

Monotype

Executive Officer Stock Ownership Guidelines

*Adopted by the Board of Directors:
Expanded to all Executive Officers*

*October 27, 2010
May 3, 2018*

The Board of Directors (the “Board”) of Monotype Imaging Holdings Inc. (the “Company”) has adopted these Executive Officer Stock Ownership Guidelines (these “Guidelines”) to further align the interests of its Chief Executive Officer and any Executive Vice President (the “Executive Officers”) with the interests of the Company’s stockholders by encouraging them to acquire and retain at least a minimum amount of the Company’s common stock and promote the Company’s commitment to principles of sound corporate governance.

Minimum Ownership

In order to be in compliance with these Guidelines, an Executive Officer must have on each Measurement Date (as defined below) Company common stock having an aggregate value of the following:

Chief Executive Officer: at least three (3) times his or her base salary on such Measurement Date.

Other Executive Officer: at least one (1) times his or her base salary on such Measurement Date.

Measurement Date

A “Measurement Date” means the close of business at the Company’s principal office on each December 31 beginning four (4) years after the later of (i) the adoption of these Guidelines by the Board and (ii) the first date of the Executive Officer’s employment as an Executive Officer.

Securities Counted

For purposes of these guidelines, an Executive Officer shall be deemed to own shares issued to the him or her by the Company, held for the benefit of him or her under an employee benefit or retirement plan, and any Company shares purchased on the open market. Securities held by members of the Executive Officer’s immediate family living in the same household, or held in trust for the Executive Officer or any such family member, shall be included.

Securities that qualify as common stock for purposes of these guidelines include:

- Shares of unrestricted common stock
- Shares of restricted stock and similar time-vested instruments, both vested and unvested.
- Shares of vested incentive or non-qualified stock options with a fair market value above the grant exercise price.

Securities that do not qualify as common stock for purposes of these Guidelines include:

- Unvested stock options
- Performance shares or other performance-based awards, or any shares issuable upon the payout of any such award, unless all performance periods have been closed and all performance conditions have been satisfied.

Valuation

The value of shares held on a Measurement Date shall be determined as follows:

- Unrestricted or Restricted Common Stock Granted to the Executive Officer by the Company: One share of the Company's common stock shall be valued at the average of the NASDAQ closing prices on the Nasdaq Global Select Market (or such other market on which the Company's common stock is then principally listed) on each of the last 20 trading days prior to December 31st (including December 31st if such date is a trading day).
- Shares purchased in the open market: Each share of the Company's common stock will be valued at the actual price paid for such share.
- Vested Options: The valuation methodology utilized for unrestricted or restricted common stock will be utilized, less the exercise price for such options.

Enforcement

If, on any Measurement Date, an Executive Officer's ownership is below the Guidelines, the Executive Officer must retain ownership of at least 50% of any net shares of Company common stock acquired by the Executive Officer until the next Measurement Date. "Net shares" are the shares that remain after shares are sold or netted to pay the exercise price of stock options (if applicable) and withholding taxes.

Exceptions

The Management Development and Compensation Committee or its Chair may grant exceptions to the Guidelines in cases of serious hardship or upon satisfactory showing that an Executive Officer has met the Guidelines through acquisition of common stock since the last Measurement Date. Such exceptions may be made subject to such conditions and for such periods of time as the Management Development and Compensation Committee or Chair may deem appropriate. Any such exception granted by the Chair may not extend past the next regular meeting of the Committee, at which time the exceptions shall be subject to confirmation by the full Management Development and Compensation Committee.

Administration

These Guidelines shall be administered by the Management Development and Compensation Committee of the Board, which shall have the power to interpret its provisions. These Guidelines may be amended or repealed by the Board.