

# **PROGRESS SOFTWARE CORPORATION**

## **STOCK OPTION GRANT POLICY**

The Compensation Committee of the Board of Directors of Progress Software Corporation (together with its subsidiaries, the “Company”) has approved and adopted this policy to promote consistent and efficient administration of stock option grants to the Company’s directors, officers, employees, consultants and key persons.

This policy shall apply to grants of stock options pursuant to the Company’s equity compensation plans (other than employee stock purchase plans).

### **General Statement of Policy**

It is the policy of the Compensation Committee that all stock option awards will be made in strict compliance with the Company’s equity plans and policies and with all applicable laws. Further, it is the policy of the Compensation Committee that neither the Compensation Committee nor any member of the Company management shall manipulate the time of the public release of material information or of any stock option grant with the intent of benefiting a grantee under an equity award. In furtherance of this policy, the Compensation Committee has adopted the specific practices described below.

### **Grant Approval**

The Compensation Committee believes that establishing fixed grant dates for the award of equity grants, to the extent possible, is an important measure to ensure the integrity of the award granting process. All stock option grants, and the terms and conditions thereof, shall be authorized and approved by the Compensation Committee at duly constituted meetings, including telephonic meetings. All minutes of the Compensation Committee shall be prepared by the Corporate Secretary, Assistant Corporate Secretary or Secretary Pro Tem, and shall be duly attested, and shall include the type of grant, the grantee’s name, the plan under which such grant was made, and the grant size. At least three days prior to a meeting of the Compensation Committee at which equity grants are proposed to be made, management shall provide to the Compensation Committee information regarding the proposed grants, including names of grantees, size of each grant, and the proposed vesting start date if other than the grant date. All actions required to grant stock options by the Company’s governance provisions, equity compensation plans and applicable laws, shall be completed, executed, and documented in writing on or prior to the date of the grant.

### **Compensation Committee Meetings**

The Compensation Committee will meet at least four times a year to make option grants. Such meetings will be held on April 15, July 15, October 15 and January 15 (each, a “Quarterly Meeting”), provided that the April meeting date will be delayed to the date of the annual stockholder meeting if it is held later than April 15. If any of these dates is not a business day,

the meeting will be held on the next business day. Option grants may also be made at any other duly constituted Compensation Committee meeting. .

### **Inducement and Other Special Grants to Employees**

It is the policy of the Company to make option grants for new hires, promotions or special recognition at the next Quarterly Meeting following the date of hire, promotion or special recognition; provided that such option grants can also be made at any other duly constituted Compensation Committee meeting. With respect to any such grants not otherwise made during a Quarterly Meeting, the grant date shall be the date on which the Compensation Committee acts at a special meeting to approve the grant, or such later date as specified by the Compensation Committee.

### **Annual Grants to Employees**

It is the policy of the Company to make regular annual option grants to employees at a Quarterly Meeting; provided that such option grants can also be made at any other duly constituted Compensation Committee meeting. Such annual option grants may be granted in a single or multiple tranches in the discretion of the Compensation Committee.

### **Semi-Annual Grants to Non-Employee Directors**

The semi-annual stock option grants to non-employee directors shall be made by the Board of Directors or Compensation Committee twice a year, either at the April and October meetings or at the July and January meetings.

### **Exercise Price**

The exercise price for all option grants will be the fair market value of the stock on the grant date which shall be the closing price of the stock on the grant date. If the grant date is a holiday, then the exercise price shall be the closing price of the stock on the next business day.

### **Modification of Stock Option Grants**

Any change to the terms of a stock option grant following Compensation Committee approval (whether due to administrative or clerical error or otherwise) must be submitted for approval by the Compensation Committee. The date of grant for any stock option involving a modification to any of the material terms of the grant (i.e., the type and amount of stock option to be granted, the vesting schedule, the exercise price and other non-standard material terms of such grant) will be the date of approval by the Compensation Committee of the modified terms or a later date specified by the Compensation Committee in such approval.

### **Grantee Communication**

The Company will provide a notice to each grantee within two weeks after the approval of each grant by the Compensation Committee stating (i) the type and amount of stock options to be granted, (ii) the grant or exercise price, and (iii) the vesting and other material terms of the grant.

### **Appointment Of Options Executive**

Company management, in consultation with the Compensation Committee, shall designate a Company employee who shall be responsible for ensuring that the Company complies with applicable laws, regulations and accounting standards related to the granting of equity-based compensation, and that the Company's policies, procedures and equity compensation plans are followed.

### **Records Retention**

Prior to the expiration of a stock option grant and for a minimum of three (3) years thereafter, the Company will retain the following records evidencing the approval of the grant: (i) documents provided to the Compensation Committee prior to its approval of the grant, including documents identifying the names of the grantees, size of grant and grant date; (ii) minutes of the meeting of the Compensation Committee at which the grant is approved; and (iii) records of the grant in the electronic database used by the Company to compile a record of such grants.

### **Options Accounting**

The Audit Committee will meet at least annually with both internal and external auditors to discuss the Company's methods of accounting for equity-based compensation.

### **Publication**

This Policy shall be posted on the "Corporate Governance" page of the Company's website.

ADOPTED by the Board of Directors: February 9, 2007

Amendments ADOPTED by the Board of Directors: September 16, 2008

Further amendments ADOPTED by the Board of Directors: March 30, 2010