Participant has an effective employment agreement or service agreement with the Company or a Subsidiary that defines *Disability* or a like term, the meaning set forth in such agreement at the time of the Participant's termination of Service, or

(ii) in the absence of such an effective employment or service agreement or definition, a Participant's physical or mental illness, injury or infirmity which is reasonably likely to prevent and/or prevents such Participant from performing his or her essential job functions for a period of (A) ninety (90) consecutive calendar days or (B) an aggregate of one hundred twenty (120) calendar days out of any consecutive twelve (12) month period.

Notwithstanding anything to the contrary contained herein, and solely for purposes of any Incentive Stock Option, *Disability* shall mean a permanent and total disability (within the meaning of Section 22(e)(3) of the Code).

EBITDA shall have the meaning set forth in Section 10.4 hereof.

Effective Date shall have the meaning set forth in Section 16.1 hereof.

Eligible Person means any person who is an employee, Non-Employee Director, consultant or other personal service provider of the Company or any of its Subsidiaries.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Fair Market Value means, with respect to a share of Common Stock as of a given date of determination hereunder, unless otherwise determined or provided by the Committee in the circumstances, the closing price as reported on the Principal Market on such date or if the Common Stock was not traded on such date, then on the next preceding trading day that the Common Stock was traded on such exchange, as reported by such responsible reporting service as the Committee may select. The Committee may, however, provide with respect to one or more Awards that the Fair Market Value shall equal the average of the high and low trading price as reported on the Principal Market on the applicable date of determination, or if the Common Stock was not traded on such date, then on the next preceding trading day that the Common Stock was traded on such Principal Market, as reported by such responsible reporting service as the Committee may select. If the Common Stock is not listed on any such exchange, *Fair Market Value* shall be such value as determined by the Board or the Committee in its discretion and, to the extent necessary, shall be determined in a manner consistent with Section 409A of the Code and the regulations thereunder.

Forfeiture Event shall have the meaning set forth in Section 13.2(a) hereof.

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GAAP means generally accepted accounting principles in the United States, as in effect from time to time.

Incentive Stock Option means a Stock Option granted under Section 6 hereof that is intended to meet the requirements of Section 422 of the Code and the regulations thereunder.

Net After-Tax Receipt shall have the meaning set forth in Section 15.8(b)(iv)(B) hereof.

Non-Employee Director means a member of the Board who is not an employee of the Company or any of its Subsidiaries.

Nonqualified Stock Option means a Stock Option granted under Section 6 hereof that is not an Incentive Stock Option.

Outstanding Company Voting Securities shall have the meaning set forth in Section 12.4(a) hereof.

Overpayment shall have the meaning set forth in Section 15.8(b)(iii) hereof.

Parachute Payment Ratio shall have the meaning set forth in Section 15.8(b)(iv)(C) hereof.

Participant means any Eligible Person who holds an outstanding Award under the Plan.

Payment shall have the meaning set forth in Section 15.8(b)(i) hereof.

Performance Awards shall have the meaning set forth in Section 10.2 hereof.

Performance Criteria shall have the meaning set forth in Section 10.4 hereof.

Performance Goals shall have the meaning set forth in Section 10.5 hereof.

Performance Stock Unit means a Restricted Stock Unit denominated as a Performance Stock Unit under Section 9.2 hereof, to be paid or distributed based upon the attainment of pre-established business and/or individual Performance Goals over a specified performance period.

Person shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a group as defined in Section 13(d) thereof.

Plan means the INC Research Holdings, Inc. 2014 Equity Incentive Plan, as amended and restated, as set forth herein, as may be further amended and/or amended and restated from time to time.

Policy shall have the meaning set forth in Section 13.3(b) hereof.

Principal Market means, as of any date of determination, the principal exchange on which the Common Stock is then listed on such date.

Reduced Amount shall have the meaning set forth in Section 15.8(b)(iv)(A) hereof.

Restricted Stock Award means a grant of shares of Common Stock to an Eligible Person under Section 8 hereof that are issued subject to such vesting and transfer restrictions as the Committee shall determine, and such other conditions, in each case, as are set forth in the Plan and the applicable Award Agreement.

Restricted Stock Unit means a contractual right granted to an Eligible Person under Section 9 hereof representing a notional unit interest equal in value to a share of Common Stock to be paid or distributed at such times, and subject to such conditions, in each case, as set forth in the Plan and the applicable Award Agreement.

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Service means a Participant's service with the Company or any Subsidiary as an employee, Non-Employee Director, consultant or other service provider of the Company or any Subsidiary, as applicable.

Share Reserve shall have the meaning set forth in Section 4.1 hereof.

Sponsors means Avista and Capital Co.

Stock Appreciation Right means a contractual right granted to an Eligible Person under Section 7 hereof entitling such Eligible Person to receive a payment, representing the excess of the Fair Market Value of a share of Common Stock over the base price per share of the right, at such time, and subject to such conditions, in each case, as are set forth in the Plan and the applicable Award Agreement.

Stock Award means a grant of shares of Common Stock to an Eligible Person under Section 11 hereof that, pursuant to the Unrestricted Pool, may be issued free of transfer restrictions and forfeiture conditions.

Stock Option means a contractual right granted to an Eligible Person under Section 6 hereof to purchase shares of Common Stock at such time and price, and subject to such conditions, in each case, as are set forth in the Plan and the applicable Award Agreement.

Subsidiary means an entity (whether or not a corporation) that is wholly or majority owned or controlled, directly or indirectly, by the Company or any other Affiliate of the Company that is so designated, from time to time, by the Committee, during the period of such Affiliated status; provided, however, that with respect to Incentive Stock Options, the term *Subsidiary* shall include only an entity that qualifies under Section 424(f) of the Code as a subsidiary corporation with respect to the Company.

Successor Entity shall have the meaning set forth in Section 12.4(b) hereof.

Tax-Related Items means income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant.

Treasury Regulations shall have the meaning set forth in Section 15.8 hereof.

Underpayment shall have the meaning set forth in Section 15.8(b)(iii) hereof.

Unrestricted Pool means a number of Shares equal to five percent (5%) of the number of shares of Common Stock that are available for the grant of Awards hereunder as of the Amendment Effective Date, subject to adjustment as provided in Section 4.5 hereof.

3. Administration.

3.1 Committee Members. The Plan shall be administered by a Committee comprised of no fewer than two members of the Board who are appointed by the Board to administer the Plan. To the extent deemed necessary by the Board, or as may be required by any applicable securities or tax laws, the Principal Market, each Committee (as defined in clause (i) or (ii) of the definition thereof) member shall satisfy the requirements for (i) an independent director under rules adopted by the Principal Market, (ii) a nonemployee director for purposes of Rule 16b-3 under the Exchange Act and (iii) an outside director under Section 162(m) of the Code. Notwithstanding the foregoing, the mere fact that a Committee (as defined in clause (i) or (ii) of the definition thereof) member shall fail to qualify under any of the foregoing requirements shall not invalidate any Award made by the Committee (as defined in clause (i) or (ii) of the

definition thereof) which Award is otherwise validly made under the Plan. Neither the Company nor any member of the Committee shall be liable for any action or determination made in good faith by the Committee with respect to the Plan or any Award thereunder.

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3.2 Committee Authority. It shall be the duty of the Committee to administer the Plan in accordance with the Plan's provisions. The Committee shall have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (i) determine the Eligible Persons to whom Awards shall be granted under the Plan and to grant Awards, (ii) prescribe the restrictions, terms and conditions of all Awards, (iii) interpret the Plan and terms of the Awards, (iv) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and interpret, amend or revoke any such rules, (v) make all determinations with respect to a Participant's Service and the termination of such Service for purposes of any Award, (vi) subject the provisions of Section 6 hereof, to extend at any time the period in which Stock Options may be exercised, (vii) to determine at any time whether, to what extent, and under what circumstances distribution or the receipt of Stock and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the receiving Participant and whether and to what extent the Company shall pay or credit amounts constituting interest (at rates determined by the Committee) or dividends or deemed dividends on such deferrals, (viii) correct any defect(s) or omission(s) or reconcile any ambiguity(ies) or inconsistency(ies) in the Plan or any Award thereunder, (ix) make all determinations it deems advisable for the administration of the Plan, decide all disputes arising in connection with the Plan, and otherwise supervise the administration of the Plan, (x) suspend the right to exercise or net exercise any Award during any blackout period that is necessary or desirable to comply with the requirements of applicable securities or exchange control laws, and extend the period for exercise of such Award by an equal period of time, (xi) subject to the terms of the Plan, amend the terms of an Award in any manner that is not inconsistent with the Plan, and (xii) adopt such procedures, subplans and Award Agreements as are necessary or appropriate to facilitate participation in the Plan by Eligible Persons who are foreign nationals or employed outside of the United States or as otherwise are necessary or appropriate for the administration and application of the Plan. The Committee's determinations under the Plan need not be uniform and may be made by the Committee selectively among Participants and Eligible Persons, whether or not such persons are similarly situated. The Committee shall, in its discretion, consider such factors as it deems relevant in making its interpretations, determinations and actions under the Plan including, without limitation, the recommendations or advice of any officer or employee of the Company or such attorneys, consultants, accountants or other advisors as it may select. All interpretations, determinations and actions by the Committee shall be final, conclusive and binding upon all parties.

3.3 Delegation of Authority. The Committee shall have the right, from time to time, to delegate to one or more officers of the Company the authority of the Committee to grant and determine the terms and conditions of Awards granted under the Plan, subject to the requirements of Section 157(c) of the Delaware General Corporation Law (or any successor provision) and such other limitations as the Committee shall determine. In no event shall any such delegation of authority be permitted with respect to Awards granted to any member of the Board or to any Eligible Person who is subject to Rule 16b-3 under the Exchange Act or is a covered employee under Section 162(m) of the Code (as determined in accordance with applicable guidance as of the applicable date of determination). The Committee shall also be permitted to delegate, to any appropriate officer or employee of the Company, responsibility for performing certain ministerial functions under the Plan. In the event that the Committee's authority is delegated to officers or employees in accordance with the foregoing, all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to such officer or employee for such purpose. Any action undertaken in accordance with the Committee's delegation of authority hereunder shall have the same force and effect as if such action was undertaken directly by the Committee and shall be deemed for all purposes of the Plan to have been taken by the Committee.

4. Shares Subject to the Plan.

4.1 Number of Shares Reserved. Subject to adjustment as provided in Section 4.5 hereof and subject to Section 15.10 hereof, the total number of shares of Common Stock that are reserved for issuance under the Plan shall be 4,572,828 (the *Share Reserve*), all of which may be (though are not required to be) issued pursuant to Incentive Stock Options,

subject to adjustment as provided in Section 4.5 hereof and the provisions of Sections 422 or 424 of the Code and any successor provisions. Each share of Common Stock subject to an Award shall

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reduce the Share Reserve by one share; provided, that Awards that are required to be paid in cash pursuant to their terms shall not reduce the Share Reserve. Any shares of Common Stock delivered under the Plan shall consist of authorized and unissued shares or treasury shares.

4.2 Share Replenishment. To the extent that an Award granted under this Plan is canceled, expired, forfeited, surrendered, settled by delivery of fewer shares than the number underlying the Award, settled in cash or otherwise terminated without delivery of the shares to the Participant, the shares of Common Stock retained by or returned to the Company will (i) not be deemed to have been delivered under the Plan, (ii) be available for future Awards under the Plan, and (iii) increase the Share Reserve by one share for each share that is retained by or returned to the Company; provided, that notwithstanding the foregoing, shares that are (x) withheld from an Award or separately surrendered by the Participant in payment of the exercise or purchase price or Tax-Related Items with respect to such an Award or (y) not issued or delivered as a result of the net settlement of an outstanding Stock Option or Stock Appreciation Right shall be deemed to constitute delivered shares, shall count against the Share Reserve and not be available for future Awards under the Plan and shall continue to be counted as outstanding for purposes of determining whether any of the Award limits specified in Sections 4.3 or 4.4 have been attained.

4.3 Awards Granted to Eligible Persons Other Than Non-Employee Directors. For purposes of complying with the requirements of Section 162(m) of the Code, the maximum number of shares of Common Stock that may be subject to (i) Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock Awards that vest in full or in part based on the attainment of Performance Goals and (iv) Restricted Stock Units that vest in full or in part based on the attainment of Performance Goals that are granted to any Eligible Person other than a Non-Employee Director during any calendar year shall be limited to 2,000,000 shares of Common Stock for each such Award type individually (subject to adjustment as provided in Section 4.5 hereof). If an Award is settled in cash, the number of shares of Common Stock on which the Award is based shall not count toward the individual share limit set forth in this Section 4.3, but shall count against the annual Cash Performance Award limit set forth in Section 10.7.

4.4 Awards Granted to Non-Employee Directors. The maximum number of shares of Common Stock that may be subject to (i) Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock Awards, (iv) Restricted Stock Units and (v) Stock Awards granted to any Non-Employee Director during any calendar year shall be limited to \$500,000 in grant date fair value of Common Stock for all such Award types in the aggregate (subject to adjustment as provided in Section 4.5 hereof). If an Award is settled in cash, the number of shares of Common Stock on which the Award is based shall not count toward the individual share limit set forth in this Section 4.4, but shall count against the annual Cash Performance Award limit set forth in Section 10.7.

4.5 Adjustments. If there shall occur any change with respect to the outstanding shares of Common Stock by reason of any recapitalization, reclassification, stock dividend, extraordinary dividend, stock split, reverse stock split or other distribution with respect to the shares of Common Stock or any merger, reorganization, consolidation, combination, spin-off, stock purchase or other similar corporate change or any other change affecting the Common Stock (other than regular cash dividends to stockholders of the Company), the Committee shall, in the manner and to the extent it considers equitable to the Participants and consistent with the terms of the Plan, (i) cause an adjustment to be made to the maximum number and kind of shares of Common Stock pursuant to Sections 4.1, 4.3 and 4.4 hereof (including the maximum number of shares of Common Stock that may become payable to a Participant pursuant to Sections 4.3 and 4.4 hereof and the number of shares of Common Stock in the Unrestricted Pool), (ii) cause an adjustment to be made to the number and kind of shares of Common Stock, units or other rights subject to then outstanding Awards, (iii) cause an adjustment to be made to the exercise or base price for each share or unit or other right subject to then outstanding Awards, (iv) cause an adjustment to be made to the maximum amount that may become payable to a Participant under Cash Performance Awards provided in Section 10.7 hereof, (v) issue additional Awards or shares of Common Stock, issue dividend equivalent rights or make cash payments to the holders of outstanding Awards, in each

case, on such terms and conditions as determined by the Committee, and/or (vi) cause an adjustment to be made to any

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other terms of an Award that are affected by the event; provided, that with respect to any Awards intended to qualify as performance-based compensation under Section 162(m) of the Code, no adjustment shall be made to the Performance Goals or the manner in which performance will be measured against the Performance Goals, except as otherwise provided in Section 10.6 hereof. Notwithstanding the foregoing, (a) any such adjustments shall, to the extent necessary, be made in a manner consistent with the requirements of Section 409A of the Code, and (b) in the case of Incentive Stock Options, any such adjustments shall, to the extent practicable, be made in a manner consistent with the requirements of Section 424(a) of the Code.

5. Eligibility and Awards.

5.1 Designation of Participants. Any Eligible Person may be selected by the Committee to receive an Award and become a Participant under the Plan. The Committee has the authority, in its discretion, to determine and designate from time to time those Eligible Persons who are to be granted Awards, the types of Awards to be granted, the number of shares of Common Stock or units subject to Awards to be granted, the terms and conditions of such Awards consistent with the terms of the Plan, and to grant any such Awards. In selecting Eligible Persons to be Participants, and in determining the type and amount of Awards to be granted under the Plan, the Committee shall consider any and all factors that it deems relevant or appropriate. Designation of a Participant in any year shall not require the Committee to designate such person to receive an Award in any other year or, once designated, to receive the same type or amount of Award as granted to the Participant in any other year.

5.2 Determination of Awards. The Committee shall determine the terms and conditions of all Awards granted to Participants in accordance with its authority under Section 3.2 hereof. An Award may consist of one type of right or benefit hereunder or of two or more such rights or benefits granted in tandem.

5.3 Award Agreements. Each Award granted to an Eligible Person under the Plan will be represented in an Award Agreement. The terms of all Awards under the Plan, as determined by the Committee, will be set forth in each individual Award Agreement as described in Section 15.2 hereof.

5.4 Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Committee in the resolutions comprising such corporate action, regardless of when the instrument, certificate or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Committee consents, resolutions or minutes) documenting the corporate action constituting the Award grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the papering of the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

5.5 Minimum Vesting Requirements. Except for substitute Awards as set forth in Section 15.10 hereof, Cash Performance Awards or Awards relating to shares of Common Stock in the Unrestricted Pool, Awards granted under the Plan on or after the Amendment Effective Date shall vest no earlier than the one (1) year anniversary of the Date of Grant; provided, however, that the Committee, in its sole discretion, may accelerate the vesting or exercisability of an Award upon a Change in Control in accordance with Section 12.3 hereof, or upon a Participant's death or Disability, in each case, as set forth in the Award Agreement or the Committee's subsequent resolutions. The Committee may accelerate the vesting or exercisability of an Award in circumstances other than a Change in Control or a Participant's death or Disability, in each case, as set forth in the Award Agreement or the Committee's subsequent resolutions, provided that such acceleration does not cause an Award that is subject to this Section 5.5 to vest or become exercisable prior to the first anniversary of the Date of Grant.

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6. Stock Options.

6.1 *Grant of Stock Options.* A Stock Option may be granted to any Eligible Person selected by the Committee, except that an Incentive Stock Option may only be granted to an Eligible Person satisfying the conditions of Section 6.7(a) hereof. Each Stock Option shall be designated on the Date of Grant, in the discretion of the Committee, as an Incentive Stock Option or as a Nonqualified Stock Option.

6.2 *Exercise Price.* The exercise price per share of a Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the Date of Grant. The Committee may in its discretion specify an exercise price per share that is higher than the Fair Market Value of a share of Common Stock on the Date of Grant.

6.3 *Vesting of Stock Options.* Subject to Section 5.5 hereof, the Committee shall, in its discretion, prescribe the time or times at which or the conditions upon which a Stock Option or portion thereof shall become vested and/or exercisable. The requirements for vesting and exercisability of a Stock Option may be based on the continued Service of the Participant with the Company or a Subsidiary for a specified time period (or periods), on the attainment of a specified Performance Goal(s) or on such other terms and conditions as approved by the Committee in its discretion, all as set forth in the Award Agreement. If the vesting requirements of a Stock Option are not satisfied, the Award shall be forfeited as set forth in the Award Agreement.

6.4 *Term of Stock Options.* The Committee shall in its discretion prescribe in an Award Agreement the period during which a vested Stock Option may be exercised; provided, however, that the maximum term of a Stock Option shall be ten (10) years from the Date of Grant. The Committee may provide that a Stock Option will cease to be exercisable upon or at the end of a specified time period following a termination of Service for any reason as set forth in the Award Agreement or otherwise.

6.5 *Stock Option Exercise; Tax Withholding.* Subject to such terms and conditions as specified in an Award Agreement, a Stock Option may be exercised in whole or in part at any time during the term thereof by notice in the form required by the Company, together with payment of the aggregate exercise price and applicable Tax-Related Items withholding. Payment of the exercise price shall be made: (i) in cash or by cash equivalent acceptable to the Committee or (ii) to the extent permitted by the Committee in its sole discretion and set forth in the Award Agreement, (A) in shares of Common Stock valued at the Fair Market Value of such shares on the date of exercise, (B) through an open-market, broker-assisted sales transaction pursuant to which the Company is promptly delivered the amount of proceeds necessary to satisfy the exercise price, (C) by reducing the number of shares of Common Stock otherwise deliverable upon the exercise of the Stock Option by the number of shares of Common Stock having a Fair Market Value on the date of exercise equal to the exercise price, (D) by a combination of the methods described above or (E) by such other method as may be approved by the Committee and set forth in the Award Agreement. In addition to and at the time of payment of the exercise price, the Participant shall pay to the Company the full amount of any and all applicable Tax-Related Items required to be withheld in connection with the Option (including, such exercise), payable by such of the methods described above for the payment of the exercise price as may be approved by the Committee and set forth in the Award Agreement.

6.6 *Limited Transferability of Nonqualified Stock Options.* All Nonqualified Stock Options shall be exercisable during the Participant's lifetime only by the Participant or by the Participant's guardian or legal representative. The Nonqualified Stock Options and the rights and privileges conferred thereby shall be non-transferable, except as otherwise provided in Section 15.3 hereof.

6.7 *Additional Rules for Incentive Stock Options.*

(a) *Eligibility.* An Incentive Stock Option may only be granted to an Eligible Person who is considered an employee for purposes of Treasury Regulation § 1.421-1(h) with respect to the Company or any

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Subsidiary that qualifies as a subsidiary corporation with respect to the Company for purposes of Section 424(f) of the Code.

(b) *Annual Limits.* No Incentive Stock Option shall be granted to a Participant as a result of which the aggregate Fair Market Value (determined as of the Date of Grant) of the Common Stock with respect to which incentive stock options under Section 422 of the Code are exercisable for the first time in any calendar year under the Plan and any other stock option plans of the Company or any subsidiary or parent corporation would exceed \$100,000, determined in accordance with Section 422(d) of the Code. This limitation shall be applied by taking such incentive stock options into account in the order in which they were granted.

(c) *Additional Limitations.* In the case of any Incentive Stock Option granted to an Eligible Person who owns, either directly or indirectly (taking into account the attribution rules contained in Section 424(d) of the Code), stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary, the exercise price shall not be less than one hundred ten percent (110%) of the Fair Market Value of a share of Common Stock on the Date of Grant and the maximum term shall be five (5) years.

(d) *Termination of Employment.* An Award of an Incentive Stock Option shall provide that such Stock Option may be exercised not later than (i) three (3) months following termination of employment of the Participant with the Company and all Subsidiaries (other than as set forth in clause (ii) of this Section 6.7(d)) or (ii) one year following termination of employment of the Participant with the Company and all Subsidiaries due to death or permanent and total Disability within the meaning of Section 22(e)(3) of the Code, in each case as and to the extent determined by the Committee to comply with the requirements of Section 422 of the Code.

(e) *Other Terms and Conditions; Nontransferability.* No Incentive Stock Options granted under the Plan may be granted more than ten (10) years following the date that the Plan is adopted or the date the Plan is approved by the Company's stockholders, whichever is earlier. The Award Agreement representing any Incentive Stock Option granted hereunder shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as are deemed necessary or desirable by the Committee, which terms, together with the terms of the Plan, shall be intended and interpreted to cause such Incentive Stock Option to qualify as an incentive stock option under Section 422 of the Code. A Stock Option that is granted as an Incentive Stock Option shall, to the extent it fails to qualify as an incentive stock option under the Code, be treated as a Nonqualified Stock Option. An Incentive Stock Option shall by its terms be nontransferable other than by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by such Participant.

(f) *Disqualifying Dispositions.* If shares of Common Stock acquired by exercise of an Incentive Stock Option are disposed of within two years following the Date of Grant or one year following the transfer of such shares to the Participant upon exercise, the Participant shall, promptly following such disposition, notify the Company in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Company may reasonably require.

7. Stock Appreciation Rights.

7.1 Grant of Stock Appreciation Rights. Stock Appreciation Rights may be granted to any Eligible Person selected by the Committee. Stock Appreciation Rights may be granted on a basis that allows for the exercise of the right by the Participant or that provides for the automatic payment of the right upon a specified date or event, in either case, as set forth in the Award Agreement representing such Stock Appreciation Rights. Stock Appreciation Rights and the rights and privileges conferred thereby shall be non-transferable, except as provided in Section 15.3 hereof.

7.2 *Stand-Alone Stock Appreciation Rights*. A Stock Appreciation Right may be granted without any related Stock Option. Subject to Section 5.5 hereof, the Committee shall in its discretion provide in an Award

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Agreement the time or times at which or the conditions upon which a Stock Appreciation Right or portion thereof shall become vested and/or exercisable. The requirements for vesting and exercisability of a Stock Appreciation Right may be based on the continued Service of a Participant with the Company or a Subsidiary for a specified time period (or periods), on the attainment of a specified Performance Goal(s) or on such other terms and conditions as approved by the Committee in its discretion, all as set forth in the Award Agreement. If the vesting requirements of a Stock Appreciation Right are not satisfied, the Award shall be forfeited as set forth in the Award Agreement. A Stock Appreciation Right will be exercisable or payable at such time or times as determined by the Committee as set forth in the Award Agreement; provided, that the maximum term of a Stock Appreciation Right shall be ten (10) years from the Date of Grant. The Committee may provide that a Stock Appreciation Right will cease to be exercisable upon or at the end of a period following a termination of Service for any reason as set forth in the Award Agreement. The base price of a Stock Appreciation Right granted without any related Stock Option shall be determined by the Committee in its discretion; provided, however, that the base price per share of any such stand-alone Stock Appreciation Right shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the Date of Grant.

7.3 Tandem Stock Option/Stock Appreciation Rights. A Stock Appreciation Right may be granted in tandem with a Stock Option and constitute a single Award. A tandem Stock Option/Stock Appreciation Right will entitle the holder to elect, as to all or any portion of the number of shares subject to the Award, to exercise either the Stock Option or the Stock Appreciation Right, resulting in the reduction of the corresponding number of shares subject to the Award, including the tandem Stock Appreciation Right or Stock Option, as applicable, not so exercised. A Stock Appreciation Right granted in tandem with a Stock Option hereunder shall have a base price per share equal to the per share exercise price of the Stock Option, will be vested and exercisable at the same time or times that a related Stock Option is vested and exercisable, and will expire no later than the time at which the related Stock Option expires, in each case, as set forth in the Award Agreement.

7.4 Payment of Stock Appreciation Rights. A Stock Appreciation Right will entitle the holder, upon exercise or other payment of the Stock Appreciation Right, as applicable, to receive an amount determined by multiplying: (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise or payment of the Stock Appreciation Right over the base price of such Stock Appreciation Right, by (ii) the number of shares as to which such Stock Appreciation Right is exercised or paid. Payment of the amount determined under the foregoing may be made, as approved by the Committee and set forth in the Award Agreement, in shares of Common Stock valued at their Fair Market Value on the date of exercise or payment, in cash or in a combination of shares of Common Stock and cash, subject to applicable Tax-Related Items withholding requirements.

8. Restricted Stock Awards.

8.1 Grant of Restricted Stock Awards. A Restricted Stock Award may be granted to any Eligible Person selected by the Committee. The Committee may require the payment by the Participant of a specified purchase price in connection with the issuance of any Restricted Stock Award as set forth in the Award Agreement representing such Restricted Stock Award, which may also include the manner in which payment of any specified purchase price may be made as prescribed by the Committee.

8.2 Vesting Requirements. The restrictions imposed on shares granted under a Restricted Stock Award shall lapse in accordance with the vesting requirements specified by the Committee in the Award Agreement. Subject to Section 5.5 hereof, the requirements for vesting of a Restricted Stock Award may be based on the continued Service of the Participant with the Company or a Subsidiary for a specified time period (or periods), on the attainment of a specified Performance Goal(s) designed to meet the requirements for exemption under Section 162(m) of the Code or on such other terms and conditions as approved by the Committee in its discretion. If the vesting requirements of a Restricted

Stock Award shall not be satisfied or, if applicable, the Performance Goal(s) with respect to such Restricted Stock Award are not attained, the Award shall be forfeited and the shares of Stock subject to the Award shall be returned to the Company, as set forth in the Award Agreement.

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8.3 Transfer Restrictions. Shares granted under any Restricted Stock Award and the rights and privileges conferred thereby shall be non-transferable until all applicable restrictions are removed or have expired, except as provided in Section 15.3 hereof. Failure to satisfy any applicable restrictions shall result in the subject shares of the Restricted Stock Award being forfeited and returned to the Company. The Committee may require in an Award Agreement that certificates (if any) representing the shares granted under a Restricted Stock Award bear a legend making appropriate reference to the restrictions imposed, and that certificates (if any) representing the shares granted or sold under a Restricted Stock Award will remain in the physical custody of an escrow holder (which may be the Company or an officer of the Company) until all restrictions are removed or have expired.

8.4 Rights as Stockholder. Subject to the foregoing provisions of this Section 8, the provisions of Section 15.6 hereof and to the terms of the applicable Award Agreement, the Participant shall not have any rights of a stockholder with respect any of the shares granted to the Participant under a Restricted Stock Award (including the right to vote or receive dividends and other distributions paid or made with respect thereto) unless and until such shares vest.

8.5 Section 83(b) Election. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to a Restricted Stock Award, the Participant shall file, within thirty (30) days following the Date of Grant, a copy of such election with the Company and with the Internal Revenue Service, in accordance with the regulations under Section 83 of the Code. The Committee may provide in an Award Agreement that the Restricted Stock Award is conditioned upon the Participant's making or refraining from making an election with respect to the Award under Section 83(b) of the Code.

8.6 Other. Notwithstanding anything to the contrary contained in this Section 8 or any other section of the Plan, with respect to any Restricted Stock Award intended to qualify as performance-based compensation under Section 162(m) of the Code, unless the Board determines that an applicable exemption under applicable law applies, all references to the Committee shall solely mean each member of the Committee that satisfies the requirements for an outside director under Section 162(m) of the Code.

9. Restricted Stock Units.

9.1 Grant of Restricted Stock Units. A Restricted Stock Unit may be granted to any Eligible Person selected by the Committee. The value of each Restricted Stock Unit shall be equal to the Fair Market Value of the Common Stock on the applicable date or time period of determination, as specified by the Committee. Restricted Stock Units shall be subject to such restrictions and conditions as the Committee shall determine and as set forth in the Award Agreement representing such Restricted Stock Units. Restricted Stock Units and the rights and privileges conferred thereby shall be non-transferable, except as provided in Section 15.3 hereof.

9.2 Vesting of Restricted Stock Units. Subject to Section 5.5 hereof, on the Date of Grant, the Committee shall, in its discretion, determine any vesting requirements with respect to Restricted Stock Units, which shall be set forth in the Award Agreement. The requirements for vesting of a Restricted Stock Unit may be based on the continued Service of the Participant with the Company or a Subsidiary for a specified time period (or periods) or on such other terms and conditions as approved by the Committee in its discretion. In addition, a Restricted Stock Unit may be denominated as a Performance Stock Unit. The requirements for vesting of a Restricted Stock Unit denominated as a Performance Stock Unit may be based, in whole or in part, on the attainment of pre-established business and/or individual Performance Goal(s) over a specified performance period designed to meet the requirements for exemption under Section 162(m) of the Code, or otherwise, as approved by the Committee in its discretion and as set forth in the Award Agreement. If the vesting requirements of a Restricted Stock Units Award are not satisfied or, if applicable, the Performance Goal(s) with respect to such Restricted Stock Units Award are not attained, the Award shall be forfeited, as set forth in the Award Agreement.

9.3 *Payment of Restricted Stock Units*. Restricted Stock Units shall become payable to a Participant at the time or times determined by the Committee and set forth in the Award Agreement, which may be upon or

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following the vesting of the Award. Payment of a Restricted Stock Unit may be made, as approved by the Committee and set forth in the Award Agreement, in cash or in shares of Common Stock or in a combination thereof, subject to applicable Tax-Related Items withholding requirements. Any cash payment of a Restricted Stock Unit shall be made based upon the Fair Market Value of the Common Stock, determined on such date or over such time period as determined by the Committee and set forth in the Award Agreement.

9.4 Dividend Equivalent Rights. Restricted Stock Units may be granted together with a dividend equivalent right with respect to the shares of Common Stock subject to the Award, which dividend equivalent right may be accumulated and may be deemed reinvested in additional Restricted Stock Units or may be accumulated in cash, as determined by the Committee in its discretion and set forth in an Award Agreement. Dividend equivalent rights will be paid at such time as determined by the Committee in its discretion (including, without limitation, at the times paid to stockholders generally or at the times of vesting or payment of the Restricted Stock Unit), as set forth in an Award Agreement. Dividend equivalent rights may be subject to forfeiture under the same conditions as apply to the underlying Restricted Stock Units, as set forth in an Award Agreement.

9.5 Other. Notwithstanding anything to the contrary contained in this Section 9 or any other section of the Plan, with respect to any Restricted Stock Units intended to qualify as performance-based compensation under Section 162(m) of the Code, unless the Board determines that an applicable exemption under applicable law applies, all references to the Committee shall solely mean each member of the Committee that satisfies the requirements for an outside director under Section 162(m) of the Code.

10. Performance Awards and Performance Criteria.

10.1 Grant of Cash Performance Awards. A Cash Performance Award may be granted to any Eligible Person selected by the Committee. Payment amounts shall be based on the attainment of specified levels of attainment with respect to the Performance Goals, including, if applicable, specified threshold, target and maximum performance levels or such other terms and conditions as approved by the Committee in its discretion and set forth in an Award Agreement. The requirements for payment may be also based upon the continued Service of the Participant with the Company or any Subsidiary during the respective performance period and on such other conditions as determined by the Committee and set forth in an Award Agreement. Cash Performance Awards and the rights and privileges conferred thereby shall be non-transferable, except as provided in Section 15.3 hereof.

10.2 Establishment of Performance-Based Terms. With respect to Cash Performance Awards and other Awards intended to qualify as performance-based compensation under Section 162(m) of the Code (collectively, *Performance Awards*), before the 90th day of the applicable performance period (or, if the performance period is less than one year, no later than the number of days which is equal to 25% of such performance period), the Committee will determine the duration of the performance period, the Performance Criteria, the applicable Performance Goals relating to the Performance Criteria and the amount and terms of payment/vesting upon achievement of the Performance Goals.

10.3 Award Agreements. Each Cash Performance Award shall be evidenced by an Award Agreement that shall specify the performance period and such other terms and conditions as the Committee, in its discretion, shall determine. The Committee may accelerate the vesting of a Cash Performance Award, including, without limitation, upon a Change in Control or termination of Service under certain circumstances, as set forth in the Award Agreement or the Committee's subsequent resolutions, subject to compliance with Section 162(m) of the Code (to the extent applicable).

10.4 Performance Criteria. For purposes of Performance Awards, the *Performance Criteria* shall be one or any combination of the following, for the Company or any identified Subsidiary, division or business unit or line, as determined by the Committee at the time of the Award: (i) total stockholder return; (ii) such total

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stockholder return as compared to total return (on a comparable basis) of a publicly available index such as, but not limited to, the Standard & Poor's 500 Stock Index; (iii) net income; (iv) pretax earnings; (v) adjusted net income; (vi) adjusted pretax earnings; (vii) adjusted earnings per share; (viii) adjusted earnings before interest expense, taxes, depreciation and amortization (*EBITDA*); (ix) pretax operating earnings after interest expense and before bonuses, service fees, and extraordinary or special items; (x) operating margin; (xi) earnings per share; (xii) return on equity; (xiii) return on capital; (xiv) return on investment; (xv) operating earnings; (xvi) working capital; (xvii) ratio of debt to stockholders' equity; (xviii) revenue; (xix) free cash flow (i.e., EBITDA, less cash taxes, cash interest, net capital expenditures, mandatory payments of principal under any credit facility and payments under collateralized lease obligations and financing lease obligations); and (xx) any combination of or a specified increase in any of the foregoing. Each of the Performance Criteria shall be applied and interpreted in accordance with an objective formula or standard established by the Committee at the time the applicable Award is granted, which may include, without limitation, GAAP.

10.5 Performance Goals. For purposes of Performance Awards, the *Performance Goals* shall be the levels of achievement relating to the Performance Criteria selected by the Committee for the Award. The Performance Goals shall be written and shall be expressed as an objective formula or standard that precludes discretion to increase the amount of compensation payable that would otherwise be due upon attainment of the goal. The Performance Goals may be applied on an absolute basis or relative to an identified index, peer group or one or more competitors or other companies (including particular business segments or divisions of such companies), as specified by the Committee. The Performance Goals need not be the same for all Participants.

10.6 Adjustments. At the time that an Award is granted, the Committee may provide for the Performance Goals or the manner in which performance will be measured against the Performance Goals to be adjusted in such objective manner as it deems appropriate, including, without limitation, adjustments to reflect non-cash losses or charges (e.g., amortization expense, stock-based compensation, impairments, etc.), charges for restructurings, non-operating income, the impact of corporate transactions, discontinued operations or financing transactions, severance and recruitment costs, run rate savings, costs incurred in establishing new manufacturing sources, specified legal expenses, extraordinary and other unusual or non-recurring items or events and the cumulative effects of accounting or tax law changes. In addition, with respect to a Participant hired or promoted following the beginning of a performance period, the Committee may determine to prorate the Performance Goals and/or the amount of any payment in respect of such Participant's Performance Awards for the partial performance period.

10.7 Maximum Amount of Cash Performance Awards. The maximum amount that may become payable to any one Participant during any one calendar year under all Cash Performance Awards and all other Awards that are actually paid or settled in cash is limited to \$2,000,000.

10.8 Negative Discretion. Notwithstanding anything else contained in the Plan to the contrary, the Committee shall, to the extent provided in an Award Agreement, have the right, in its discretion, (i) to reduce or eliminate the amount otherwise payable to any Participant under an Award and (ii) to establish rules or procedures that have the effect of limiting the amount payable to any Participant to an amount that is less than the amount that is otherwise payable under an Award. The Committee may exercise the discretion provided for by the foregoing sentence in a non-uniform manner among Participants. The Committee shall not have discretion to increase the amount that is otherwise payable to any Participant under a Performance Award.

10.9 Certification. Following the conclusion of the performance period of a Performance Award, the Committee shall certify in writing whether the Performance Goals for that performance period have been achieved, or certify the degree of achievement, if applicable.

10.10 *Payment.* Upon certification of the Performance Goals for a Performance Award, the Committee shall determine the level of vesting or amount of payment to the Participant pursuant to the Award, if any. Notwithstanding the foregoing, unless otherwise provided in the Award Agreement, Performance Awards may be

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paid, at the discretion of the Committee, in any combination of cash or shares of Common Stock, based upon the Fair Market Value of such shares at the time of payment; provided, however, that if a Performance Award vests earlier than one year from the Date of Grant other than upon a Change in Control, the Participant's death or Disability or pursuant to a substitute Award under Section 15.10 hereof, any shares of Common Stock issued in payment of such Award shall be counted against the Unrestricted Pool.

10.11 *Other*. Notwithstanding anything to the contrary contained in this Section 10 or any other section of the Plan, with respect to any Performance Award, unless the Board determines that an applicable exemption under applicable law applies, all references to the Committee shall solely mean each member of the Committee that satisfies the requirements for an outside director under Section 162(m) of the Code.

11. Stock Awards.

11.1 *Grant of Stock Awards*. A Stock Award may be granted to any Eligible Person selected by the Committee. A Stock Award may be granted for past, or in anticipation of future, Services, in lieu of any discretionary bonus or other discretionary cash compensation, as directors' compensation or for any other valid purpose as determined by the Committee. Subject to Section 5.5 hereof, the Committee shall determine the terms and conditions of such Awards, including any applicable requirements for vesting of a Stock Award which may be based on the continued Service of the Participant with the Company or a Subsidiary for a specified time period (or periods) or on such other terms and conditions as approved by the Committee in its discretion. Stock Awards relating to shares of Common Stock in the Unrestricted Pool shall be made without vesting requirements. In addition, the Committee may, in connection with any Stock Award, require the payment of a specified purchase price, which may also include the manner in which payment of any specified purchase price may be made as prescribed by the Committee.

11.2 *Rights as Stockholder*. Subject to the foregoing provisions of this Section 11 and the applicable Award Agreement, upon the issuance of the Common Stock under a Stock Award, the Participant shall have all rights of a stockholder with respect to the shares of Common Stock, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto.

11.3 *Elections to Receive Stock in Lieu of Compensation*. Subject to Section 409A of the Code and, if applicable, Section 15.4 hereof, upon the request of a Participant who is a U.S. taxpayer and with the consent of the Committee, such Participant may, pursuant to an advance written election delivered to the Company no later than the date specified by the Committee, receive a portion of the cash compensation otherwise due to such Participant in the form of shares of Common Stock either currently or on a deferred basis in accordance with Section 15.4 hereof.

11.4 *Restrictions on Transfers*. The right to receive shares of Common Stock on a deferred basis and the rights and privileges conferred thereby shall be non-transferable, except as provided in Section 15.3 hereof.

12. Change in Control.

12.1 *Effect on Awards other than Performance Awards*. Upon the occurrence of a Change in Control, unless otherwise provided in an Award Agreement entered into prior to the Amendment Effective Date and except as set forth in Section 12.2 below: (i) if a Participant's Awards are not converted, assumed, substituted or replaced by a successor or survivor corporation, or a parent or subsidiary thereof, then in connection with such Change in Control such Awards shall become fully exercisable and all forfeiture restrictions on such Awards shall lapse; and (ii) if an employee Participant's Awards are converted, assumed, substituted or replaced by a successor or survivor corporation, or a parent or subsidiary thereof after a Change in Control, the vesting of the Awards will automatically accelerate upon an involuntary termination of the Participant's employment by the Company or a Subsidiary without Cause or Participant's

resignation for Good Reason (as defined in the applicable Award Agreement) within the period designated in the applicable Award Agreement following the

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effective date of such Change in Control, and accordingly, all such Awards shall become fully exercisable and all forfeiture restrictions on the Awards shall lapse. In the event that the terms of any agreement (other than the Award Agreement) between the Company or any Subsidiary and a Participant contains provisions that conflict with and are more restrictive than the provisions of this Section 12.1, this Section 12.1 shall prevail and control and the more restrictive terms of such agreement (and only such terms) shall be of no force or effect.

12.2 *Effect on Performance Awards.* In the event of a Change in Control, the vesting and payout of Performance Awards shall be as provided in the Award Agreement or in such other written agreement entered into between the Company and a Participant.

12.3 *Further Adjustments.* Subject to Section 12.1, unless otherwise provided in the Award Agreement, upon the occurrence of a Change in Control, the Committee is authorized (but not obligated) to take such further action as it determines to be necessary or advisable, and fair and equitable to the Participants, with respect to outstanding Awards, including, without limitation, any of the following (or any combination thereof):

- (a) continuation or assumption of such outstanding Awards under the Plan by the Company (if it is the surviving company or corporation) or by the surviving company or corporation or its parent;
- (b) substitution by the surviving company or corporation or its parent of awards with substantially the same or comparable terms (including with respect to economic value) for outstanding Awards (with appropriate adjustments to the type of consideration payable upon settlement of the Awards);
- (c) accelerated exercisability, vesting and/or payment under outstanding Awards immediately prior to or upon the occurrence of such event or upon a termination of employment following such event; and
- (d) if all or substantially all of the Company's outstanding shares of Common Stock are transferred in exchange for cash consideration in connection with such Change in Control:
 - (i) upon written notice, provide that any outstanding Stock Options and Stock Appreciation Rights are exercisable during a reasonable period of time immediately prior to the scheduled consummation of the event or such other reasonable period as determined by the Committee (contingent upon the consummation of the event), and at the end of such period, such Stock Options and Stock Appreciation Rights shall terminate to the extent not so exercised within the relevant period; and
 - (ii) cancellation of all or any portion of outstanding Awards for fair value (in the form of cash, shares, other property or any combination thereof) as determined in the sole discretion of the Committee; provided, that in the case of Stock Options and Stock Appreciation Rights, the fair value may equal the excess, if any, of the value of the consideration to be paid in the Change in Control transaction to holders of the same number of shares of Common Stock subject to such Awards (or, if no such consideration is paid, Fair Market Value of the shares of Common Stock subject to such outstanding Awards or portion thereof being canceled) over the aggregate exercise or base price, as applicable, with respect to such Awards or portion thereof being canceled, or, if there is no such excess, zero.

12.4 *Definition of Change in Control.* Unless otherwise defined in an Award Agreement, *Change in Control* shall mean the occurrence of one of the following events:

- (a) Any Person becomes the Beneficial Owner, directly or indirectly, of more than fifty percent (50%) of the combined voting power, excluding any Person who Beneficially Owns fifty percent (50%) or more of the voting power on the Effective Date of the Plan, of the then outstanding voting securities of the Company entitled to vote

generally in the election of its directors (the *Outstanding Company Voting Securities*), including by way of merger, consolidation or otherwise; *provided, however*, that for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition of Outstanding Company

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Voting Securities directly from the Company, including, without limitation, a public offering of securities or (ii) any acquisition of Outstanding Company Voting Securities by (x) the Company or any of its Subsidiaries, including an acquisition by any employee benefit plan or related trust sponsored or maintained by the Company or any of its Subsidiaries, or (y)(i) either Sponsor or a group (as such term is used in Section 13(d) of the Exchange Act) in which a Sponsor is a member and (ii) after such acquisition, a Sponsor holds more than ten percent (10%) of the outstanding voting securities of the Company or such acquiring Person.

(b) Consummation of a reorganization, merger, or consolidation to which the Company is a party or a sale or other disposition of all or substantially all of the assets of the Company (a *Business Combination*), unless, following such Business Combination: (i) any Persons who were the Beneficial Owners of Outstanding Company Voting Securities immediately prior to such Business Combination are the Beneficial Owners, directly or indirectly, of more than fifty percent (50%) of the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors (or election of members of a comparable governing body) of the entity resulting from the Business Combination (including, without limitation, an entity which, as a result of such transaction, owns all or substantially all of the Company or all or substantially all of the Company's assets, either directly or through one or more subsidiaries) (the *Successor Entity*) in substantially the same proportions as their ownership immediately prior to such Business Combination; or (ii) no Person (excluding any Successor Entity or any employee benefit plan or related trust of the Company, any of its Subsidiaries, such Successor Entity or any of its subsidiaries) is the Beneficial Owner, directly or indirectly, of more than fifty percent (50%) of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or comparable governing body) of the Successor Entity, except to the extent that such ownership of the Company existed prior to the Business Combination.

(c) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, to the extent necessary to comply with Section 409A of the Code with respect to the payment of nonqualified deferred compensation, Change of Control shall be defined as, and limited to, a change in control event as defined under Section 409A of the Code.

13. Forfeiture Events.

13.1 *General.* The Committee may specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of Service for Cause, violation of material Company policies, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company or one of its Subsidiaries. Notwithstanding anything to the contrary, no shares of Common Stock issued or issuable pursuant to Section 11.3 hereof shall be subject to this Section 13 hereof, other than Section 13.3 hereof or the terms or as otherwise may be required pursuant to the terms and conditions of such cash compensation otherwise due to the Participant.

13.2 *Termination for Cause.*

(a) *Treatment of Awards.* Unless otherwise provided by the Committee and set forth in an Award Agreement, if (i) a Participant's Service with the Company or any Subsidiary shall be terminated for Cause, or (ii) after termination of Service for any other reason, the Committee determines in its discretion, that the Participant engaged in conduct that violates any continuing obligation or duty of the Participant set forth in any executive or restrictive covenant agreement with respect to non-competition, non-solicitation, confidentiality, intellectual property or trade secret

protection, or any similar agreement to which the Participant is a party in favor of the Company or any Subsidiary (any such event described in clause (i) or (ii), with respect to any

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Participant, a *Forfeiture Event* with respect to such Participant), then such Participant's rights, payments and benefits with respect to such an Award shall be subject to cancellation, forfeiture and/or recoupment, as provided in Section 13.3 below. The Committee shall have the power to determine whether, and the date on which, any Forfeiture Event has occurred and whether to exercise the right of recapture provided in Section 13.3. Any such determination shall be final, conclusive and binding upon the Participant. In addition, if the Committee shall reasonably determine that a Forfeiture Event with respect to any Participant has occurred, then the Committee may suspend such Participant's rights to exercise, receive any payment under or vest in any right with respect to any Award pending a final determination by the Committee of whether such an act has been committed.

(b) *Definition of Cause.* Unless otherwise defined in an Award Agreement, *Cause* shall mean:

(i) if a Participant has an effective employment agreement, service agreement or other similar agreement with the Company or any Subsidiary that defines *Cause* or a like term, the meaning set forth in such agreement at the time of the Participant's termination of Service; or,

(ii) in the absence of such definition, (A) the Participant's breach of any fiduciary duty or material breach of any legal or contractual obligation to the Company or any of its Affiliates, or to the Company's direct or indirect equity holders, (B) the Participant's failure to follow the reasonable instructions of the Board or such Participant's direct supervisor, which breach, if curable, is not cured within ten (10) business days after notice to such Participant or, if cured, recurs within one hundred eighty (180) days, (C) the Participant's gross negligence, willful misconduct, fraud or acts of dishonesty relating to the Company or any of its Affiliates or (D) the Participant's conviction of any misdemeanor relating to the affairs of the Company or any of its Affiliates or indictment for any felony.

13.3 *Right of Recapture.*

(a) *General.* If a Forfeiture Event with respect to a Participant occurs at any time within one (1) year (or such longer time period specified in any Award Agreement or other agreement with a Participant) after the date on which any Award to such Participant is exercised, vests, becomes payable or is paid or the date on which gain or income is otherwise realized in connection with any such Award, then any gain or income realized by the Participant from the exercise, vesting, payment or other realization event in connection with such Award shall be paid by the Participant to the Company upon written notice from the Company or the Committee, subject to applicable state or local law. Such gain or income shall be determined as of the date or dates on which such gain or income is realized by the Participant, without regard to any subsequent change in the Fair Market Value of a share of Common Stock. The Company shall, subject to compliance with Section 409A of the Code and other applicable law, have the right to offset any such gain or income against any amounts otherwise owed to the Participant by the Company or any Subsidiary (whether as wages, vacation pay or pursuant to any benefit plan or other compensatory arrangement).

(b) *Accounting Restatement.* If pursuant to any Award a Participant receives compensation calculated by reference to financial statements that are subsequently required to be restated in a way that would decrease the value of such compensation, then the Participant will, upon the written request of the Committee and in the Committee's sole discretion, forfeit and repay to the Company the difference between what the Participant received during the period of three years preceding the date on which the Company becomes required to prepare the restatement and what the Participant should have received based on the accounting restatement, in accordance with (i) the Company's compensation recovery, clawback or similar policy, if any, as may be in effect from time to time and (ii) any compensation recovery, clawback or similar policy made applicable by law, including the provisions of Section 945 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules, regulations and requirements adopted thereunder by the Securities and Exchange Commission and/or any national securities exchange on which the Company's equity securities may be listed, as may be in effect from time to time (clauses (i) and (ii) collectively, the

Policy). By accepting an Award hereunder, each Participant acknowledges and agrees that the Policy shall apply to such Award, and all incentive-based

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compensation payable pursuant to such Award shall be subject to forfeiture and repayment pursuant to the terms of the Policy. Although not required to give effect to the provisions of this Section 13.3(b), the Committee may, as it deems appropriate, amend the Plan to reflect the terms of the Policy, which shall not be deemed a material amendment.

14. Transfer, Leave of Absence, Etc. For purposes of the Plan, the following events shall not be deemed a termination of Service:

(a) a Participant's transfer of employment or termination with immediate rehire from the Company to a Subsidiary or from a Subsidiary to the Company, or from one Subsidiary to another Subsidiary, provided, however, that a Participant's change in status from employee to consultant or other personal service provider *shall* be deemed a termination of Service (which change in status shall be applied and interpreted for purposes of the Plan in accordance with Section 15.8(a) hereof); or

(b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

15. General Provisions.

15.1 *Status of Plan.* The Committee may (but shall not be obligated to) authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver stock or make payments with respect to Awards.

15.2 *Award Agreement.* Each Award under the Plan shall be evidenced by an Award Agreement, which may include special terms for non-U.S. Participants in a separate appendix, in a written or electronic form approved by the Committee setting forth the number of shares of Common Stock subject to or otherwise underlying the Award, the exercise price, base price or purchase price of the Award, the time or times at which an Award will become vested, exercisable or payable and the term of the Award. The Award Agreement may also set forth the effect on an Award of a Change in Control or a termination of Service under certain circumstances. The Award Agreement shall be subject to and shall (or shall be deemed to) incorporate, by reference or otherwise, all of the applicable terms and conditions of the Plan, and may also set forth other terms and conditions applicable to the Award as determined by the Committee consistent with the limitations of the Plan. The grant of an Award under the Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in the Plan as being applicable to such type of Award (or to all Awards) or as are expressly set forth in the Award Agreement. The Committee need not require the execution of an Award Agreement by a Participant, in which case, acceptance of the Award by the Participant shall constitute agreement by the Participant to the terms, conditions, restrictions and limitations set forth in the Plan and the Award Agreement as well as the administrative guidelines of the Company in effect from time to time. In the event of any conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail.

15.3 *No Assignment or Transfer; Beneficiaries.* Except as provided in Section 6.7(e) hereof or as otherwise determined by the Committee, Awards under the Plan shall not be assignable or transferable by the Participant, and shall not be subject in any manner to assignment, alienation, pledge, encumbrance or charge. Notwithstanding the foregoing, in the event of the death of a Participant, except as otherwise provided by the Committee in an Award Agreement, an outstanding Award may be exercised by or shall become payable to the Participant's beneficiary as designated by the Participant in the manner prescribed by the Committee or, in the absence of an authorized beneficiary designation, by a legatee or legatees of such Award under the participant's last will or by such Participant's executors, personal representatives or distributees of such Award in accordance with the Participant's will or the laws

of descent and distribution. The Committee may provide in the terms of an

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Award Agreement or in any other manner prescribed by the Committee that the Participant shall have the right to designate a beneficiary or beneficiaries who shall be entitled to any rights, payments or other benefits specified under an Award following the Participant's death.

15.4 *Deferrals of Payment.* The Committee may in its discretion permit a Participant to defer the receipt of payment of cash or delivery of shares of Common Stock that would otherwise be due to the Participant by virtue of (a) the exercise of a right or the satisfaction of vesting or other conditions with respect to an Award or (b) an election to receive shares of Common Stock (in lieu of compensation otherwise payable in cash) on a deferred basis pursuant to Section 11.3 hereof; provided, however, that such discretion shall not apply in the case of a Stock Option or Stock Appreciation Right. If any such deferral is to be permitted by the Committee, the Committee shall establish rules and procedures relating to such deferral in a manner intended to comply with the requirements of Section 409A of the Code, including, without limitation, the time when an election to defer may be made, the time period of the deferral and the events that would result in payment of the deferred amount, the interest or other earnings attributable to the deferral and the method of funding, if any, attributable to the deferred amount.

15.5 *No Right to Employment or Continued Service.* Nothing in the Plan, in the grant of any Award or in any Award Agreement shall confer upon any Eligible Person or any Participant any right to continue in the Service of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries to terminate the Service relationship of an Eligible Person or a Participant for any reason at any time.

15.6 *Rights as Stockholder.* Except as may otherwise be provided herein, a Participant shall have no rights as a holder of shares of Common Stock with respect to any unissued securities covered by an Award until the date the Participant becomes the holder of record of such securities. Except as provided in Section 4.5 hereof or as otherwise determined by the Committee, no adjustment or other provision shall be made for dividends or other stockholder rights, except to the extent that the Award Agreement provides for dividend payments, dividend equivalent rights or other similar rights, it being understood that the Committee may provide for the payment of dividends and other distributions to the Participant at such times as paid to the stockholders or at the times of vesting or otherwise set forth in the applicable Award Agreement. The Committee may determine in its discretion the manner of delivery of Common Stock to be issued under the Plan, which may be by delivery of stock certificates, electronic account entry into new or existing accounts or any other means as the Committee, in its discretion, deems appropriate. The Committee may (a) require that the stock certificates (if any) be held in escrow by the Company (or any of its officers) for any shares of Common Stock, (b) cause the shares of Common Stock to be legended in order to comply with the securities laws or other applicable restrictions or (c) should the shares of Common Stock be represented by book or electronic account entry rather than a certificate, take such steps to restrict transfer of such shares of Common Stock as the Committee considers necessary or advisable.

15.7 *Trading Policy Restrictions.* Option exercises and other Awards granted under the Plan shall be subject to the Company's insider trading policy or other trading or ownership policy-related restrictions, terms and conditions as in effect from time to time.

15.8 *Section 409A Compliance and Section 280G.*

(a) ***Section 409A.*** To the maximum extent possible, it is intended that the Plan and all Awards hereunder are, and shall be, exempt from or otherwise comply with the requirements of Section 409A of the Code, the regulations thereunder promulgated by the United States Department of Treasury (the *Treasury Regulations*) and other guidance issued thereunder, and that the Plan and all Award Agreements shall be interpreted and applied by the Committee in a manner consistent with this intent in order to avoid the imposition of any additional Tax-Related Items under Section 409A of the Code. In the event that any (i) provision of the Plan or an Award Agreement, (ii) Award, payment

or transaction or (iii) other action or arrangement

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contemplated by the provisions of the Plan is determined by the Committee to not comply with the applicable requirements of Section 409A of the Code, the Treasury Regulations and other guidance issued thereunder, the Committee shall have the authority to take such actions and to make such changes to the Plan or an Award Agreement as the Committee deems necessary to comply with such requirements. No payment that constitutes deferred compensation under Section 409A of the Code that would otherwise be made under the Plan or an Award Agreement upon a termination of Service will be made or provided unless and until such termination is also a separation from service, as determined in accordance with Section 409A of the Code. Notwithstanding the foregoing or anything elsewhere in the Plan or an Award Agreement to the contrary, if a Participant is a specified employee as defined in Section 409A of the Code at the time of termination of Service with respect to an Award, then solely to the extent necessary to avoid the imposition of any additional Tax-Related Items under Section 409A of the Code, the commencement of any payments or benefits under the Award shall be deferred until the date that is six months following the Participant's termination of Service (or, if earlier, the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award Agreement) on the payment date that immediately follows the end of such six-month period (or death) or as soon as administratively practicable within thirty (30) days thereafter, but in no event later than the end of the applicable taxable year. In no event whatsoever shall the Company be liable for any additional Tax-Related Items, interest or penalties that may be imposed on a Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

(b) *Section 280G.*

(i) Anything in this Plan to the contrary notwithstanding, in the event that the receipt of all payments or distributions by the Company in the nature of compensation to or for a Participant's benefit, whether paid or payable pursuant to this Plan or otherwise (a *Payment*), would subject the Participant to the excise tax under Section 4999 of the Code, the accounting firm which audited the Company immediately prior to the corporate transaction which results in the application of such excise tax (the *Accounting Firm*) shall determine whether to reduce any of the Payments to the Reduced Amount (as defined below). The Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that the Participant would have a greater Net After-Tax Receipt (as defined below) of aggregate Payments if the Participant's Payments were reduced to the Reduced Amount. If such a determination is not made by the Accounting Firm, the Participant shall receive all Payments to which the Participant is entitled.

(ii) If the Accounting Firm determines that aggregate Payments should be reduced to the Reduced Amount, the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 15.8(b) shall be made as soon as reasonably practicable and in no event later than sixty (60) days following the date of termination or such earlier date as requested by the Company. For purposes of reducing the Payments to the Reduced Amount, such reduction shall be implemented by determining the Parachute Payment Ratio (as defined below) for each Payment and then reducing the Payments in order beginning with the Payment with the highest Parachute Payment Ratio. For Payments with the same Parachute Payment Ratio, such Payments shall be reduced based on the time of payment of such Payments, with amounts having later payment dates being reduced first. For Payments with the same Parachute Payment Ratio and the same time of payment, such Payments shall be reduced on a pro rata basis (but not below zero) prior to reducing Payments with a lower Parachute Payment Ratio. In all cases, the reduction of Payments shall be implemented in a manner that complies with Section 409A of the Code. All other provisions of any agreement embodying the Payments shall remain in full force and effect. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

(iii) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of the Participant pursuant to this Agreement or otherwise which should not have been so paid or

distributed (the *Overpayment*) or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of the Participant pursuant to this Agreement or

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otherwise could have been so paid or distributed (the *Underpayment*), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Participant which the Accounting Firm believes has a high probability of success, determines that an Overpayment has been made, the Participant shall pay any such Overpayment to the Company together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; *provided, however*, that no amount shall be payable by the Participant to the Company if and to the extent such payment would not either reduce the amount on which the Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be paid promptly (and in no event later than sixty (60) days following the date on which the Underpayment is determined) by the Company to or for the benefit of the Participant together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(iv) For purposes hereof, the following terms have the meanings set forth below: (A) *Reduced Amount* shall mean the greatest amount of Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code if the Accounting Firm determines to reduce Payments pursuant to this Section 15.8(b), (B) *Net After-Tax Receipt* shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on the Participant with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Participant's taxable income for the immediately preceding taxable year, or such other rate(s) as the Participant certifies, in the Participant's sole discretion, as likely to apply to the Participant in the relevant tax year(s), and (C) *Parachute Payment Ratio* shall mean a fraction the numerator of which is the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of the applicable Payment for purposes of Section 280G and the denominator of which is the intrinsic value of such Payment.

15.9 Securities and Exchange Control Law Compliance. No shares of Common Stock will be issued or transferred pursuant to an Award unless and until all then applicable requirements imposed by federal and state securities and other securities or exchange control laws, rules and regulations and by any regulatory agencies having jurisdiction, and by any exchanges upon which the shares of Common Stock may be listed, have been fully met. As a condition precedent to the issuance of shares of Common Stock pursuant to the grant or exercise of an Award, the Company may require the Participant to take any reasonable action to meet such requirements. The Committee may impose such conditions on any shares of Common Stock issuable under the Plan as it may deem advisable, including, without limitation, restrictions under the Securities Act of 1933, as amended, under the requirements of any exchange upon which such shares of the same class are then listed and under any blue sky or other securities laws applicable to such shares.

15.10 Substitute Awards in Corporate Transactions. Nothing contained in the Plan shall be construed to limit the right of the Committee to grant Awards under the Plan in connection with the acquisition, whether by purchase, merger, consolidation or other corporate transaction, of the business or assets of any corporation or other entity. Without limiting the foregoing, the Committee may grant Awards under the Plan to an employee, director or other individual service provider of another corporation who becomes an Eligible Person by reason of any such corporate transaction in substitution for awards previously granted by such corporation or entity to such person. The terms and conditions of the substitute Awards may vary from the terms and conditions that would otherwise be required by the Plan solely to the extent the Committee deems necessary for such purpose. Any such substitute awards shall not (a) reduce the number of shares of Common Stock available for issuance under the Plan, (b) be subject to or counted against the Award limits specified in Sections 4.3, 4.4 or 10.7 hereof or (c) replenish the Share Reserve upon the occurrence of any event set forth in Section 4.2 hereof.

15.11 *Tax Withholding.* The Company shall have the power and the right to deduct or withhold automatically from any amount deliverable under the Award or otherwise, or require a Participant to remit to the Company or the applicable Subsidiary, the minimum statutory amount to satisfy federal, state and local Tax-

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Related Items, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan. With respect to required withholding, Participants may elect (subject to the Company's automatic withholding right set out above) to satisfy the withholding requirement with respect to any taxable event arising as a result of the Plan, in whole or in part, by the methods described in Section 6.5 hereof with respect to Stock Options or by a method similar to the methods described in Section 6.5 hereof with respect to Awards other than Stock Options (except as otherwise set forth in an Award Agreement).

15.12 *Prohibition on Repricing.* Except in the case of an adjustment as provided in Section 4.5 hereof and subject to Section 15.10 hereof, the terms of outstanding Stock Options or Stock Appreciation Rights may not be amended, and action may not otherwise be taken without stockholder approval, to: (i) reduce the exercise price or base price of outstanding Stock Options or Stock Appreciation Rights; (ii) cancel outstanding Stock Options or Stock Appreciation Rights in exchange for Options or Stock Appreciation Rights with an exercise price or base price that is less than the exercise price or base price of the original Stock Options or Stock Appreciation Rights; or (iii) replace outstanding Stock Options or Stock Appreciation Rights in exchange for other Awards or cash at a time when the Stock Options or Stock Appreciation Rights have a per share exercise price that is higher than the Fair Market Value of a share of Common Stock.

15.13 *Unfunded Plan.* The adoption of the Plan and any reservation of shares of Stock or cash amounts by the Company to discharge its obligations hereunder shall not be deemed to create a trust or other funded arrangement. Except upon the issuance of Common Stock pursuant to an Award, any rights of a Participant under the Plan shall be those of a general unsecured creditor of the Company, and neither a Participant nor the Participant's permitted transferees or estate shall have any other interest in any assets of the Company by virtue of the Plan. Notwithstanding any of the foregoing, the Company shall have the right to implement or set aside funds in a grantor trust, subject to the claims of the Company's creditors or otherwise, to discharge its obligations under the Plan. The Plan is not subject to the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time.

15.14 *Other Compensation and Benefit Plans.* The adoption of the Plan shall not affect any other share incentive or other compensation plans in effect for the Company or any Subsidiary, nor shall the Plan preclude the Company or any Subsidiary from establishing any other forms of share incentive or other compensation or benefit program for employees of the Company or any Subsidiary. The amount of any income deemed to be received by a Participant pursuant to an Award shall not constitute includable compensation for purposes of determining the amount of benefits to which a Participant is entitled under any other compensation or benefit plan or program of the Company or a Subsidiary, including, without limitation, under any pension or severance benefits plan, except to the extent specifically provided by the terms of any such plan.

15.15 *Plan Binding on Transferees.* The Plan shall be binding upon the Company, its transferees and assigns, and the Participant, the Participant's executor, personal representative(s), distributee, administrator, permitted transferees, permitted assignees, beneficiaries and legatee(s), as applicable.

15.16 *Severability.* If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

15.17 *Governing Law; Jurisdiction; Waiver of Jury Trial.* The Plan and each Award Agreement and all claims, causes of action or proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or relate to the Plan or any Award Agreement shall be governed by the internal laws of the State of Delaware, excluding any conflicts- or choice-of-law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. Each Participant and each party to an Award Agreement agrees that it shall

bring all claims, causes of action and proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or be related to the Plan or any Award Agreement

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exclusively in the Delaware Court of Chancery or, in the event (but only in the event) that such court does not have subject matter jurisdiction over such claim, cause of action or proceeding, exclusively in the United States District Court for the District of Delaware (the *Chosen Court*), and hereby (i) irrevocably submits to the exclusive jurisdiction of the Chosen Court, (ii) waives any objection to laying venue in any such proceeding in the Chosen Court, (iii) waives any objection that the Chosen Court is an inconvenient forum or does not have jurisdiction over any party and (iv) agrees that service of process upon such party in any such claim or cause of action shall be effective if notice is given in accordance with such Award Agreement.

15.18 *No Fractional Shares.* No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine (i) whether cash, other securities or other property shall be paid or transferred in lieu of any fractional shares of Common Stock or (ii) whether such fractional shares or any rights thereto shall be canceled, terminated or otherwise eliminated (in the case of this clause (ii), with no consideration paid therefor).

15.19 *No Guarantees Regarding Tax Treatment.* Neither the Company nor the Committee make any guarantees to any person regarding the tax treatment of Awards or payments made under the Plan. Neither the Company nor the Committee has any obligation to take any action to prevent the assessment of any Tax-Related Items on any person with respect to any Award under Section 409A of the Code, Section 4999 of the Code, Section 280G of the Code or otherwise and neither the Company nor the Committee shall have any liability to a person with respect thereto.

15.20 *Data Protection.* By participating in the Plan, each Participant consents to the collection, processing, transmission and storage by the Company, its Subsidiaries and any third party administrators of any data of a professional or personal nature for the purposes of administering the Plan.

15.21 *Awards to Non-U.S. Employees, Non-Employee Directors or Consultants.* With respect to grants of Awards to Eligible Persons residing in countries other than the United States in which the Company or any of its Subsidiaries operates or has employees, Non-Employee Directors, consultants or other personal service providers, the Committee, in its sole discretion, shall have the power and authority to:

- (a) Determine which Subsidiaries shall be covered by the Plan;
- (b) Determine which employees, Non-Employee Directors, consultants or other personal service providers outside the United States are eligible to participate in the Plan;
- (c) Modify the terms and conditions of any Award granted to employees, Non-Employee Directors, consultants or other personal service providers outside the United States to facilitate compliance with applicable foreign laws;
- (d) Take any action, before or after an Award is made, that it deems necessary or advisable for legal or administrative reasons, including, without limitation, to facilitate compliance with applicable foreign laws; and
- (e) Establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable. Any subplans and modifications to Plan terms and procedures established under this Section 15.21 by the Committee shall be attached to this Plan document as appendices.

16. Term; Amendment and Termination; Stockholder Approval.

16.1 *Term.* The Plan shall be effective as of the later of (i) the date of adoption by the Board, which date is set forth below, and (ii) the effectiveness of the Form S-8 in connection with the Company's initial public offering (the *Effective*

Date).

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16.2 *Amendment and Termination*. The Committee may from time to time and in any respect, amend, modify, suspend or terminate the Plan; provided, that, except as provided in Section 15.8, Section 15.21 or as otherwise determined by the Committee as it deems necessary to comply with applicable laws, no amendment, modification, suspension or termination of the Plan shall adversely affect any Award theretofore granted without the consent of the Participant or the permitted transferee of the Award. The Committee may seek the approval of any amendment, modification, suspension or termination by the Company's stockholders to the extent it deems necessary or advisable in its discretion for purposes of compliance with Section 162(m) or Section 422 of the Code, the listing requirements of the Principal Market or other exchange or securities market or for any other purpose.

This Plan was duly adopted and approved by the Board of Directors of the Company by resolution at a meeting held on the 3rd day of November, 2014. The Board approved an amendment and restatement of the Plan on March 28, 2016, which shall become effective upon its approval by the Company's stockholders on May 24, 2016 (the *Amendment Effective Date*). If the Company's stockholders do not approve the amendment and restatement of the Plan, Awards will be made under the Plan as approved by the Board on November 3, 2014.

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VOTE BY INTERNET - www.proxyvote.com

INC RESEARCH HOLDINGS, INC.
3201 BEECHLEAF COURT, SUITE 60
RALEIGH, NC 27604

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to

Vote Processing, c/o Broadridge, 51 Mercedes Way,
Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY
THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

**The Board of
Directors recommends
you vote FOR the
following:**

1. Election of
Directors

Nominees For Against Abstain

- 1A Robert W.
Breckon

..

For Against Abstain

- 1B David F.
Burgstahler

..

4. To approve the
INC Research
Holdings, Inc.
2016
Employee
Stock Purchase
Plan;

..

- 1C Terry Woodward
**The Board of
Directors recommends
you vote FOR
proposals 2, 4, 5 and 1
YEAR for proposal 3.**

For Against Abstain

5. To Approve
the INC
Research
Holdings, Inc.
2014 Equity
Incentive Plan,
as Amended
and Restated,
including to
increase the
number of
shares
authorized for

..

issuance and
approve
material terms
under Code
Section
162(m); and

- | | | | | |
|----|------------------------------------------------------------------|----|----|----|
| 2. | To hold an advisory (nonbinding) vote on executive compensation; | .. | .. | .. |
|----|------------------------------------------------------------------|----|----|----|

NOTE: To consider and take action upon such other matters as may properly come before the meeting or any adjournment or postponements thereof.

1 year 2 years 3 years Abstain

- | | | | | | |
|----|------------------------------------------------------------------------------------------------------------------------|----|----|----|----|
| 3. | To hold an advisory (nonbinding) vote on the frequency of future stockholder advisory votes on executive compensation. | .. | .. | .. | .. |
|----|------------------------------------------------------------------------------------------------------------------------|----|----|----|----|

Yes No

Please indicate if you plan to attend this meeting
----------------------------------------------------	----	----

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Signature (Joint Owners)

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Annual Report and Notice & Proxy Statement are available at www.proxyvote.com

INC RESEARCH HOLDINGS, INC.

Annual Meeting of Shareholders

May 24, 2016 8:00 AM

This proxy is solicited by the Board of Directors

The shareholder(s) hereby appoint(s) Gregory S. Rush and Christopher L. Gaenzle, or either of them, as proxies, each with the power to appoint (his/her) substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Class A Common stock of INC RESEARCH HOLDINGS, INC. that the shareholder(s) is/are entitled to vote at the Annual Meeting of shareholder(s) to be held at 08:00 AM, EST on 5/24/2016, at the Washington Duke Inn, 3001 Cameron Boulevard, Durham, NC 27705 and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors recommendations.

Continued and to be signed on reverse side