

PEGASYSTEMS INC  
Form 4  
March 06, 2017

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**KOUNINIS EFSTATHIOS A**

(Last) (First) (Middle)

**C/O PEGASYSTEMS INC., 1  
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)  
**03/02/2017**

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)

**VP of Finance & CAO**

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount (A) or (D) Price   |  |                                   |
| Common Stock                    | 03/02/2017                           |  | M                              |   | 309 <sup>(1)</sup> A \$ 0 349   | D  |                                   |
| Common Stock                    | 03/02/2017                           |  | F                              |   | 117 D \$ 45.2 232   | D  |                                   |
| Common Stock                    | 03/02/2017                           |  | S                              |   | 232 D \$ 44.5 0   | D  |                                   |
| Common Stock                    | 03/02/2017                           |  | M                              |   | 844 A \$ 0 844  | D  |                                   |
| Common Stock                    | 03/02/2017                           |  | F                              |   | \$ 44.65 284 <sub>(2)</sub>   | D  |                                   |

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Common Stock      03/02/2017      S      284      D      \$ 44.62      0      D  
(3)

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

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**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 Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Restricted Stock Units <sup>(4)</sup>      | \$ 0   | 03/02/2017                           |  | M                              | 309 <sup>(1)</sup>  | 03/02/2016 <sup>(5)</sup>                                | Common Stock  | 6,190                      |
| Stock Options                              | \$ 20.49   | 03/02/2017                           |  | M                              | 844   | 03/02/2016 03/02/2025                                    | Common Stock  | 16,870                     |
| Restricted Stock Units <sup>(4)</sup>      | \$ 0   | 03/02/2017                           |  | A                              | 3,410 <sup>(6)</sup>  | 03/02/2018 <sup>(5)</sup>                                | Common Stock  | 3,410                      |
| Stock Options                              | \$ 44.3  | 03/02/2017                           |  | A                              | 11,253 <sup>(7)</sup>   | 03/02/2018 03/02/2027                                    | Common Stock  | 11,253                     |
| Restricted Stock Units <sup>(4)</sup>      | \$ 0   | 03/02/2017                           |  | A                              | 1,140 <sup>(8)</sup>  | 03/02/2018 <sup>(5)</sup>                                | Common Stock  | 1,140                      |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                     |       |
|---|---------------|-----------|---------------------|-------|
|   | Director      | 10% Owner | Officer             | Other |
| KOUNINIS EFSTATHIOS A<br>C/O PEGASYSTEMS INC.<br>1 ROGERS STREET<br>CAMBRIDGE, MA 02142 |               |           | VP of Finance & CAO |       |

## Signatures

/s/ Janet Mesrobian, Esq., Attorney-In-Fact for Efstathios  
Kouninis

03/06/2017

\_\_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 5% vesting on March 2, 2017. The original grant was 6,192 restricted stock units, with 20% vesting on March 2, 2016, and the remaining 80% vesting in equal quarterly installments over the remaining 4 years.
  - (2) Represents the exercise price of the Stock Options referenced in Table II and Mr. Kouninis' tax liability, which were paid by way of withholding by the Company of shares of equal value.
  - (3) Represents the weighted average of the sale prices on March 2, 2017, ranging from \$44.60 to \$44.65.
  - (4) Each restricted stock unit represents the right to receive, following vesting, one share of Pegasystems Inc.'s common stock.
  - (5) Once vested, the shares of common stock are not subject to expiration.
  - (6) RSUs vest 20% on March 2, 2018, and the remaining 80% vest in equal quarterly installments over the remaining four years.
  - (7) Options vest 20% on March 2, 2018, and the remaining 80% vest in equal quarterly installments over the remaining four years.
  - (8) Represents election by the individual, as part of the Company's Corporate Incentive Plan (CICP), to receive half of their annual bonus in RSUs, based upon the Company's stock price as of March 2, 2017. All RSUs vest 100% on March 2, 2018, subject to attainment of the CICP performance threshold for the year ending December 31, 2017.

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.