

STILLWELL KENNETH  
Form 4  
March 05, 2018

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
STILLWELL KENNETH

(Last) (First) (Middle)

C/O PEGASYSTEMS INC, ONE  
ROGERS STREET

(Street)

CAMBRIDGE, MA 02142

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
PEGASYSTEMS INC [PEGA]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/01/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
CFO, SVP

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Stock                    | 03/01/2018                           |  | M                              | 3,500   | A \$ 27.74  | 3,500  | D                                 |
| Common Stock                    | 03/01/2018                           |  | F                              | 2,206<br>(1)  | D \$ 58.3   | 1,294  | D                                 |
| Common Stock                    | 03/01/2018                           |  | S                              | 1,294<br>(2)  | D \$ 55.68<br>(3)   | 0  | D                                 |
| Common Stock                    | 03/02/2018                           |  | M                              | 3,317<br>(4)  | A \$ 0  | 3,317  | D                                 |
| Common Stock                    | 03/02/2018                           |  | F                              | 977   | D \$ 55.9   | 2,340  | D                                 |

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|              |            |   |                              |   |          |                      |   |
|--------------|------------|---|------------------------------|---|----------|----------------------|---|
| Common Stock | 03/02/2018 | M | 568 <sup>(5)</sup>           | A | \$ 0     | 2,908                | D |
| Common Stock | 03/02/2018 | F | 168                          | D | \$ 55.9  | 2,740                | D |
| Common Stock | 03/02/2018 | S | <u>2,340</u> <sup>(2)</sup>  | D | \$ 56.9  | 400                  | D |
| Common Stock | 03/02/2018 | M | 22,954                       | A | \$ 27.74 | 23,354               | D |
| Common Stock | 03/02/2018 | F | <u>14,678</u> <sup>(1)</sup> | D | \$ 56.85 | 8,676 <sup>(6)</sup> | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title Amount or Number of Shares                            |
| Stock Options                              | \$ 27.74   | 03/01/2018                           |  | M                              | 3,500   | 08/01/2017 <sup>(7)</sup> 08/01/2026                     | Common Stock 3,500  |
| Restricted Stock Units <sup>(8)</sup>      | \$ 0   | 03/02/2018                           |  | M                              | <u>3,317</u> <sup>(4)</sup>   | 03/02/2018 <sup>(9)</sup>                                | Common Stock 3,317  |
| Restricted Stock Units <sup>(8)</sup>      | \$ 0   | 03/02/2018                           |  | M                              | 568 <sup>(5)</sup>  | 03/02/2018 <sup>(9)</sup>                                | Common Stock 568  |
| Stock Options                              | \$ 27.74   | 03/02/2018                           |  | M                              | 22,954  | 08/01/2017 <sup>(7)</sup> 08/01/2026                     | Common Stock 22,954   |

## Reporting Owners

Reporting Owner Name / Address Relationships

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Director   10% Owner   Officer   Other

STILLWELL KENNETH  
C/O PEGASYSTEMS INC  
ONE ROGERS STREET  
CAMBRIDGE, MA 02142

CFO, SVP

### Signatures

/s/ Janet Mesrobian, Esq., Attorney-In-Fact for Kenneth  
Stillwell

03/05/2018

\_\_Signature of Reporting Person

Date

### Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Represents the exercise price of the Stock Options referenced in Table II and Mr. Stillwell's tax liability, which were paid by way of withholding by the Company of shares of equal value.
- (2) Sold pursuant to a pre-arranged stock trading plan under rule 10b5-1 of the Securities Exchange Act of 1934, as amended.
- (3) Represents the weighted average of the sale prices on March 1, 2018, ranging from \$55.35 and 56.00.
- (4) Represents 100% vesting on March 2, 2018. The original grant was 3,317 restricted stock units, which were granted on March 2, 2017. As part of the Company's 2017 Corporate Incentive Plan (CICP), Mr. Stillwell elected to receive his annual Bonus in RSUs.
- (5) Represents 20% vesting on March 2, 2018. The original grant was 2,841 restricted stock units, with 20% vesting on March 2, 2018, and the remaining 80% vesting in equal quarterly installments over the remaining 4 years.
- (6) Does not include shares of common stock subject to unvested restricted stock units and options awards.
- (7) Options vest 20% on August 1, 2017, and the remaining 80% vest in equal quarterly installments over the remaining four years.
- (8) Each restricted stock unit represents the right to receive, following vesting, one share of Pegasystems Inc.'s common stock.
- (9) Once vested, the shares of common stock are not subject to expiration.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.