



## **DIRECTOR STOCK OWNERSHIP POLICY**

The Board of Directors of PTC believes that directors more effectively represent stockholders when they are stockholders themselves. The Board has adopted this stock ownership policy for non-employee directors which is intended to align the directors' interests with those of PTC stockholders. The policy requires non-employee directors to attain a certain ownership level of PTC common stock.

Non-employee directors are required to attain (as set forth below) an ownership level of PTC common stock having a value equal to five (5) times their respective annual cash retainer (the "Minimum Holding Level"). The Minimum Holding Level will be calculated annually on the day of the Company's Annual Meeting of Stockholders based on the average of the closing prices of the Company's stock as reported by NASDAQ over the thirty calendar days preceding the Annual Meeting. Any subsequent change in the value of the shares will not affect the amount of stock Directors should hold during that year. Common stock that counts towards the Minimum Holding Level includes all stock beneficially owned by a director, including stock owned jointly with, or separately by a spouse and/or minor children, but excludes unvested restricted stock.

If at the time a director exercises a stock option or vests in restricted stock, or otherwise receives shares of PTC common stock as compensation from PTC, and at the time of such exercise, vesting or receipt has not attained the Minimum Holding Level, the director shall retain in such transaction the lesser of the following:

1. A number of shares equal to seventy percent (70%) of the net value of shares acquired or vested (after deducting the exercise price, if any, and taxes at an assumed tax rate of forty percent (40%)); or
2. A number of shares necessary to reach the applicable Minimum Holding Level.

The Board of Directors understands that there may be instances where this policy would place a hardship on a director. In such an event, the Chairman of the Nominating & Corporate Governance Committee (or, if such chairman is the affected director, the Chairman of the Compensation Committee) will make the final decision as to an alternative stock ownership plan for a director that balances the goals of this policy and the affected director's personal circumstances.