



## 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 to align the directors' interests with those of PTC stockholders. The policy requires non-employee directors to attain and retain a specified ownership level of PTC common stock.

Non-employee directors are required to attain and retain an ownership level of PTC common stock having a value equal to five times (5x) their respective annual board cash retainer (the "Minimum Holding Level"). The Minimum Holding Level will be calculated at the time of any proposed sale of PTC stock and annually on the day of the Company's Annual Meeting of Stockholders. For purposes of calculating the Minimum Holding Level at the time of any proposed sale, the closing price of PTC stock as reported by NASDAQ for the day preceding the request will be used. For purposes of the annual calculation, the average of the closing prices of the Company's stock as reported by NASDAQ over the thirty calendar days preceding the Annual Meeting will be used. If a proposed trade would cause the Director to fall below the Minimum Holding Level, the trade will be approved only as to the amount that exceeds the Director's Minimum Holding Level. 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 equity and stock underlying stock options.

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 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.