

Tyler Technologies, Inc.
Stock Ownership Guidelines
February 20, 2018

The Board of Directors of Tyler Technologies, Inc. (Tyler) believes that its Directors and executive officers should have a meaningful ownership stake in Tyler that will align their interests with those of our shareholders and will promote sound corporate governance and a long-term prospective in managing Tyler. Therefore, the Board of Directors has adopted the following Stock Ownership Guidelines (the “Guidelines”).

Participation

Tyler’s Stock Ownership Guidelines apply to the following individuals (each, a “Covered Person” and collectively, the “Covered Persons”):

- Non-employee members of the Board of Directors; and
- Executive officers of Tyler

Ownership Guidelines

The market value of the shares each Covered Person is required to own or hold (the Covered Person’s “Ownership Requirement”) is equal to or greater than the ownership levels specified below, based on a multiple of executive officers’ base salary and non-employee members of the Board’s annual cash retainer.

<u>Covered Person Position</u>	<u>Share Ownership Guideline</u>
Executive Chairman, Chief Executive Officer, President	6 times base salary
Other Named Executive Officers	4 times base salary
Other Executive Officers as designated by the Compensation Committee of the Board	1 times base salary
Non-employee Directors	4 times annual cash retainer

Measurement

The number of shares required to be held will be determined by dividing the value above by the trailing 20-day simple moving average stock price of Tyler common stock, calculated using the 20 trading days prior to the fiscal year end date. Compliance will be evaluated once a year, as of the last day of each fiscal year. After the Covered Person’s Ownership Requirement is met, a Covered Person may sell shares, provided he or she retains the number of shares that satisfied the Ownership Requirement as of the prior fiscal year end.

The Covered Person will have three years from the later of his or her commencement of service with Tyler as a Covered Person or the adoption of these Stock Ownership Guidelines to satisfy the Stock Ownership Guideline. If a Covered Person becomes subject to a greater ownership amount, due to promotion or an increase in base salary or annual cash retainer, the Covered Person is expected to meet the higher ownership amount within

three years from the effective date of the promotion, salary, or retainer change. Once a Covered Person has met the applicable minimum ownership requirements, such Covered Person will be expected to continue to comply with the minimum ownership requirements, except when it is determined by the Compensation Committee that compliance would create severe hardship or prevent a Covered Person from complying with a court order as described below.

Qualifying Shares

The following types of equity count toward satisfaction of these Guidelines (“Qualifying Shares”):

- All shares owned by the Covered Person, including in a brokerage account, 401(k) account or the Employee Stock Purchase Plan; the Covered Person’s spouse; or his or her immediate family members residing in the same household;
- Vested and unvested restricted stock and restricted stock units;
- Shares owned in trust by or for a Covered Person, the Covered Person’s spouse, or his or her immediate family members residing in the same household; and
- Shares held by an affiliated entity of a Covered Person, if such shares are “beneficially owned” by the Covered Person.

Unexercised stock options do not count toward meeting the Ownership Requirement.

Share Retention Requirements

Each Covered Person is required to retain not less than 50% of the net shares received as the result of the vesting of a restricted stock award, after deducting the number of shares that would be needed to pay applicable taxes and/or exercise price, until the applicable Ownership Requirement is met.

Exceptions

There may be instances where these Stock Ownership Guidelines would place a severe hardship on a Covered Person. In such instances, the Compensation Committee will make the final decision as to developing an alternative stock ownership guideline for Directors and Named Executive Officers, and the Executive Chairman or Chief Executive Officer will make the final decision as to developing an alternative stock ownership guideline for other Covered Persons, that reflects both the intent of these Stock Ownership Guidelines and the personal circumstances of the Covered Person.

Administration

These Guidelines are administered and interpreted by the Compensation Committee. The Company will monitor compliance and progress of all participants towards meeting the Ownership Guidelines and will update the Compensation Committee on an annual basis.