

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

**FORM 10-K**

**(Mark one)**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended July 31, 2023

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-35394

**Guidewire Software, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

36-4468504  
(I.R.S. Employer  
Identification No.)

970 Park Pl., Suite 200, San Mateo, California, 94403

(Address of principal executive offices, including zip code)

(650) 357-9100

(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<u>(Title of each class)</u>	<u>(Trading Symbol(s))</u>	<u>(Name of each exchange on which registered)</u>
Common Stock, \$0.0001 par value	GWRE	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act:**

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of common stock held by non-affiliates of the registrant, computed by reference to the closing price at which the common stock was sold on January 31, 2023, the last business day of the registrant's most recently completed second fiscal quarter, as reported on the New York Stock Exchange, was approximately \$3.6 billion. Shares of common stock held by each executive officer, director and holder of 5% or more of the outstanding common stock have been

excluded in that such persons may be deemed to be affiliates. This determination of affiliate status does not reflect a determination that such persons are affiliates of the registrant for any other purpose.

On August 31, 2023, the registrant had 81,440,720 shares of common stock issued and outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive Proxy Statement relating to its 2023 Annual Meeting of Stockholders are incorporated by reference into Part III of this report where indicated. Such Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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**Guidewire Software, Inc.**

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## FORWARD-LOOKING STATEMENTS

The sections titled “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as well as other parts of this Annual Report on Form 10-K and certain information incorporated herein by reference contain forward-looking statements within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), and the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which are subject to risks and uncertainties. The forward-looking statements may include statements concerning, among other things, our business strategy (including anticipated trends and developments in, and management plans for, our business and the markets in which we operate), financial results, results of operations, revenue, gross margins, operating expenses, services, products, projected costs and capital expenditures, research and development programs, sales and marketing initiatives, and competition. In some cases, you can identify these statements by forward-looking words, such as “will,” “may,” “might,” “should,” “could,” “estimate,” “expect,” “suggest,” “believe,” “anticipate,” “intend,” “plan” and “continue,” the negative or plural of these words and other comparable terminology. Actual events or results may differ materially from those expressed or implied by these statements due to various factors, including, but not limited to, the matters discussed below, in the section titled “Risk Factors,” and elsewhere in this Annual Report on Form 10-K. Many of the forward-looking statements are located in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. The forward-looking statements contained in this Annual Report on Form 10-K are based on information available to us as of the filing date of this Annual Report on Form 10-K and our current expectations about future events, which are inherently subject to change and involve risks and uncertainties. You should not place undue reliance on these forward-looking statements.

We do not undertake any obligation to update any forward-looking statements in this Annual Report on Form 10-K or in any of our other communications, except as required by law. All such forward-looking statements should be read as of the time the statements were made and with the recognition that these forward-looking statements may not be complete or accurate at a later date.

## SUMMARY OF MATERIAL RISKS ASSOCIATED WITH OUR BUSINESS

The principal risks and uncertainties affecting our business include the following:

- growth prospects of the property and casualty (“P&C”) insurance industry and our company;
  - the developing market for subscription services and uncertainties attendant on emerging sales and delivery models, including the migration of our existing term license customers to cloud-based offerings on a subscription basis or failure to meet stipulated service levels with our subscription services;
  - trends in and timing of future sales, including the mix between license and subscription revenue and seasonality;
  - our competitive environment and changes thereto;
  - competitive attributes of our software applications and delivery models;
  - change in our revenue mix resulting in potential declines in our subscription and support gross margin or our services gross margin;
  - our reliance on orders from a relatively small number of customers in the P&C insurance industry for a substantial portion of our revenue and Annual Recurring Revenue (“ARR”);
  - our gross and operating margins and factors that affect such margins, including costs related to operating, securing, and enhancing our subscription services;
  - the timing and number of professional services engagements and the billing rates and utilization of our professional services employees and contractors;
  - challenges to further increase sales both in the United States and internationally;
  - potential failure of any of our established services or products to satisfy customer demands or to maintain market acceptance;
  - our sales and implementation cycles are lengthy and variable, depend upon factors outside our control, and could cause us to expend significant time and resources prior to generating revenue;
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- our large customers have substantial negotiating leverage, which may require that we agree to terms and conditions that result in increased cost of revenue, decreased revenue, and lower average selling prices and gross margins;
- our business depends on customers renewing and expanding their license, support, and subscription contracts for our services and products;
- potential inability to develop, introduce, market, and localize new and enhanced versions of our services and products;
- effectiveness of our research and development and cloud operations investment and efforts;
- our ability to comply with current and evolving local and foreign data privacy laws, including the General Data Protection Regulation in the European Union (“EU”) and in the United Kingdom (“U.K.”) and the California Consumer Privacy Act, the California Privacy Rights Act, and regulations in various other jurisdictions in the United States and abroad, and maintain the security of our customer’s data, our cloud-based services or products, and the related costs and liabilities that we may incur;
- retaining existing and hiring new personnel;
- expenses to be incurred, and benefits to be achieved, from our acquisitions;
- our provision for tax liabilities, judgments related to revenue recognition, and other critical accounting estimates;
- the timing and amount of any share repurchases by us;
- the impact of new or revised regulations, laws, including tax laws in jurisdictions in which we operate, and accounting standards;
- our ability to apply accounting guidance that requires management to make estimates and assumptions and to adapt to and interpret the requirements of new guidance, or to clearly explain to stockholders how new guidance affects reporting of our results of operations;
- our exposure to market risks, including geographical and political events such as the ongoing conflict between Russia and Ukraine, supply chain disruptions and inflation, that may negatively impact our customers, partners, and vendors or our business operations;
- data privacy concerns could result in regulatory changes and impose additional costs and liabilities on us and limit our use of information;
- the effect of uncertainties related to the recent global pandemic and any mutations or related strains of harmful viruses on the U.S. and global economies, our business, our employees, results of operations, financial condition, demand for our products, sales and implementation cycles, and the health of our customers’ and partners’ businesses;
- data security breaches of our cloud-based services or products or unauthorized access to our customers’ or employees’ data;
- our stock price may be volatile, which could result in securities class action litigation against us;
- our ability to successfully defend litigation brought against us; and
- our ability to satisfy future liquidity requirements.

The summary risk factors described above should be read together with the text of the Risk Factors included in Item 1A of Part I of this Annual Report on Form 10-K and the other information set forth in this Annual Report on Form 10-K, including our consolidated financial statements and related notes thereto, as well as in other documents that we file with the U.S. Securities and Exchange Commission (the “SEC”). Additional risks and uncertainties, beyond those summarized above or discussed elsewhere in this Annual Report on Form 10-K may apply to our business, activities, or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate.

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Unless the context requires otherwise, we are referring to Guidewire Software, Inc. together with its subsidiaries when we use the terms “Guidewire,” the “Company,” “we,” “our,” or “us.”

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## **Item 1. Business**

### **Overview and Purpose**

Guidewire delivers a leading platform that property and casualty (“P&C”) insurers trust to engage, innovate, and grow efficiently. Guidewire’s platform combines core operations, digital engagement, analytics, machine learning, and artificial intelligence (“AI”) applications delivered as a cloud service or self-managed software. We began our principal operations in 2001.

Our core operational services and products are InsuranceSuite Cloud, InsuranceNow, and InsuranceSuite for self-managed installations. These services and products are transactional systems of record that support the entire insurance lifecycle, including insurance product definition, distribution, underwriting, policyholder services, and claims management. Our digital engagement applications enable digital sales, omni-channel service, and enhanced claims experiences for policyholders, agents, vendor partners, and field personnel. Our analytics offerings enable insurers to manage data more effectively, gain insights into their business, drive operational efficiencies, and underwrite new and evolving risks. To support P&C insurers globally, we have localized, and will continue to localize, our platform for use in a variety of international regulatory, language, and currency environments.

Our customers range from some of the largest global insurance companies or their subsidiaries to predominantly national or local insurers that serve specific states and/or regions. Our customer engagement is led by our direct sales team and supported by our system integrator (“SI”) partners. We maintain and continue to grow our sales and marketing efforts globally, and maintain regional sales centers throughout the world.

Because our platform is critical to our new and existing customers’ businesses, their decision-making and product evaluation process is thorough, which often results in an extended sales cycle. These evaluation periods can extend further if a customer purchases multiple services and products or is considering a move to a cloud-based subscription for the first time. Sales to new customers also involve extensive customer due diligence and reference checks. The success of our sales efforts relies on continued improvements and enhancements to our current services and products, the introduction of new services and products, efficient operation of our cloud infrastructure, continued development of relevant local content and automated tools for updating content, and successful implementations and migrations.

We sell our cloud-delivered offerings through subscription services and our self-managed products through term licenses. We generally price our services and products based on the amount of Direct Written Premium (“DWP”) that will be managed by our platform. Our subscription, term license, and support fees are typically invoiced annually in advance. Subscription services are generally sold with an initial term of between three and five years with optional annual renewals commencing after the initial term. Subscription revenue is recognized on a ratable basis over the committed term, once all revenue recognition criteria are met including providing access to the service. Term licenses are primarily sold with an initial two-year committed term with optional annual renewals commencing after the initial term. We may enter into term license arrangements with our customers that have an initial term of more than two years or may renew license arrangements for longer than one year. A small portion of our revenue is derived from perpetual licenses. Term and perpetual license revenue are typically recognized when software is made available to the customer, provided that all other revenue recognition criteria have been met. Our support revenue is generally recognized ratably over the committed support term of the licensed software. Our support fees are typically priced as a fixed percentage of the associated license fees. We also offer professional services, both directly and through SI partners, to help our customers deploy, migrate, and utilize our platform, services, and products. A majority of our services revenue is billed monthly on a time and materials basis.

### **Industry Background**

The P&C insurance industry is large, fragmented, highly regulated, and complex. It is also highly competitive, with insurers competing primarily on product differentiation, pricing options, customer service, marketing and advertising, affiliate programs, and channel strategies.

P&C insurers modernize their transactional core systems to manage key functional areas of P&C insurance, including product definition, underwriting and policy administration, claims management, and billing. Product definition specifies the insurance coverage, pricing, and financial and legal terms of insurance policies. Underwriting and policy administration includes collecting information from potential policyholders, determining appropriate coverages and terms, pricing policies, issuing policies, and updating and maintaining policies over their lifetimes. Claims management includes loss intake, investigation and evaluation of incidents, settlement negotiation, vendor management, litigation management, and payment processing. Billing includes policyholder invoicing, payment collection, and agent commission calculation. We believe insurers

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that adopt modern core systems can enhance customer experience, operate more efficiently, and introduce innovative services and products more rapidly.

We believe the P&C insurance industry is experiencing accelerating change in how insurers engage with, sell to, and manage relationships with consumers and businesses. Today, P&C insurers are striving to respond to significant changes in their competitive marketplace and the character of the risks they underwrite. The most significant changes include:

- an industry rapidly going through change that requires agility and efficiency from its core systems;
- an increase in catastrophes and natural disasters impacting the P&C insurance industry that requires agility and efficiency from its core systems;
- a rise in customer expectations for digital, mobile, and omni-channel interaction rather than the traditional agent model;
- a need for 100% digital engagement capabilities;
- a growth in demand for personalized services and products;
- an increase in technology and market-driven changes in vehicular risk, including usage and driving habit based insurance;
- an increase in consolidation of providers of insurance products and associated rationalization of markets served given recent claims ratio trends and developments;
- demand for coverage of emerging risks such as terrorism, cybersecurity, pandemic, and reputational risk;
- a wealth of data and desire to harness data to improve and grow business;
- advances in the use of data and analytics to better market to and engage with customers, price policies, and manage claims;
- development of opportunities to compete or partner with non-traditional players that offer disruptive technology-based value propositions;
- established industry leaders are facing increased competition from new entrants in the market, including insurtech companies; and
- the introduction and leveraging of new technologies, such as drones, generative AI, large language models, the “Internet of Things,” chatbots, and telematics.

Many of these trends, such as digital engagement capabilities and data analytics, have increased in importance as a result of the recent pandemic and the resulting change to a more hybrid world. In response to these trends, changes, challenges, and opportunities, we believe that P&C insurers need a core system that can increase agility and enhance digital engagement and analytics offerings.

While each insurer may have different goals and priorities when pursuing new technology investments, there are several major themes that we believe guide these investments:

- **Digital Engagement Models.** We believe that insurers will need to provide a more intuitive, digital user experience to reduce the risk of customer dissatisfaction and loss. Investment in digital user experience will allow insurers to deepen their engagement with customers and transition from passive and transactional customer interactions to active and advisory relationships. This transition will require investments in software services and products that are designed to model user journeys and enable more frequent, informed, and dynamic interactions between insurers and their customers. We believe these efforts can improve financial performance for insurers through increased lead conversions and lower customer churn.
  - **Cloud-Delivered Solutions.** We believe that increased recognition of the compelling economic benefits of deploying software solutions on public infrastructure combined with increased confidence in the security and reliability of such platforms will cause more insurers to consider cloud-deployed solutions. Insurers benefit from an optimized division of labor and risk and allowing third parties to manage their infrastructure as they focus on competitively differentiating activities.
  - **Data Driven Decision-Making.** Insurers are seeking to explore, visualize, and analyze proprietary and third-party data to optimize decision-making across the insurance lifecycle. We believe that such predictive analytical solutions are most effective when they provide predictive scores and other analytical insights to insurers’ employees as they perform their underwriting and claims management activities. Insurers may also apply data
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and machine learning or AI to automate certain tasks whenever possible, thereby enabling efficiencies, such as straight-through processing, that lessen the burden on subject matter experts.

- **Innovation.** Insurers are under pressure to innovate across their product lifecycle in order to grow their business and improve service quality. Examples of focus areas include creating services and products to target under-insured risks such as cyber, supply chain disruption, and reputational risk and partnering with insurtech providers to streamline operations and improve service to policyholders and agents.
- **Legacy System Modernization.** A significant portion of the market continues to rely on legacy systems. We believe new claims, policy management, and billing systems will continue to be adopted as insurers that rely on legacy systems seek to gain operating efficiencies, expand into new markets and lines of business, and introduce new digital and data offerings.

## **Products**

Guidewire is designed so that insurers can increase revenue, reduce operational costs and losses, improve pricing, and engage with a customer base that increasingly demands convenience and automated forms of self-service and communication. We are investing in research and development to accelerate improvements in our cloud platform services, products, and marketplace to better serve our customers.

### ***Core Operational Services and Products***

We offer the following core operational services and products: Guidewire InsuranceSuite Cloud, Guidewire InsuranceNow, and Guidewire InsuranceSuite for Self-Managed.

#### *Guidewire InsuranceSuite Cloud*

Guidewire InsuranceSuite Cloud is comprised of three primary applications (PolicyCenter Cloud, BillingCenter Cloud, and ClaimCenter Cloud) delivered via GWCP. InsuranceSuite Cloud applications can be licensed separately or together and are designed to support multiple releases each year to ensure that cloud customers remain on the latest version and gain fast access to our innovation efforts. InsuranceSuite Cloud is hosted on Amazon Web Services (“AWS”) and managed by our internal cloud operations team.

Guidewire PolicyCenter Cloud is our flexible underwriting and policy administration application that serves as a comprehensive system-of-record supporting the entire policy lifecycle, including product definition, underwriting, quoting, binding, issuance, endorsements, audits, cancellations, and renewals. Guidewire BillingCenter Cloud automates the billing lifecycle, enables the design of a wide variety of billing and payment plans, manages agent commissions, and integrates with external payment systems. Guidewire ClaimCenter Cloud is a complete end-to-end claims management solution that offers core claims functionality. These primary applications also include predictive analytics that drive smart decisions, digital engagement, and an ecosystem of partners and insurtechs.

GWCP is a Guidewire-developed infrastructure layer built on top of AWS that provides specialized cloud services, including multi-tenant cloud-native services that support the core operational services and integration of digital experiences and analytics. The Guidewire Data Platform is a P&C insurance-specific data repository, built on GWCP, which collects data from InsuranceSuite Cloud and InsuranceNow, as well as other internal and external sources, to provide analytical insights across the insurance lifecycle for our customers. The Guidewire Data Platform powers all analytical applications. Additionally, we provide tools for automation and self-service of routine implementation and deployment tasks to increase our customers’ agility while providing performance, availability, privacy, and security. Given the specialized needs of the P&C insurance industry, we have developed a scalable cloud architecture that combines these multi-tenant cloud services and tools with the ability to isolate each customer’s system of record and database instances. This approach provides our customers with the benefits of cloud-native infrastructure and services and the flexibility to provide differentiated services to their customers.

#### *Guidewire InsuranceNow*

Guidewire InsuranceNow is a complete, cloud-based core system for P&C insurers in the United States, delivered via GWCP, offering policy, billing, and claims management functionality, plus pre-integrated document production, analytics, and other capabilities, that increases agility without adding complexity. InsuranceNow is hosted on AWS and managed by our internal cloud operations team.

#### *Guidewire InsuranceSuite for Self-Managed*

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Guidewire InsuranceSuite for Self-Managed is comprised of three primary applications (PolicyCenter, BillingCenter, and ClaimCenter) that can be licensed separately or together and can be deployed and updated by our customers and their implementation partners on their premises or in a third-party cloud infrastructure.

### ***Guidewire InsuranceSuite: Complementary Capabilities and Applications***

We offer several complementary capabilities and applications, some of which are included in the core operational services and products, designed to work seamlessly with our core operational services and products, including:

#### *Guidewire Rating Management*

Guidewire Rating Management enables P&C insurers to manage the pricing of their insurance services and products.

#### *Guidewire Reinsurance Management*

Guidewire Reinsurance Management enables P&C insurers to use rules-based logic to execute their reinsurance strategy through their underwriting and claims processes.

#### *Guidewire Client Data Management*

Guidewire Client Data Management helps P&C insurers capitalize on customer information more coherently, overcoming traditional siloed practices that impair efficiency and customer service.

#### *Guidewire Advanced Product Designer*

Guidewire Advanced Product Designer is a cloud-native application for insurance product design and management across the complete insurance lifecycle. It enables insurers to launch and update products quickly by providing visual product development tools, prebuilt product model templates, product management capability, and auto generated product code.

#### *Guidewire Product Content Management*

Guidewire Product Content Management provides software tools and standards-based, line-of-business templates to enable insurers to more rapidly introduce and modify services and products by reducing product configuration and maintenance efforts. Any such product introduction or modification must connect to and incorporate regulatory or industry-standard data and content, such as Insurance Services Office (“ISO”) or National Council on Compensation Insurance (“NCCI”) content.

#### *Guidewire Underwriting Management*

Guidewire Underwriting Management is a cloud-based, integrated business application designed for commercial and specialty line insurers to drive premium growth and profit from better underwriting. This feature-rich workstation delivers straight-through processing, exception-based underwriting, real-time collaboration, and knowledge management in one integrated solution. Guidewire Underwriting Management is typically sold alongside Guidewire PolicyCenter, although it functions with other policy administration systems as well.

#### *Guidewire AppReader*

Guidewire AppReader is a submission intake management solution that enables P&C insurers to process Association for Cooperative Operations Research and Development (“ACORD”) forms faster and more accurately than with manual processes or traditional upload solutions. AppReader is available for both Guidewire Underwriting Management and Guidewire PolicyCenter.

#### *Guidewire ClaimCenter Package for the London Market*

Guidewire ClaimCenter Package for the London Market supports the claims workflow used by London Market insurers and brokers. Integration of London Market Electronic Claims File (“ECF”) Write-Back lets insurers perform tasks and interact with the central industry market Claims Loss and Advice Settlement system directly from Guidewire ClaimCenter through message queues.

### ***Digital Engagement***

#### *Guidewire Digital Engagement Applications*

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Our Digital Engagement Applications enable insurers to provide digital experiences to customers, agents, vendors, and field personnel through their device of choice. As consumers increasingly use self-service functions on the internet and on mobile devices, we believe that many of them prefer to interact with their insurance providers digitally and that they expect to have a consistent and efficient transactional experience through multiple channels, whether online, in-person or by phone. Our Digital Engagement Applications also benefit agents and brokers who are seeking to automate business processes with insurers to improve customer service and productivity. In order to provide a holistic experience, Digital Applications are unified with InsuranceSuite.

#### *Guidewire for Salesforce*

Guidewire for Salesforce integrates Guidewire core systems with Salesforce for insurance carrier agents and service representatives. It provides customer information regarding their policies and claims.

### **Data, Analytics, and Artificial Intelligence**

We offer a variety of applications that allow insurers to uncover hidden opportunities and write more profitable business by enabling a seamless path from data to value.

#### *Guidewire Predict*

Guidewire Predict is a P&C-specific machine-learning platform that empowers insurers to make intelligent data-driven decisions throughout the insurance lifecycle. By building (or importing) predictive models built from multiple data sets, designing comprehensive solutions, and operationalizing the predictive insights, Predict allows insurers to rapidly turn any model into business value by delivering guidance to frontline decision makers. Predict for Claims helps customers to better manage claim indemnity and loss-adjustment expenses. Predict for Profitability improves pricing accuracy and customer satisfaction.

#### *Guidewire HazardHub*

Guidewire HazardHub allows insurers to understand, assess, price, and manage property risk quickly and intelligently. HazardHub provides a single source of geospatial risk data, and provides access to more than 950 risk variables, including perils from air, water, earth, and fire. HazardHub is a cloud-native solution delivered through an Application Programming Interface (“API”) that provides access to this information for any personal or commercial property located in the United States, and has the ability to evaluate an entire portfolio for property risk.

#### *Guidewire Canvas*

Guidewire Canvas is a cloud-native application included with ClaimCenter Cloud. It features an interactive map that enables claims management and catastrophe response teams to geo-visualize claims to help improve customer satisfaction and reduce indemnity by proactively responding to storm events.

#### *Guidewire Compare*

Guidewire Compare is a cloud-native application included with ClaimCenter Cloud that monitors key claims measures and gives feedback on how those compare against peer insurers in the Guidewire community, or within a single insurer across regions or over time. Compare allows claims organizations to increase their processing efficiency by monitoring key claims measures such as indemnity, expenses, cycle times, reserves, salvage, subrogation, percentage closed, catastrophe, and litigated.

#### *Guidewire Explore*

Guidewire Explore is a cloud-native application that gathers and curates InsuranceSuite data in near real-time to augment decision making inside and outside InsuranceSuite. Explore includes free-form search across the data set, along with visualizations and dashboards for common business metrics. It allows business users to examine operational claims data, underwriting management data, and operational policy data.

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### *Guidewire Cyence*

Guidewire Cyence is a cyber-risk economic modeling product that helps P&C insurers accurately measure the financial impact of cyber risk on their customers. It does this by capturing data about cyber threats from more than 400 sources, including public data, open-source data, proprietary, and third-party data. Cyence then curates and analyzes the data through AI and machine-learning statistical models to extract meaningful signals. Based on these models, Cyence produces insights delivered through reports that will predict the likelihood and economic impact of cyber attacks on a target company or individual. This can be used for underwriting, pricing, and developing cyber insurance products.

### *Guidewire DataHub and InfoCenter*

Guidewire DataHub is an operational data store that unifies, standardizes, and stores data from the patchwork of insurer's systems as well as from external sources. It is available for self-managed and InsuranceSuite Cloud customers.

Guidewire InfoCenter is a business intelligence warehouse for P&C insurers that provides information in easy-to-use formats for business intelligence, analysis, and enhanced decision making. With Guidewire InfoCenter, insurers gain flexible operational insights as well as the ability to optimize their business.

### **Guidewire Marketplace**

The Guidewire Marketplace is where insurers find trusted applications and content that complement the Guidewire platform from our PartnerConnect partners, as well as from Guidewire product and services teams. These applications and content help insurers to rapidly innovate and differentiate their businesses by allowing them to leverage capabilities provided by the Guidewire ecosystem to meet their business goals. The Guidewire Marketplace also empowers customers pursuing innovation initiatives by providing access to a curated collection of insurtech applications. As of July 31, 2023, the Guidewire Marketplace had over 210 partner-developed integrations that have been awarded Ready for Guidewire validation and hundreds of Guidewire-developed resources available for download. We are continually expanding the breadth of functionality and depth of partnerships in the Guidewire Marketplace.

### **Technology**

We have increased the scope of our platform and business through internal development and acquisitions. This growing scope has required greater investment in the development of application interfaces and shared services necessary to unify the operations and user experience across our applications. The prioritization of cloud-delivered solutions has also required significant focus in improving our ability to manage, secure, and operate our applications since our cloud-based deployments, unlike our self-managed implementations, shift many operational responsibilities to us.

Our cloud infrastructure is designed to maximize the security, stability, scalability and efficiency of our applications. Our cloud infrastructure leverages AWS, provides services hosted in AWS regions worldwide, and is tailored to provide both the benefit of cloud subscription services delivered in a cloud-native multi-tenant model while still providing insurers with the ability to configure and extend their applications via single-tenant environments which are easily managed via Guidewire Cloud Console. All of our cloud services and products comply with standards set by ISO, AICPA, and PCI SSC.

Finally, we continue to improve the scalability of our service, which performs millions of complex, business-critical transactions daily. The accuracy and availability of our services must be maintained not only during normal business operations, but also during extraordinary events such as catastrophes, which may result in extremely high transaction volume in a short period of time.

### **Services**

We provide implementation, cloud migration, and integration services to help our customers realize the benefits of our cloud-based services and software products. Our delivery services teams assist customers in building implementation or migration plans, integrating our software with their existing systems, and defining business rules and specific requirements unique to each customer. We also partner with leading SI consulting firms, certified on our software, to achieve scalable, cost-effective implementations for our customers.

Our investments in services and partners are designed to ensure customer success by committing additional resources to both cloud-based and self-managed implementation projects.

### **Customer Support**

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We provide support for our subscription customers as part of our subscription services and to our license customers for an annual fee based on a percentage of the license fees. Subscription services also include regular updates to Guidewire software to ensure that Guidewire Cloud customers can easily access our latest innovations. New capabilities are often toggled-off so that customers can activate them at the right time for their businesses. This enables our customers to deliver improvements at a steady pace, optimized for their employees and customers.

Our subscriptions include Guidewire Cloud Assurance Services, which provides for review of all configurations and integrations to ensure they follow published standards, best practices and required security methodologies. Furthermore, our internal cloud operations team monitors application performance and our customer success team works directly with customers to optimize adoption, user experience, and business requirements.

## **Employees and Human Capital Resources**

Our business requires attracting, developing, and retaining a motivated team of individuals who thrive in a culture based on integrity, rationality, and collegiality and that embraces diversity, inclusion, and belonging. Understanding and proactively anticipating the priorities and needs of our current and future employees is important to realizing our mission to be the platform P&C insurers trust to engage, innovate, and grow efficiently.

As of July 31, 2023, we had 3,415 employees, including 1,717 in global product development and operations (comprised of research and development, cloud operations, and technical support), 784 in professional services, 463 in sales and marketing, and 451 in general and administrative roles. As of July 31, 2023, we had 1,709 employees in the United States and 1,706 employees internationally.

### *Attracting, Developing, and Retaining Employees*

Our recruiting, development, and retention objectives focus on providing an optimal employee experience and culture across the employee life cycle from recruitment to retirement, and involves attracting skilled and engaged employees who contribute the talent and diverse perspectives critical to our innovative, forward-looking, and inclusive workforce. Our recruiting process actively sources diverse talent and is designed to reduce bias, supporting our ability to hire candidates with professional qualifications, personal potential, and differing perspectives. Our flexible work policies expand our ability to hire and retain talent in geographies where we do not have physical offices. Fostering career progression by encouraging regular professional education empowers our employees to pursue their professional goals, which is critical to developing and retaining our employees. We invest in broad-based development for all of our employees in various ways such as skills-building programs, on-demand learning options, mentoring programs, and leadership development courses. In an effort to create more development opportunities for all employees, we are currently expanding our mentoring and leadership development programs. We gauge progress and efficacy, identify opportunities for change, and pursue solutions through tracking and analyzing data from various sources such as annual talent reviews, employee feedback, and our progress toward hiring and promotion goals in our development, diversity and inclusion plans.

### *Diversity, Inclusion, and Belonging*

We believe that understanding and respecting another's perspective, experience, background, and beliefs provides an opportunity to expand horizons, challenge complacency, and foster empathy. Diversity of perspective, experience, background, and beliefs fuel our innovative, collaborative, and engaged workplace. We aim for the highest standards of fairness and equal opportunity in recruitment, hiring, promotions, job assignments, and compensation. Initiatives to create greater diversity and belonging among our employees include inclusive recruiting and outreach programs for diverse candidates, employee resource groups ("ERGs"), and management-led listening circles. Our ERGs are employee-led and comprised of volunteers who represent common interests, experiences, backgrounds, or demographics. As of the end of fiscal year 2023, we had eight ERGs including Women's Leadership, African Ancestry, LGBTQ+ and Allies, Asian and Pacific Islander, Latinx and Hispanic, Early Career Professionals, Visible or Invisible Disabilities, and Veterans groups.

Guidewire Gives Back ("GGB") is a program focused on investing in local communities where we operate by encouraging employee volunteerism, philanthropy, and social impact investment. The GGB program is centered around employee engagement and community impact through volunteer hours from the Guidewire community and financial donations, both of which are geared toward making a measurable difference. The GGB strategy, programs, and collaborative partnerships reflect employees' passions and embody Guidewire's corporate mission as well as our customers' purpose.

### *Corporate Culture*

Our employees are critical to our success, and we believe creating an inclusive culture is essential to attracting and retaining engaged employees. Our values of integrity, rationality, and collegiality are the foundation of how we work with one

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another. We incorporate a wide variety of communication and training activities to encourage collaboration amongst our colleagues around the world. We measure the program's efficacy and identify opportunities for improvements through an engagement survey distributed annually, with the last survey completed in July 2023 and periodic pulse surveys to elicit feedback.

### *Health and Wellness*

We believe a healthy, engaged, and high-performing workforce is part of our competitive advantage. We want all of our employees to thrive, and we regularly re-evaluate how to best support our employees' wellness, health, and safety through management systems, policies, and programs that encompass our global operations. Our current benefit and wellness programs drive engagement that positively impacts our culture, job satisfaction, recruiting, and retention programs. In response to the recent pandemic, we expanded our physical, mental, and family health programs and informational outreach through professional development opportunities and personal empowerment, safe and healthy workspaces, wellness initiatives (including physical, emotional, and mental health), fair compensation, benefits, and recognition. Additionally, we have transitioned to a hybrid work environment in which a significant portion of our workforce works either in-person on a part-time basis or remotely on a permanent basis.

### *Employee Relations*

Our employees in the United States are not represented by a labor union; however, in certain foreign locations, there are workers' councils that represent our employees. We have not experienced any work stoppages, and we consider our relations with our employees to be good. We recognize the critical role that our supervisors and managers play in fostering a productive, inclusive and respectful work environment, and we encourage employees to work directly with their supervisors, where possible, to efficiently and effectively resolve workplace concerns. We also respect our employees' rights to voluntarily establish and join unions and similar associations without unlawful interference. We strive to work collaboratively with the councils and associations that represent our workers.

### **Customers**

We market and sell our services and products to a wide variety of global P&C insurers ranging from some of the largest global insurers to national, regional, and state companies. We believe strong customer relationships are a key driver of our success given the long-term nature of our customer engagements and importance of customer references for new sales. We focus on developing and maintaining our customer relationships through customer service and account management. Customers are defined as entities that have placed orders for our services or products. In some instances, a parent corporation can have multiple entities, or insurance brands, that place orders for our services or products and, in other instances, customers are in industries adjacent to the insurance industry and do not have an insurance brand. As of July 31, 2023, we had approximately 580 customers representing approximately 540 insurance brands in 40 countries.

### **Strategic Relationships**

We have extensive relationships with SI, consulting, technology, and industry partners. Our network of partners has expanded as interest in and adoption of our platform has grown. We encourage our partners to co-market, pursue joint sales initiatives, and drive broader adoption of our technology, helping us grow our business more efficiently and enabling us to focus our resources on continued innovation and further enhancement of our solutions.

We work closely with our network of third-party SI partners to facilitate new sales and implementations of both our subscription services and self-managed products. Our partnerships with leading SI partners allow us to increase efficiency and scale while reducing customer implementation costs. We continue to invest time and resources to increase the number of qualified consultants employed by our SI partners, develop relationships with new partners in existing and new markets, and ensure that all SI partners are qualified to assist with implementing our services and products. We believe this model will continue to serve us well, and we intend to continue to expand our network of partners and the number of certified consultants with whom we work so we can leverage our SI partners more effectively, especially for future subscription implementations.

As part of our PartnerConnect alliance program, we have a community of solution partners developing integrations that enable software and insurance business solutions to interoperate with our services and products, many of which are in the Guidewire Marketplace. These integrations help customers reduce implementation risk and effort, and lower the total cost of implementation and operation.

### **Sales and Marketing**

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Consistent with our industry focus and the mission-critical needs our services and products address, our sales and marketing efforts are tailored to communicate effectively to senior executives within the P&C insurance industry. Our sales, marketing, customer success, and executive teams work together to cultivate long-term relationships with current and prospective customers in each of the geographies in which we are active.

Our direct sales team serves as both our exclusive sales channel and our account management function and is organized by geographic region across the Americas, EMEA, and APAC. We augment our sales professionals with a pre-sales team possessing insurance domain and technical expertise, who engage customers to understand their specific business needs and then represent our services and products through demonstrations tailored to address those needs.

Our marketing team supports sales with competitive analysis and sales tools, while investing to strengthen our brand name and reputation. We participate at industry conferences, are published frequently in the industry press, and have active relationships with all of the major industry analysts. We also host Connections, our annual user conference where customers both participate in and deliver in-person and virtual presentations on a wide range of Guidewire and insurance technology topics. We invite potential customers and partners to our user conference, as we believe customer references are a key component of driving new sales. Our strong relationships with leading system integrators enhance our direct sales through co-marketing efforts and by providing additional market validation of the distinctiveness and quality of our offerings.

## **Research and Development**

Our research and development efforts focus on enhancing our platform, services, and products to meet the complex requirements of P&C insurers with a focus on capabilities, operational efficiency, data analytics, security, and privacy in the cloud. These efforts are intended to help our customers improve their operations; drive greater digital engagement with their customers, agents, and brokers; and gather, store and analyze data to improve business decisions. We also invest significantly in developing our services and products and necessary integrations to meet the market requirements, including regulations, language, currency, and local terminology, of each country or state in which our customers operate. This market-segment specific functionality must be updated regularly in order to stay current with regulatory changes in each market. We rely on a multi-national engineering team, which has grown organically and through acquisitions.

Our investments in cloud operations are focused on managing the infrastructure for our cloud-based customers in a secure, efficient, and cost-effective manner.

## **Competition**

The software market that caters to the P&C insurance industry is highly competitive and fragmented. Increased spending by insurers on software solutions and the emergence of new platforms that have broadened from core system modernization to new digital engagement and data and analytics solutions have generated significant interest among investors and entrepreneurs. Increased capital allows market participants, or potential market participants such as insurtech companies, to adopt more aggressive go-to-market strategies, improve existing services or products, introduce new services or products, develop innovative solutions that disrupt the market, and consolidate with other vendors. This market is also subject to changing technology preferences, shifting customer needs, and the adoption of cloud deployed solutions. These factors create an environment of increasing competition. Our current and future competitors vary in size and in the breadth and scope of the services or products they offer. As we expand our product portfolio, we may begin to compete with software and service providers we have not traditionally competed against. Our current competitors include, but are not limited to, customers' internally developed proprietary solutions; P&C insurance software vendors such as Duck Creek, EIS Group, Insurity, Majesco, Origami Risk, and Sapiens; and horizontal software vendors such as SAP SE and Salesforce.

Competitive factors in our industry depend on the product being offered and the size, geographic market, and line of business of potential customers. The principal competitive factors include product functionality, performance, customer references, total cost of ownership, solution completeness, implementation track record, security and in-depth knowledge of the P&C insurance industry. We typically compete favorably on the basis of these factors in most geographies.

## **Intellectual Property**

The software industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. Our success and ability to compete depend in part upon our ability to protect our proprietary technology, to establish and adequately protect our intellectual property rights, and to protect against third-party claims and litigation related to intellectual property. To accomplish these objectives, we rely on a combination of patent, trademark, copyright, and trade secret laws in the United States and other jurisdictions, as well as license agreements and other contractual protections. We own or have pending patents and patent applications, which generally apply

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to our software. Our owned patents have expiration dates starting in 2025. We also rely on several registered and unregistered trademarks, as well as pending applications for such registrations, in order to protect our brand both in the United States and internationally.

### **Information about Segment and Geographic Revenue**

Information about geographic revenue is set forth in Note 2 “Revenue” and information about segment reporting is set forth in Note 13 “Segment Information” to our consolidated financial statements included in this Annual Report on Form 10-K.

### **Seasonality**

We have experienced seasonal variations in our license revenue and, to a lesser extent, in our subscription revenue as a result of increased customer orders in our fourth fiscal quarter. We generally see significantly increased orders in our fourth fiscal quarter, which is the quarter ending July 31, due to efforts by our sales team to achieve annual incentives. Because we recognize revenue upfront for new term licenses and multi-year renewals compared to over time for subscription services, changes in the mix between term license and subscription services may impact our quarterly results. Additionally, any quarter in which a significant multi-year term license or multi-year term license renewal or non-renewal occurs could be impacted. As subscriptions increase as a percentage of total sales, the revenue we can recognize in the initial fiscal quarter and fiscal year of an order is reduced, deferred revenue increases, and our reported revenue growth will be adversely affected in the near term due to the ratable nature of these arrangements. The concentration of our sales in our fiscal fourth quarter increases this impact as the revenue impact of most fiscal fourth quarter subscription sales will not be realized until the following fiscal year.

Our services revenue is also subject to seasonal fluctuations, though to a lesser degree than our license revenue and subscription revenue. Our services revenue is impacted by the number of billable days in a given fiscal quarter. The fiscal quarter ending January 31 usually has fewer billable days due to the impact of the Thanksgiving, Christmas, and New Year’s holidays. The fiscal quarter ending July 31 usually has fewer billable days due to the impact of vacations taken by our services professionals. Because we pay our services professionals the same amount throughout the year, our gross margins on our services revenue are usually lower in these quarters. This seasonal pattern, however, may be absent in any given year.

### **WHERE YOU CAN FIND MORE INFORMATION**

The following filings are available to view and download free of charge on our investor relations website as soon as reasonably practicable after we file them with the SEC: Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and our Proxy Statement for our annual meeting of stockholders. Our website is located at [www.guidewire.com](http://www.guidewire.com), and our investor relations website is located at [ir.guidewire.com](http://ir.guidewire.com). We also provide a link to the section of the SEC’s website at [www.sec.gov](http://www.sec.gov) that has all of our public filings, including periodic reports, proxy statements, and other information.

We provide access to a recording of our earnings calls and certain events we participate in or host with members of the investment community on our investor relations website. Additionally, we also provide notifications on our investor relations website of news or announcements regarding our financial performance, including SEC filings, investor events, press releases, and earnings releases. Investors and others can receive notifications of new information posted on our investor relations website in real time by signing up for email alerts and RSS feeds. Corporate governance information, including our governance guidelines and code of business conduct and ethics, is also available on our investor relations website under the heading “Corporate Governance.” Corporate sustainability information, including our approach and progress in respect of environmentally and socially responsible business practices, is available on our website and is located at [www.guidewire.com/corporate-sustainability](http://www.guidewire.com/corporate-sustainability). The contents of our websites, including any information contained in reports or other resources found on such websites, are not intended to be incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC. Any references to our websites are intended to be inactive, textual references only.

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**Item 1A. Risk Factors**

*A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider such risks and uncertainties, together with the other information contained in this Annual Report on Form 10-K, and in our other public filings. If any of such risks and uncertainties actually occurs, our business, financial condition or results of operations could differ materially from the plans, projections, and other forward-looking statements included in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Annual Report on Form 10-K and in our other public filings. In addition, if any of the following risks and uncertainties, or if any other risks and uncertainties, actually occurs, our business, financial condition or results of operations could be harmed substantially, which could cause the market price of our stock to decline, perhaps significantly.*

**Risks Related to our Business and Industry**

***We may experience significant quarterly and annual fluctuations in our results of operations due to a number of factors.***

Our quarterly and annual results of operations may fluctuate significantly due to a variety of factors, many of which are outside of our control. This variability may lead to volatility in our stock price as investors and research analysts respond to quarterly fluctuations. In addition, comparing our results of operations on a period-to-period basis, particularly on a sequential quarterly basis, may not be meaningful. You should not rely on our past results as an indication of our future performance.

Factors that may affect our results of operations include:

- the impact of economic downturns and related market volatility caused by economic volatility, inflation, bank failures and associated financial instability and crises, or other national and worldwide events on our business and the businesses of our customers, partners, and vendors;
  - our ability to attract new domestic and international customers and renew existing customers;
  - seasonal buying patterns of our potential customers and our ability to sell additional software and services to existing customers;
  - the proportion and timing of subscription sales as opposed to term or perpetual software licenses, and the variations in revenue recognition between these contract types;
  - changes in contract durations of term software licenses and renewals or modifications of customer contracts;
  - increases in costs related to cloud operations, product development, and services;
  - our ability to develop and achieve market adoption of cloud-based services, including the impact of our customers transitioning from term software licenses to subscription services;
  - erosion in services margins or significant fluctuations in services revenue caused by changing customer demand, negotiated professional services billing rates, investments in customer implementation and migration projects, or fixed fee contracts;
  - our ability to enter into contracts on favorable terms, including terms related to price, payment timing, service levels, acceptance, and product delivery, especially with customers and prospects that possess substantial negotiating leverage and procurement expertise;
  - the incurrence of penalties or having to renegotiate contract terms for failing to meet certain contractual obligations, including service levels, product development cycles and functionality, and implementation times and objectives;
  - security and privacy concerns related to employee data, customer data, and systems that are accessed or otherwise used by our hybrid workforce and customers;
  - employee retention, the ability to hire and onboard appropriate personnel, and the timing of hiring personnel and employee related expenses;
  - our ability to realize expected benefits from our acquisitions and other strategic business transactions;
  - reductions in our customers’ budgets for information technology purchases and delays in their purchasing decisions;
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- the impact of a recession or any other adverse global economic condition on our business, including pandemics, geographic and political conflicts, trade tariffs, trade agreements, and other uncertainties that may cause a delay in entering into, a failure to enter into, or cancel significant customer agreements or the fulfillment of professional service arrangements;
- adverse litigation judgments, dispute-related settlement payments, or litigation-related costs;
- future accounting pronouncements, changes in accounting rules, new tax laws or regulations, or tax interpretations and our related accounting policies, interpretations, and controls;
- fluctuations in foreign currency exchange rates; and
- the effects of inflation or deflation in the economies in which we operate, including Argentina, whose government is limiting the amount of U.S. dollars that can be sent out of the country, and their impact on interest rates, collection timeframes, and our revenue given the multi-year term of most customer agreements.

The foregoing factors are difficult to forecast, and these, as well as other factors, could materially adversely affect our quarterly and annual results of operations. Further, due to multi-year term licenses and multi-year term license renewals, increased cloud-based subscription services, timing of and billing rates for professional services engagements, and other ongoing changes to our business, it is challenging to forecast our quarterly and annual results.

We believe our ability to adjust spending quickly enough to compensate for a potential revenue shortfall is very limited and our inability to do so could magnify the adverse impact of a potential revenue shortfall on our results of operations. If we fail to achieve our quarterly forecasts, if our forecasts fall below the expectations of investors or research analysts, or if our actual results fail to meet the expectations of investors or research analysts, our stock price may decline.

***Seasonal sales patterns may cause significant fluctuations in our results of operations and cash flows and may prevent us from achieving our quarterly or annual forecasts, which may cause our stock price to decline.***

We generally see increased new orders in our fourth fiscal quarter, which is the quarter ending July 31, due to efforts by our sales team to achieve annual incentives. As a result, a significantly higher percentage of our annual license revenue and cash receipts have historically been recognized in our fourth fiscal quarter. Since a substantial majority of our license revenue has annual renewals after the initial term of the contract, we expect to continue to experience this seasonality effect in subsequent years. Generally, accounting under ASC 606 has and may continue to heighten or change the seasonal impact due to license revenue for the entire committed term of our new term licenses and multi-year term license renewals being recognized at the beginning of the agreement. Because of the upfront nature of revenue recognition for new multi-year term licenses and multi-year term license renewals, any quarter in which a significant agreement of this nature is signed, renewed, cancelled, or not renewed when scheduled to do so may be impacted.

We currently anticipate that sales of, and revenue from, subscription services will continue to increase in the future. Subscriptions are recognized ratably over the term of the agreement after provisioning of the service. Over time, this may reduce the impact of our historic revenue seasonality, but in the near term the introduction of proportionally more subscription services into our revenue stream, together with their delayed and ratable recognition, will likely impact quarter-over-quarter and year-over-year revenue growth comparisons. Cash flow expectations and comparisons could also be impacted because of the ramped nature of the annual installments of these multi-year subscription services arrangements. Additionally, ARR, which reflects the annualized recurring value of active customer contracts at the end of a reporting period, will be impacted by the seasonality of new sales orders, even if the revenue is recognized ratably.

Our quarterly growth in revenue or ARR also may not coincide with new orders or cash flows in a given quarter, which could mask the impact of seasonal variations. This mismatch is primarily due to the following reasons:

- our subscription arrangements are recognized ratably and only a portion, if any, of the revenue from an order is recognized in the same fiscal period of the order;
  - subscription arrangements generally have ramped invoicing schedules over the initial term, which affects ARR, but revenue is recognized ratably over the initial term;
  - our term license agreements and multi-year term license renewals generally have annual billing arrangements even though revenue is recognized upfront for the entire committed term;
  - as customers enter into a subscription agreement to migrate from an existing term license agreement or as we invest in certain cloud implementations to assist our customers with their migration to our cloud services, the timing of revenue recognition may be impacted by the allocation of revenue between different performance obligations;
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- we may enter into agreements with future product delivery requirements, specified terms for product upgrades or functionality, acceptance terms, early termination rights, or unconditional return rights, which may require us to delay revenue recognition for a period of time; and
- revenue recognition may not occur in the period when the order is placed due to certain revenue recognition criteria not being met, such as delivery of the software or providing access to the subscription services.

Additionally, seasonal patterns may be affected by the timing of particularly large transactions and the number of renewals in a given quarter. Seasonal and other variations may cause significant fluctuations in our revenue, ARR, results of operations and cash flows, may make it challenging for an investor to predict our performance on a quarterly basis and may prevent us from achieving our quarterly or annual forecasts or meeting or exceeding the expectations of research analysts or investors, which in turn may cause our stock price to decline.

***If we fail to successfully manage our transition to a business model focused on delivering cloud-based offerings on a subscription basis or fail to meet stipulated service levels with our subscription services, our results of operations could be harmed.***

To address demand trends in the P&C insurance industry, we now offer customers the use of our software products through a cloud-based offering sold on a subscription basis in addition to our self-managed offering. This change to our business model requires a considerable investment of technical, operational, financial, legal, and sales resources. Our software and cloud services involve the storage and transmission of customer data, including in some cases, personal data, and security breaches could result in the loss of this information, which in turn could result in litigation, breach of contract claims, indemnity obligations, harm to our reputation, and other liabilities for us. Our transition to cloud offerings will continue to be the focus of existing resources, require us to hire additional resources, and increase costs, especially in cost of subscription and support revenue, cost of services revenue, and research and development, in any given period. We may not be able to efficiently scale such investments to meet customer demand and expectations, which may impact our long-term growth and results of operations. Further, the increase in some costs associated with our cloud services, such as the cost of third-party infrastructure in which we rely to host our subscription services, may be difficult to predict over time, especially in light of our limited experience with the costs of delivering cloud-based versions of our applications. Furthermore, we may assume greater responsibilities for implementation of subscription services due to our operating and maintaining the cloud environment for our customers. As a result, we may face risks associated with new and complex implementations or migrations, the cost of which may differ from original estimates. Our subscription contracts also contain penalty clauses, for matters such as failing to meet stipulated service levels or other contractual provisions, which represent new risks we are not accustomed to managing. Should these penalties be triggered, our results of operations may be adversely affected. These penalties and costs could take the form of monetary credits for current or future service engagements, reduced fees for additional services or products or upon renewal of existing agreements, and a customer's renegotiation or refusal to pay its contractually-obligated subscription or service fees.

Revenue under our cloud-based subscription model will generally be recognized ratably over the term of the contract. The transition to ratable revenue recognition will result in lower revenue than we otherwise would have recognized in the initial period of the customer agreement under term license agreements. This effect on recognized revenue may be magnified in any fiscal year due to the concentration of our orders in the fourth fiscal quarter. A combination of increased costs and delayed recognition of revenue would adversely impact our gross and operating margins compared to prior periods. Additionally, the change in our business model and the timing of our customers' decision to transition from self-managed licenses to cloud-based subscription services could negatively affect our ability to forecast the timing and amount of our revenue in any period.

In addition, market acceptance of our cloud-based offerings may be affected by a variety of factors, including, but not limited to, price, security, reliability, performance, customer preference, public concerns regarding privacy, and the enactment of restrictive laws or regulations. We are continually updating our existing services and products and developing new services and products in an effort to offer customers greater choices on how they utilize our software. As our business practices in this area develop and evolve over time, we may be required to revise our current subscription agreements, which may result in revised terms and conditions that impact how we recognize revenue and the costs and risks associated with these offerings. Whether our product development efforts or business model transition will prove successful and accomplish our business objectives is subject to numerous uncertainties and risks, including, but not limited to, customer demand, our ability to further develop, manage, and scale infrastructure, our ability to include functionality and usability in such offerings that address customer requirements, our customers' ability to successfully migrate to and implement our subscription services, tax and accounting implications, and our costs.

In addition, the metrics we and our investors use to gauge the status of our business model transition may evolve over the course of the transition as significant trends emerge. It may be difficult, therefore, to accurately determine the impact of this transition on our business on a contemporaneous basis, or to clearly communicate the appropriate metrics to our investors. If we are unable to successfully establish these new cloud offerings and navigate our business model transition in light of the

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foregoing risks and uncertainties, our reputation could suffer and our results of operations could be harmed, which may cause our stock price to decline.

***We have relied and expect to continue to rely on orders from a relatively small number of customers in the P&C insurance industry for a substantial portion of our revenue and ARR, and the loss of any of these customers would significantly harm our business, results of operations, and financial condition.***

Our revenue and ARR are dependent on orders from customers in the P&C insurance industry, which may be adversely affected by worldwide economic, environmental, public health, and political conditions. A relatively small number of customers have historically accounted for a significant portion of our revenue. The composition of our individual top customers has and will vary from year to year. In fiscal years 2022 and 2023, our ten largest customers in each fiscal year accounted for 23% of our revenue. Additionally, our ten largest customers based on ARR accounted for 24% of total ARR at July 31, 2023. Customers for these metrics are calculated at the parent corporation level, while our total customer count is based on entities that have placed orders for our services or products. While we expect this reliance to decrease over time as our revenue, customer base and subscription services as a percentage of revenue grows, we expect that we will continue to depend upon a relatively small number of customers for a significant portion of our revenue and ARR for the foreseeable future. As a result, if we fail to successfully sell our services and products to one or more of these anticipated customers in any particular period or fail to identify additional potential customers or such customers purchase fewer of our services or products, defer or cancel orders, fail to renew their license or subscription agreements or otherwise terminate or reduce their relationship with us, our business, results of operations, and financial condition would be harmed. Additionally, if one or more of these anticipated customers enters into or transitions to a subscription agreement in any particular period, or if we fail to achieve the required performance or acceptance criteria for one or more of this relatively small number of customers, our quarterly and annual results of operations may fluctuate significantly.

***Recent global events have adversely affected, and may continue to adversely affect, our business, results of operations, and financial condition.***

Recent global events have adversely affected and are continuing to adversely affect workforces, organizations, economies, and financial markets globally, leading to economic downturns, inflation, and increased market volatility. The ongoing conflict between Russia and Ukraine, escalating tensions in the South China Sea, inflation higher than we have seen in decades, increasing interest rates, bank failures and associated financial instability and crises, and supply chain issues have added to global economic and market volatility. Our past business and financial results, including our ARR growth rates, services revenue, and margins, were adversely impacted due to the disruptions resulting from these events. These global events have also disrupted the normal operations of our customers' businesses and our SI partners' businesses. The related impacts of recent global events on the global economy could decrease or delay technology spending and adversely affect demand for our products. Further, our sales and implementation cycles have increased and could continue to increase, which has resulted in and could result in contract terms more favorable to customers and a potentially longer delay between incurring operating expenses and the generation of corresponding revenue, if any, or difficulty in accurately forecasting our financial results. Additionally, our customers may be unable to pay outstanding invoices or may request amended payment terms due to the economic impacts from these global events and related implementation delays. As a result of these developments and the related economic impact to our business, we may be required to record impairment related to our operating lease assets, investments, long-lived assets, or goodwill. We may experience further operational challenges, including increased costs, as a portion of our workforce returns to working in person and gradually shifts to assisting customers in person, difficulty in hiring necessary personnel, and higher employee attrition. Due to the continuing and evolving nature of these global events, it is not possible for us to accurately predict the duration or magnitude of the adverse impacts and effects on our business, results of operations, or financial condition. Further, to the extent recent global events adversely affects our business, results of operations, or financial condition, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

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***We have transitioned to a hybrid in-person and remote workforce, which will subject us to certain operational challenges and risks and potential harm to our business.***

We have transitioned to a hybrid work environment in which a significant portion of our workforce works either in-person on a part-time basis or remotely on a permanent basis. As a result, we expect to continue to be subject to the challenges and risks of having a remote workforce, as well as new challenges and risks from operating with a hybrid workforce. For example, certain security systems in homes or other remote workplaces may be less secure than those used in our offices, which may subject us to increased security risks, including cybersecurity-related events, and expose us to risks of data or financial loss and associated disruptions to our business operations. Members of our workforce who work remotely may not have access to technology that is as robust as that in our offices, which could cause the networks, information systems, applications, and other tools available to those remote workers to be more limited or less reliable than in our offices. We may also be exposed to risks associated with the locations of remote workers, including compliance with local laws and regulations or exposure to compromised internet infrastructure. Allowing members of our workforce to work remotely may create intellectual property risk if employees create intellectual property on our behalf while residing in a jurisdiction with unenforced or uncertain intellectual property laws. Further, if employees fail to inform us of changes in their work location, we may be exposed to additional risks without our knowledge. The transition to hybrid in-person as well as remote working may also subject us to other operational challenges and risks. For example, our shift to hybrid working may adversely affect our ability to recruit and retain personnel who prefer a fully remote or fully in-person work environment. Operating our business with both remote and in-person workers, or workers who work in flexible locations and on flexible schedules, could have a negative impact on our corporate culture, decrease the ability of our workforce to collaborate and communicate effectively, decrease innovation and productivity, or negatively affect workforce morale and retention rates. In addition, we expect to incur costs related to the transition to a hybrid workforce to, among other things, facilitate permanent remote work for a portion of our workforce and update our offices to offer more collaborative workspaces. If we are unable to effectively transition to a hybrid workforce, manage the cybersecurity and other risks of remote work, and maintain our corporate culture and workforce morale, our business could be harmed or otherwise negatively impacted.

***We face intense competition in our market, which could negatively impact our business, results of operations, and financial condition and cause our market share to decline.***

The market for our software and services is intensely competitive. The competitors we face in any sale opportunity may change depending on, among other things, the line of business purchasing the software, the application or service being sold, the geography in which the customer is operating, and the size of the insurance carrier to which we are selling. For example, we are more likely to face competition from small independent firms when addressing the needs of small insurers. These competitors may compete on the basis of price, the time and cost required for implementation, custom development, or unique product features or functions. Outside of the United States, we are more likely to compete against vendors that may differentiate themselves based on local advantages in language, market knowledge, and pre-built content applicable to that jurisdiction. We also compete with vendors of horizontal software products that may be customized to address needs of the P&C insurance industry.

Additionally, many of our prospective customers operate firmly entrenched legacy systems, some of which have been in operation for decades. Our implementation cycles may be lengthy, variable, and require the investment of significant time and expense by our customers. These expenses and associated operating risks attendant on any significant process re-engineering and new technology implementation, may cause customers to prefer maintaining legacy systems. Also, maintaining these legacy systems may be so time consuming and costly for our potential customers that they do not have adequate resources to devote to the purchase and implementation of our services and products. We also compete against technology consulting firms that either helped create such legacy systems or may own, in full or in part, subsidiaries that develop software and systems for the P&C insurance industry.

As we expand our product portfolio, we may begin to compete with software and service providers we have not competed against previously. Such potential competitors offer data and analytics tools that may, in time, become more competitive with our offerings.

If our competitors' products, services, or technologies become more accepted than our solutions, if they are successful in bringing their products or services to market earlier than we are, if their products or services are more technologically capable than ours (including, without limitation, as a result of new or better use of evolving AI technologies, such as generative AI), or if customers replace our solutions with custom-built software, then our revenue could be adversely affected.

We expect the intensity of competition to remain high in the future, as the amount of capital invested in current and potential competitors, including insurtech companies, has increased significantly in recent years.

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As a result, our competitors or potential competitors may develop improved product or sales capabilities, or even a technology breakthrough that disrupts our market. Continuing intense competition could result in increased pricing pressure, increased sales and marketing expenses, and greater investments in research and development, each of which could negatively impact our profitability. In addition, the failure to increase, or the loss of, market share would harm our business, results of operations, financial condition, and/or future prospects. Our larger current and potential competitors may be able to devote greater resources to the development, promotion, and sale of their services and products than we can devote to ours, which could allow them to respond more quickly than we can to new technologies and changes in customer needs, thus leading to their wider market acceptance. We may not be able to compete effectively and competitive pressures may prevent us from acquiring and maintaining the customer base necessary for us to increase our revenue and profitability.

In addition, the insurance industry is evolving rapidly, and we anticipate the market for cloud-based solutions will become increasingly competitive. If our current and potential customers move a greater proportion of their data and computational needs to the cloud, new competitors may emerge that offer services either comparable or better suited than ours to address the demand for such cloud-based solutions, which could reduce demand for our offerings. To compete effectively we will likely be required to increase our investment in research and development, as well as the personnel and third-party services required to improve reliability and lower the cost of delivery of our cloud-based solutions. New competitors are able to develop cloud-based solutions without the cost of maintaining or migrating existing solutions and satisfying existing customer requirements, which may allow them to introduce new services and products more quickly and on more efficient technologies than us. This may increase our costs more than we anticipate and may adversely impact our results of operations.

Our current and potential competitors may also establish cooperative relationships among themselves or with third parties to further enhance their resources and offerings. Current or potential competitors may be acquired by other vendors or third parties with greater available resources. As a result of such acquisitions, our current or potential competitors might be more able than we are to adapt quickly to new technologies and customer needs, to devote greater resources to the promotion or sale of their services and products, to initiate or withstand substantial price competition, or to take advantage of emerging opportunities by developing and expanding their product and service offerings more quickly than we can. Additionally, they may hold larger portfolios of patents and other intellectual property rights as a result of such relationships or acquisitions. If we are unable to compete effectively with these evolving competitors for market share, our business, results of operations, and financial condition could be materially and adversely affected.

***Our sales and implementation cycles are lengthy and variable, depend upon factors outside our control, and could cause us to expend significant time and resources prior to generating revenue.***

The typical sales cycle for our services and products is lengthy and unpredictable, requires pre-purchase evaluation by a significant number of employees in our customers' organizations, often involves a significant operational decision by our customers, and could be affected by factors outside of our control. Our sales efforts involve educating our customers about the use and benefits of our services and products, including the technical capabilities of our services and products, the potential cost savings achievable by organizations deploying our services and products, and the benefits and risks associated with cloud-based services. Customers typically undertake a significant evaluation process, which frequently involves not only our services and products, but also those of our competitors. We spend substantial time, effort, and money in our sales efforts without any assurance that our efforts will produce sales, and our customers have significant negotiating power during the sales process which may result in a lengthy sales cycle and significant contractual complexity. Additionally, we may be unable to predict the size and terms of the initial contract until very late in the sales cycle, which affects our ability to accurately forecast revenue and ARR. In addition, we sometimes commit to include specific functions in our base service and product offering at the request of a customer or group of customers and are unable to recognize revenue until the specific functions have been added to our services and products. Providing this additional functionality may be time consuming and may involve factors that are outside of our control. Customers may also insist that we commit to certain time frames in which systems built around our services and products will be operational or that once implemented our services and products will be able to meet certain operational requirements. Our ability to meet such timeframes and requirements may involve factors that are outside of our control, and failure to meet such timeframes and requirements could result in us incurring penalties and costs and/or making additional resource commitments, which would adversely affect our business and results of operations.

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The implementation and testing of our services and products by our customers typically lasts six to 24 months or longer and unexpected implementation delays and difficulties can occur. Implementing our services and products typically involves integration with our customers' and third parties' systems and creating or updating the digital experience, as well as adding customer and third-party data to our platform. This process can be complex, time consuming, and expensive for our customers and can result in delays in the implementation and deployment of our services and products. Failing to meet the expectations of our customers during the implementation of our services and products could result in a loss of customers and negative publicity about us and our services and products. Such failure could result from deficiencies in our product capabilities, performance issues, or inadequate service engagements by us, our SI partners, or our customers' employees, the latter two of which are beyond our direct control. The consequences of such failure could include, and have included, monetary credits for current or future service engagements, reduced fees for additional services or products sales or upon renewals of existing services and products, potential reversals of previously recognized revenue, renegotiating existing customer's contractual terms, and a customer's refusal to pay their contractually-obligated license, support, or service fees. In addition, time-consuming and delayed implementations may also increase the amount of services personnel we must allocate to the implementation for it to be successful, thereby increasing our costs and adversely affecting our business, results of operations, and financial condition.

Furthermore, our sales and implementation cycles could be interrupted or affected by other factors outside of our control. We have had, and may in the future have, restrictions on travel, which are in accordance with recommendations by the U.S. government, The Centers for Disease Control and Prevention, and other equivalent agencies in the locations in which we operate, and our customers, SI partners, and prospects have likewise enacted their own preventative policies and travel restrictions. Widespread restrictions on travel and in-person meetings have affected and could, in the future, affect services delivery, delay implementations, and interrupt sales activity. We cannot predict the duration or the extent of adverse impacts from pandemics and other global events on our business, results of operations, and financial condition.

***Failure to manage our expanding operations effectively could harm our business.***

We have experienced consistent growth and expect to continue to expand our operations, including the number of employees and the locations and scope of our international operations. Additionally, we have transitioned to a hybrid work environment in which a large portion of our workforce works either in-person on a part-time basis or remotely on a permanent basis, which brings new challenges to managing our business and workforce. This expansion and changing work environment has placed, and will continue to place, a significant strain on our operational and financial resources and our personnel. To manage our anticipated future operational expansion effectively, we must continue to maintain and may need to enhance our information technology and cybersecurity infrastructure and financial and accounting systems and controls, and manage expanded operations and employees in geographically distributed locations. Our growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of new, enhanced, or more secure services and products or investments in cloud operations. If we increase the size of our organization without experiencing an increase in sales of our services and products, we will experience reductions in our gross and operating margins and net income. If we are unable to effectively manage our expanding operations or hybrid work environment, our expenses may increase more than expected, our revenue could decline or grow more slowly than expected, and we may be unable to implement our business strategy.

***Revenue mix, as well as declines in our subscription and support gross margin or our services gross margin, could adversely affect our overall gross margin and profitability.***

Our subscription and support revenue was 48% and 42% of total revenue for fiscal years 2023 and 2022, respectively. Our subscription and support revenue produces lower gross margins than our license revenue. The gross margin of our subscription and support revenue was 51% and 41% for fiscal years 2023 and 2022, respectively, while the gross margin for license revenue was 98% and 97% for fiscal years 2023 and 2022, respectively. As our cloud transition continues, we expect that subscription revenue will continue to increase as a percentage of total revenue as we contract with new cloud customers and existing customers migrate from term licenses to subscription services. Additionally, we are incurring significant expenses to develop our cloud services and scale our cloud operations which may not result in an improvement of our subscription and support gross margin. These trends, along with other factors, some of which may be beyond our control, may adversely affect our overall gross and operating margins. These other factors include the percentage of new customers that enter into subscription services agreements as compared to term license agreements, the revenue impact of allocating total contract consideration between license revenue and subscription and support revenue when existing customers transition from term license to subscription services agreements, investments in certain cloud implementations to assist our customers with their migration to our cloud services, continued growth and efficiency of our cloud operations and technical support teams, and the impact on the global economy as a result of pandemics, inflation, or other global events and disasters.

Further, our services revenue was 23% and 26% of total revenue for fiscal years 2023 and 2022, respectively. Our services revenue produces lower gross margin than either our license revenue or our subscription and support revenue. The gross margin

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of our services revenue was negative in both fiscal years 2023 and 2022. If we experience an increase in the percentage of total revenue represented by services revenue, due to acquisitions or other factors, such increase could reduce our overall gross and operating margins. Fluctuation in our services revenue can result from several factors, some of which may be beyond our control, including the pace of our customers' migration from term license to subscription services as we continue our cloud transition, change in customer demand for our services team's involvement in the implementation of new services and products, the rates we charge or discounts we offer for our services, our ability to bill our customers for all time incurred to complete a project, the extent and quality of implementations and migrations provided by our SI partners, and the impact on the global economy as a result of economic volatility, inflation, or other global events and disasters. Additionally, the failure to improve, or the erosion of, our services margin, whether due to discounts related to encouraging clients to accelerate their cloud transition or otherwise, particularly in combination with any increase in services revenue, could adversely affect our overall gross and operating margins. Our services margin may erode if we hire and train additional services personnel to support cloud-based services or markets prior to having customer engagements, if we make investments in customer migrations from self-managed term licenses to subscription services, if we enter into fixed fee services arrangements, if our services personnel are underutilized, or if we require additional personnel on unexpectedly difficult projects to ensure customer success, perhaps without receiving commensurate compensation.

***Our large customers have substantial negotiating leverage, which may require that we agree to terms and conditions that result in increased cost of sales, decreased revenue, and lower average selling prices and gross margins, all of which could harm our results of operations.***

Some of our customers include the world's largest P&C insurers. These customers have significant bargaining power when negotiating new licenses or subscriptions or renewals of existing agreements, and have the ability to buy similar services and products from other vendors or develop such systems internally. These customers have and may continue to seek advantageous pricing and other commercial and performance terms that may require us to develop additional features in the services and products we sell to them or add complexity to our customer agreements. These customers may also delay making payments under existing agreements, or at renewal, in an attempt to obtain more favorable terms from us. We have been required to, and may continue to be required to, reduce the average selling price and ARR of our services and products, along with agreeing to steeper ramps that delay reaching fully-ramped ARR, in response to these pressures. If we are unable to avoid reducing our average selling prices or ARR, our results of operations could be harmed.

***Our business depends on customers renewing and expanding their license, support, and subscription contracts for our services and products. A decline in our customer renewals and expansions could harm our future results of operations.***

Our customers have no obligation to renew their term licenses or subscriptions after their contract period expires, and these licenses and subscriptions, if renewed, may be done so on less favorable terms. Moreover, under certain circumstances, our customers have the right to cancel their licenses or subscriptions before they expire. We may not accurately predict future trends in customer renewals. In addition, our perpetual license customers have no obligation to renew their support arrangements after the expiration of the initial contractual period. Our customers' renewal rates may fluctuate or decline because of several factors, including their satisfaction or dissatisfaction with our services and products, the prices of our services and products, the prices of services and products offered by our competitors, reduction in our customers' business including their DWP, reductions in our customers' spending levels due to the macroeconomic environment or other factors, or the sale of their operations to a buyer that is not a current customer.

Also, in some cases, our customers have a right to exercise a perpetual buyout of their term licenses at the end of the initial contract term, which if exercised would eliminate future term license revenue. If our customers do not renew their term licenses or subscriptions for our solutions or renew on less favorable terms, our revenue may decline or grow more slowly than expected and our profitability may be harmed.

***Failure of any of our established services or products to satisfy customer demands or to maintain market acceptance could harm our business, results of operations, financial condition, and growth prospects.***

We derive a significant majority of our revenue and cash flows from our established product offerings, including Guidewire InsuranceSuite Cloud, Guidewire InsuranceNow, Guidewire InsuranceSuite for self-managed installations, and our digital and data services and products. We expect to continue to derive a substantial portion of our revenue from these sources. As such, continued market acceptance of these services and products is critical to our growth and success. Demand for our services and products is affected by a number of factors, some of which are beyond our control, including the successful implementation of our services and products, the timing of development and release of product upgrades, enhancements, and new products by us and our competitors, the cost and effort to migrate from self-managed products to subscription services, the ease of integrating our software to third-party software and services, technological advances that reduce the appeal of our services and products, changes in the regulations that our customers must comply with in the jurisdictions in which they

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operate, and the growth or contraction in the worldwide market for technological solutions for the P&C insurance industry. If we are unable to continue to meet customer demands, to achieve and maintain a technological advantage over competitors, or to maintain market acceptance of our services and products, our business, results of operations, financial condition and growth prospects may be adversely affected.

***If we are unable to develop, introduce, and market new and enhanced versions of our services and products, we may be put at a competitive disadvantage.***

Our success depends on our continued ability to develop, introduce, and market new and enhanced versions of our services and products to meet evolving customer requirements. Because some of our services and products are complex and require rigorous testing, new features, new functionality, and updates to our existing products and services can take significant time and resources to develop and bring to market. As we expand internationally, our services and products must be modified and adapted to comply with regulations and other requirements of the countries in which our customers do business. Additionally, market conditions may dictate that we change the delivery method of our services and products or the technology platform underlying our existing services and products or that new services and products be developed on different technology platforms, potentially adding material time and expense to our development cycles. The nature of these development cycles may cause us to experience delays between the time we incur expenses associated with research and development and the time we generate revenue, if any, from such expenses.

If we fail to develop new services and products, enhance our existing services and products, or migrate our products to the cloud, our business could be adversely affected, especially if our competitors are able to introduce services and products with enhanced functionality in the cloud. It is critical to our success for us to anticipate changes in technology, industry standards and regulations, and customer requirements and to successfully introduce new, enhanced, and competitive services and products to meet our customers' and prospective customers' needs on a timely basis. We have invested and intend to increase investments in research and development and cloud operations to meet these challenges. Revenue may not be sufficient to support the future product development that is required for us to remain competitive. If we fail to develop services and products in a timely manner that are competitive in technology and price or develop services and products that fail to meet customer demands, our market share will decline and our business and results of operations could be harmed. If our development efforts do not develop services, products or features that our customers find valuable, then we might incur impairment charges related to our capitalized software development costs.

***Real or perceived errors or failures in our services and products, including implementation services, may affect our reputation, cause us to lose customers, and reduce sales and renewal rates, which may harm our business and results of operations and subject us to liability for breach of warranty claims.***

Because we offer complex services and products, undetected errors or failures may exist or occur, especially when services and products are first introduced or when new versions or updates are released. Our services and products are often installed and used in large-scale computing environments with different operating systems, system management software, and equipment and networking configurations, which may cause errors or failures in our services and products or may expose undetected errors, failures, or bugs in our services and products. Despite testing by us, we may not identify all errors, failures, or bugs in new services and products or releases until after commencement of commercial sales or installation. In the past, we have discovered software errors, failures, and bugs in some of our offerings after their introduction. Additionally, our Guidewire Cloud offerings rely on third-party hosting services, primarily AWS. Any material disruption or slowdown in these services or the systems of third parties who we depend upon could cause outages or delays in our services, which could harm our reputation and adversely affect our results of operations.

We provide our customers with upfront estimates regarding the duration, resources, and costs associated with the migration and implementation of our services and products. Failure to meet these upfront estimates and the expectations of our customers could result from our product capabilities or service engagements performed by us, our SI partners, or our customers' employees, the latter two of which are beyond our direct control. The consequences could include, and have included, monetary credits for current or future service engagements, reduced fees for additional services or product sales or upon renewals of existing licenses or services, renegotiation or modification of existing contracts that could potentially result in reversals of previously recognized revenue, or a customer's refusal to pay its contractually-obligated fees. In addition, time-consuming or difficult migrations and implementations may also increase the amount of services personnel we must allocate to the project, potentially without commensurate compensation, thereby increasing our costs, lowering our services margin, and adversely affecting our business, results of operations, and financial condition.

The license, subscription, and support of our services and products creates the risk of significant liability claims against us. Our license and subscription agreements with our customers contain provisions designed to limit our exposure to potential

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liability claims. It is possible, however, that the limitation of liability provisions contained in such agreements may not be enforced as a result of international, federal, state, and local laws or ordinances or unfavorable judicial decisions. Breach of warranty or damage liability, or injunctive relief resulting from such claims, could harm our results of operations and financial condition.

***Our ability to sell our services and products is highly dependent on the quality of our professional services and technical support services and the support of our SI partners, and the failure of us or our SI partners to offer high-quality professional services or technical support services could damage our reputation and adversely affect our ability to sell our services and products to new customers and renew agreements with our existing customers.***

If we or our SI partners do not effectively assist our customers in deploying our services and products, successfully help our customers quickly resolve post-deployment issues, assist our customers in migrating from self-managed licenses to subscription services, and provide effective ongoing support, our ability to renew existing agreements and sell additional services and products to existing customers would be adversely affected and our reputation with potential customers could be damaged. Once our services and products are deployed and integrated with our customers' existing information technology environment, our customers may depend on our technical support services and/or the support of SI partners or internal resources to resolve any issues relating to our services and products. High-quality support is critical for the continued successful marketing and sale of our services and products. In addition, as we continue to expand our operations internationally, our support organization will face additional challenges, including those associated with delivering support, training, and documentation in multiple languages. Many enterprise customers require higher levels of support than smaller customers. If we fail to meet the requirements of our larger customers, it may be more difficult to sell additional services and products to these customers or to transition existing license customers to subscription services, a key strategy for the growth of our revenue and profitability. In addition, as we further expand our cloud-based services and products, our professional services, cloud operations and support organizations will face new challenges, including hiring, training, and integrating a large number of new personnel with experience in delivering high-quality services and support for cloud-based offerings. Further, as we continue to rely on SIs to provide deployment, migration, and on-going services, our ability to ensure a high level of quality in addressing customer issues and providing a maintainable and efficient cloud environment could be diminished as we may be unable to control the quality or timeliness of the implementation of our services and products by our SI partners. Our failure to maintain high-quality implementation and support services, or to ensure that SIs provide the same, could have a material adverse effect on our business, results of operations, financial condition, and growth prospects.

***Issues in the development and use of AI, combined with an uncertain regulatory environment, may result in reputational harm, liability, or other adverse consequences to our business operations.***

We use machine learning and AI technologies in our offerings and business, and we are making investments in expanding our AI capabilities in our products, services, and tools, including ongoing deployment and improvement of existing machine learning and AI technologies, as well as developing new product features using generative AI technologies. AI technologies are complex and generative AI technologies, in particular, are rapidly evolving. We face significant competition from other companies as well as an evolving regulatory landscape in relation to these technologies. The introduction of AI technologies, including generative AI, into new or existing products may result in new or enhanced governmental or regulatory scrutiny, litigation, confidentiality or security risks, ethical concerns, or other complications that could adversely affect our business, reputation, or financial results. The intellectual property ownership and license rights, including without limitation copyright, surrounding AI technologies generally, and generative AI technologies specifically, has not been fully addressed by competent legal tribunals or applicable laws or regulations. Further, the use or adoption of third-party AI technologies, including generative AI technologies, into our products and services may result in exposure to claims of copyright infringement or other intellectual property-related causes of action.

Uncertainty around new and emerging AI technologies, such as generative AI, may require additional investment in the development and maintenance of proprietary datasets and machine learning models, development of new approaches and processes to provide attribution or remuneration to creators of training data, and development of appropriate protections and safeguards for handling the use of customer data with such technologies, which may be costly and could impact our expenses if we decide to expand AI technologies, including generative AI, into our product offerings. AI technologies, including without limitation generative AI, may create content that appears facially correct but is factually inaccurate or flawed. Our customers or others may rely on or use such factually incorrect or flawed content to their detriment, which may expose us to brand or reputational harm, competitive harm, and/or legal liability. In all events, the development, marketing and use of AI technologies, including, in particular, generative AI, presents emerging ethical and social issues, and if we enable or offer solutions that draw scrutiny or controversy due to their perceived or actual impact on customers or on society as a whole, we may experience brand or reputational harm, competitive harm, and/or legal liability.

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***We may expand through acquisitions or partnerships with other companies, which may divert our management's attention and result in unexpected operating and technology integration difficulties, increased costs, and dilution to our stockholders.***

Our business strategy includes the potential acquisition of shares or assets of companies with software, cloud-based services, technologies, or businesses complementary to ours. Our strategy also includes alliances with such companies. For example, we have made several acquisitions in the past, including most recently in August 2021, we acquired HazardHub, Inc., a leading insurtech provider of property risk insights. Acquisitions and alliances, such as our strategic partnerships with One Inc. and Smart Communications, may result in unforeseen operating difficulties and expenditures, be dilutive to earnings, and may not result in the benefits anticipated by such corporate activity. In particular, we may fail to assimilate or integrate the businesses, technologies, services, products, personnel, or operations of the acquired companies, retain key personnel necessary to favorably execute the combined companies' business plan, or retain existing customers or sell acquired services and products to new customers. Acquisitions and alliances may also disrupt our ongoing business, divert our resources, and require significant management attention that would otherwise be available for ongoing development of our current business. In addition, we may be required to make additional capital investments or undertake remediation efforts to ensure the success of our acquisitions, which may reduce the benefits of such acquisitions. We also may be required to use a substantial amount of our cash or issue debt or equity securities to complete an acquisition or realize the potential of an alliance, which could deplete our cash reserves and/or dilute our existing stockholders. Following an acquisition or the establishment of an alliance offering new services and products, the timing of revenue from the sale of services and products that we acquired or that result from the alliance, or from the sale of a bundle of services and products that includes such new services and products, may be different than the timing of revenue from existing services and products. In addition, our ability to maintain favorable pricing of new services and products may be challenging if we bundle such services and products with existing services and products. A delay in the recognition of revenue from sales of acquired or alliance services and products, or reduced pricing due to bundled sales, may cause fluctuations in our quarterly financial results, may adversely affect our operating margins, and may reduce the benefits of such acquisitions or alliances.

Additionally, competition within the software industry for acquisitions of businesses, technologies, and assets has been, and may continue to be, intense. As such, even if we are able to identify an acquisition that we would like to pursue, the target may be acquired by another strategic buyer or financial buyer such as a private equity firm, or we may otherwise not be able to complete the acquisition on commercially reasonable terms, if at all. Moreover, in addition to our failure to realize the anticipated benefits of any acquisition, including our revenue or return on investment assumptions, we may be exposed to unknown liabilities or impairment charges to acquired intangible assets and goodwill as a result of acquisitions we do complete.

***If we are unable to continue the successful development of our global direct sales force and the expansion of our relationships with our strategic partners, sales of our services and products will suffer and our growth could be slower than we project.***

We believe that our future growth will depend on the continued recruiting, retention, and training of our global direct sales force and their ability to obtain new customers, both large and small P&C insurers, and to manage our existing customer base. New hires require significant training and may, in some cases, take more than a year before becoming productive, if at all. If we are unable to hire and develop sufficient numbers of productive global direct sales personnel, sales of our services and products will suffer and our growth will be impeded.

Our SI partners help us reach additional customers. We believe our future growth also will depend on the retention and expansion of successful relationships with SI partners, including with SI partners that will focus on services and products we may acquire in the future. Our growth in revenue, particularly in international markets, will be influenced by the development and maintenance of relationships with SI partners, including regional and local SI partners. Although we have established relationships with some of the leading SI partners, our services and products may compete directly against services and products that such leading SI partners support or market. Additionally, we are unable to control the quantity or quality of resources that our SI partners commit to migrating or implementing our services and products, the quality or timeliness of such migrations and implementations, or the effects of pandemics and other global events on our SI partners. If our partners do not commit sufficient or qualified resources to these activities, our customers will be less satisfied, be less supportive with references, or may require the investment of our resources at discounted rates. These, and other failures by our partners to successfully implement our services and products, would have an adverse effect on our business and our results of operations could fail to grow in line with our projections.

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***Our international sales and operations subject us to additional risks that can adversely affect our business, results of operations, and financial condition.***

We sell our services and products to customers located outside the United States, and we are continuing to expand our international operations as part of our growth strategy. In fiscal years 2023, 2022, and 2021, \$331.5 million, \$296.2 million, and \$271.1 million of our revenue, respectively, was from customers outside of the United States. Our current international operations and our plans to expand our international operations subject us to a variety of risks, including:

- increased management, travel, infrastructure, legal, and compliance costs associated with having multiple international operations;
- unique terms and conditions in contract negotiations imposed by customers in foreign countries;
- longer payment cycles and difficulties in enforcing contracts and collecting accounts receivable;
- the need to localize our contracts and our services and products for international customers;
- lack of familiarity with and unexpected changes in foreign regulatory requirements;
- increased exposure to fluctuations in currency exchange rates, especially on revenue and ARR;
- highly inflationary international economies, such as Argentina which has placed controls on sending U.S. dollars outside of the country and resulted in extended collection periods;
- geographic and political conflicts, such as that between Russia and Ukraine and the escalating tensions in the South China Sea;
- the burdens and costs of complying with a wide variety of foreign laws and legal standards, including without limitation any new or evolving laws and regulations relating to the use of data in AI, generative AI, machine learning technologies, climate-related disclosures, and the General Data Protection Regulation in the European Union (“EU”) and the U.K.;
- compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act of 2010 and other anti-corruption regulations, particularly in emerging market countries;
- compliance by international staff with accounting practices generally accepted in the United States, including adherence to our accounting policies and internal controls;
- import and export license requirements, tariffs, taxes and other trade barriers;
- increased financial accounting, tax and reporting burdens and complexities;
- weaker protection of intellectual property rights in some countries;
- multiple and possibly overlapping tax regimes, including certain Organization for Economic Cooperation and Development (“OECD”) proposals, including the implementation of the global minimum tax under the Pillar Two model rules;
- government sanctions that may interfere with our ability to sell into particular countries, such as Russia;
- disruption to our operations caused by epidemics or pandemics; and
- political, social, and economic instability abroad, terrorist attacks, and security concerns in general.

As we increase the number of products we offer, increase the number of countries in which we operate, and incorporate new technologies and capabilities into our products (including, without limitation, the use of AI, generative AI and machine learning technologies), the complexity of adjusting our offerings to comply with legal and regulatory changes will increase.

As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our international operations. Any of these risks could harm our international operations and reduce our international sales, adversely affecting our business, results of operations, financial condition and growth prospects.

***Incorrect or improper use of our services and products or our failure to properly train customers on how to utilize our services and products could result in customer dissatisfaction and negatively affect our business, results of operations, financial condition, and growth prospects.***

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Our services and products are complex and are deployed in a wide variety of environments. The proper use of our services and products requires training of the customer. If our services and products are not used correctly or as intended, inadequate performance may result. Our services and products may also be intentionally misused or abused by customers or their employees or third parties who are able to access or use our services and products. Because our customers rely on our services, products, and support to manage a wide range of operations, the incorrect or improper use of our services and products, our failure to properly train customers on how to efficiently and effectively use our services and products, or our failure to properly provide services to our customers may result in negative publicity or legal claims against us. Also, any failure by us to properly provide training or other services to existing customers will likely result in lost opportunities for follow-on and increased sales of our services and products.

In addition, if there is substantial turnover of customer personnel responsible, especially at the executive level, for the use and support of our services and products, or if customer personnel are not well trained in the use and support of our services and products, customers may defer the deployment of our services and products, may deploy them in a more limited manner than originally anticipated, or may not deploy them at all. Further, if there is substantial turnover of the customer personnel responsible for use of our services and products, our ability to renew existing licenses and make additional sales may be substantially limited.

***We may not be able to obtain capital when desired on favorable terms, if at all, and we may not be able to obtain capital or complete acquisitions through the use of equity without dilution to our stockholders.***

We may need additional financing to execute on our current or future business strategies, including to develop new or enhance existing services and products, acquire businesses and technologies, or otherwise to respond to competitive pressures.

If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our existing stockholders could be significantly diluted, and newly-issued securities may have rights, preferences, or privileges senior to those of existing stockholders. If we accumulate additional funds through debt financing, a substantial portion of our operating cash flow may be dedicated to the payment of principal and interest on such indebtedness, thus limiting funds available for our business activities. We cannot be assured that additional financing will be available on terms favorable to us, or at all. If adequate funds are not available, or are not available on acceptable terms, when we desire them, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our services and products, or otherwise respond to competitive pressures would be significantly limited. Any of these factors could harm our results of operations.

#### **Risks Related to Data Security and Privacy, Intellectual Property, and Information Technology**

***If our products or cloud-based services experience cybersecurity breaches, there is unauthorized access to our customers' data, or unauthorized use of our services or any of these events are perceived to happen, we may lose current or future customers and our reputation and business may be harmed.***

If our security measures are breached, unauthorized access to our or our customers' data, or unauthorized use of our services or any of these events are perceived to happen, our cloud services may be perceived as not being secure, customers may reduce the use of or stop using our services, we may incur significant liabilities, and our reputation could be harmed. Our software and cloud services involve the storage and transmission of customer data (including, in some cases, personal data), are involved in the collection and distribution of funds, and may provide business critical analytics necessary for our customers' operations. Security breaches could result in public disclosure of confidential information, loss or modification of data affecting our customers' operations, fraud or theft, ransom demands, or other misuse of confidential information, which in turn could result in litigation, breach of contract claims, indemnity obligations, additional reporting requirements and/or oversight, restrictions on processing customer data, and other liabilities for our Company. While we have taken, and are continually updating and enhancing, steps to protect the confidential information and customer data to which we have access, including confidential information we may obtain through our customer support services or customer usage of our cloud-based services, our security measures or the security measures of companies we rely on, such as AWS, could be breached. We rely on third-party technology and systems for a variety of services, including, without limitation, encryption and authentication technology, employee email, content delivery to customers, back-office support, and other functions, and our ability to control or prevent breaches of any of these systems may be beyond our control. Because techniques used to obtain unauthorized access or infiltrate systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures despite our efforts in implementing and deploying security measures. The use of constantly evolving technologies by threat actors are sophisticated and complex and may increase the velocity of such threats, frequency of incident cases, and otherwise magnifying the risks associated with these types of attacks. Although we have developed systems and processes designed to protect our and our customers' data, prevent loss or unauthorized modification of data, ensure only authorized use of services, and other cybersecurity breaches, including systems and processes designed to reduce the impact of a security breach at a third-party vendor, such measures cannot provide

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absolute security. Any or all of these issues could negatively impact our ability to attract new customers or to increase engagement with existing customers, could cause existing customers to elect not to renew their term licenses or subscription agreements, or could subject us to third-party lawsuits, regulatory fines or other action or liability, thereby adversely affecting our results of operations and reputation.

***Privacy concerns could result in regulatory changes and impose additional costs and liabilities on us, limit our use of information, and adversely affect our business.***

As adoption of our cloud-based services occurs, the amount of customer data, including customer personal information, that we manage, hold, and/or collect continues to increase. In addition, our services and products may collect, process, store, and use transaction-level data aggregated across insurers using our common data model. We anticipate that over time we will continue to expand the use and collection of personal information as greater amounts of such personal information may be transferred from our customers to us and we recognize that privacy and data security has become a significant issue in the United States, Europe, the U.K., and many other jurisdictions where we operate.

Many federal, state, and foreign legislatures and government agencies have imposed, are considering imposing, or are considering changing restrictions and requirements about the collection, use, and disclosure of personal information. Changes to laws or regulations affecting privacy could impose additional costs and liabilities, including fines, on us and could limit our use of such information to add value for customers, including for example, the California Consumer Privacy Act, the California Privacy Rights Act, which substantially went into effect on January 1, 2023, and the Court of Justice of the EU's invalidation of the Privacy Shield framework in July 2020. On July 16, 2020, the Court of Justice of the EU issued a verdict that ruled that the EU-US Privacy Shield, on which many companies relied on to transfer their data between the EU and the U.S., was invalidated due to concerns around surveillance by U.S. state and law enforcement agencies, known as the Schrems II decision. Schrems II now requires companies to conduct case-by-case assessments of each data transfer to a non-EU country in order to ensure that such data is adequately protected. In July of 2023, the European Commission adopted a new adequacy decision in relation to the EU-US Data Privacy Framework ("DPF"), rendering the DPF effective as a General Data Protection Regulation 2016/679 ("GDPR") transfer mechanism to U.S. entities self-certified under the DPF. We expect the DPF Adequacy Decision to be challenged and international transfers to the U.S. and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators. If we were required to change our business activities or revise or eliminate services, or to implement burdensome compliance measures, our business and results of operations could be harmed. We may be subject to fines, penalties, and potential litigation if we fail to comply with applicable privacy and/or data security laws, regulations, standards, and other requirements. The costs of compliance with and other burdens imposed by privacy-related laws, regulations, and standards may limit the use and adoption of our services and products and reduce overall demand.

Furthermore, emerging trends in data privacy and security may impact our business operations. For example, multiple jurisdictions are taking a heightened interest in AI and machine learning, which we make use of. There has been a recent wave of policy and regulatory responses from various governments rolling out action plans for risk mitigation to legislation being introduced to generally oversee the use of AI. For example, in 2021, the European Commission proposed a regulation seeking to establish a comprehensive, risk-based governance framework for AI in the EU market. The regulation is intended to apply to companies that develop, use and/or provide AI in the EU and includes requirements around transparency, conformity assessments and monitoring, risk assessments, human oversight, security and accuracy. In addition, in 2022, the European Commission proposed two directives seeking to establish a harmonized civil liability regime for AI in the EU, in order to facilitate civil claims in respect of harm caused by AI and to include AI-enabled products within the scope of the EU's existing strict liability regime.

Compliance with such global laws and regulations, if adopted, including those relating to rapidly evolving generative AI, has and will continue to require valuable management and employee time and resources, and any actual or perceived failure to comply with these laws and regulations could include severe penalties, reputational harm, and reduce demand for our products.

Furthermore, concerns regarding data privacy and/or security may cause our customers' customers to resist providing the data and information necessary to allow our customers to use our services and products effectively. Even the perception that the privacy and/or security of personal information is not satisfactorily managed, or does not meet applicable legal, regulatory, and other requirements, could inhibit sales of our services or products, and could limit adoption of our solutions, resulting in a negative impact on our sales, reputation, and results from operations.

***Privacy concerns in the EU and the U.K. are evolving and we may face fines and other penalties, as well as reputational harm, if we fail to comply with these current and evolving laws, and compliance with these laws may increase our expenses and adversely affect our business and results of operations.***

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On April 27, 2016, the EU adopted the GDPR, that took effect on May 25, 2018. The GDPR applies to any company established in the European Economic Area (“EEA”) as well as to those outside the EEA if they carry out processing of personal data of individuals in the EEA that is related to the offering of goods or services to them or the monitoring of their behavior. The GDPR has enhanced data protection obligations for processors and controllers of personal data, including, for example, expanded disclosures about how personal data is to be used, limitations on retention of personal data, enhanced data subject rights, mandatory data breach notification requirements, and onerous new obligations on data processors. Non-compliance with the GDPR can trigger fines of up to €20 million, or 4% of total worldwide annual revenues, whichever is higher. Given the breadth and depth of changes in data protection obligations, complying with GDPR requirements has caused us to expend significant resources and such expenditures are likely to continue into the near future as we respond to new interpretations, regulatory guidance, and enforcement decisions and as we continue to negotiate data processing agreements with our customers and business partners.

In addition, the GDPR restricts transfers of personal data outside of the EEA to countries deemed to lack adequate privacy protections, including the U.S., unless an appropriate safeguard specified by the GDPR is implemented, such as the Standard Contractual Clauses (“SCCs”) approved by the European Commission and, until July 16, 2020, the Privacy Shield for EU–U.S. data transfers. On July 16, 2020, the European Court of Justice (“ECJ”) invalidated the EU-U.S. Privacy Shield, but it deemed that SCCs are valid, provided additional safeguards are in place. However, the ECJ ruled that transfers made pursuant to SCCs and other alternative transfer mechanisms need to be analyzed on a case-by-case basis to ensure EU standards of data protection are met in the jurisdiction where the data importer is based, and there continue to be concerns about whether SCCs will face additional challenges. For transfers to the U.S., the European Commission has now adopted an Adequacy Decision for entities self-certified under the new DPF, rendering the DPF effective as a GDPR transfer mechanism for such entities. However, we expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. In particular, we expect the DPF Adequacy Decision to be challenged and international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators. Moreover, on September 8, 2020, the Swiss Federal Data Protection and Information Commissioner announced that it no longer considers the Swiss-U.S. Privacy Shield to provide adequate protections for transfers of Swiss personal data to the U.S., following the invalidation of the EU-U.S. Privacy Shield by the ECJ. Further, on June 4, 2021, the European Commission published revised standard contractual clauses for data transfers from the EEA. We are required to implement the revised standard contractual clauses in relation to our customer arrangements within the relevant time frames, which could increase our compliance costs and adversely affect our business. We (and many other companies) may be required to adopt additional measures to accomplish and maintain legitimate means for the transfer and receipt of personal data from the EU to the United States and other countries. As data protection authorities continue to issue further guidance and orders on personal data export mechanisms and/or continue taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

We may experience hesitancy, reluctance, or refusal by European or multi-national customers to continue to use our services due to the potential risk exposure to such customers as a result of such developments and the data protection obligations imposed on them by various data protection authorities. Such customers may also view any alternative approaches to the transfer of any personal data as being too costly, too burdensome, or otherwise objectionable, and therefore may decide not to do business with us.

Given our current transition to more cloud-based services and the current data protection landscape in the EU, we may be subject to greater risk of potential inquiries and/or enforcement actions from regulators. We may find it necessary to establish alternative systems to maintain EEA personal data within the EEA, which may involve substantial expense and may cause us to need to divert resources from other aspects of our business, all of which may adversely affect our results from operations. Further, any inability to adequately address privacy concerns in connection with our cloud-based services, or comply with applicable privacy or data protection laws, regulations, and policies, could result in additional cost and liability to us, including fines and harm to our reputation, and adversely affect our ability to offer cloud-based services.

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Since January 1, 2021, as a result of Brexit, the U.K. has brought the GDPR into domestic U.K. law with the Data Protection Act 2018 (“U.K. GDPR”), which remains in force. As we are subject to the supervision of relevant data protection authorities under both the GDPR and UK GDPR, we could be fined under each of those regimes independently in respect of the same breach. The U.K. GDPR mirrors the data protection obligations and fines under the GDPR, but there may be further developments about the regulation of particular issues such as U.K. data exports. The United Kingdom’s Information Commissioner’s Office has published new data transfer standard contracts for transfers from the U.K. under the U.K. GDPR. This new documentation will be mandatory for relevant data transfers from September 21, 2022; existing standard contractual clauses arrangements must be migrated to the new documentation by March 21, 2024. We will be required to implement the latest U.K. data transfer documentation for data transfers subject to the U.K. GDPR, in relation to relevant existing contracts and certain additional contracts and customer arrangements, within the relevant time frames. On June 28, 2021, the European Commission adopted an adequacy decision in favor of the U.K., enabling data transfers from EEA member states to the U.K. without additional safeguards. However, the U.K. adequacy decision will automatically expire in June 2025 unless the European Commission re-assesses and renews/extends that decision, and it remains under review by the Commission during this period. In September 2021, the U.K. government launched a consultation on its proposals for wide-ranging reform of U.K. data protection laws following Brexit. There is a risk that any material changes which are made to the U.K. data protection regime could result in the Commission reviewing the U.K. adequacy decision, and the U.K. losing its adequacy decision if the Commission deems the U.K. to no longer provide adequate protection for personal data. These changes may lead to additional costs and increase our overall risk exposure.

Anticipated further evolution of EU and U.K. regulations on data privacy and security and any related changes to the regulatory framework in these or other countries may increase substantially our risk exposure to the penalties to which we could be subject in the event of any non-compliance. We may incur substantial expense in complying with the new obligations to be imposed by new regulations and interpretations of existing regulations and we may be required to make significant changes to our software applications and expanding business operations, all of which may adversely affect our results of operations.

***Assertions by third parties of infringement or other violation by us of their intellectual property rights could result in significant costs and substantially harm our business and results of operations.***

The software industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents and other intellectual property rights. In particular, leading companies in the software industry own large numbers of patents, copyrights, trademarks, and trade secrets, which they may use to assert claims against us. From time to time, third parties holding such intellectual property rights, including leading companies, competitors, patent holding companies, and/or non-practicing entities, may assert patent, copyright, trademark, or other intellectual property claims against us, our customers and partners, and those from whom we license technology and intellectual property.

Although we believe that our services and products do not infringe upon the intellectual property rights of third parties, we cannot assure that we are not infringing or otherwise violating any third-party intellectual property rights or that third parties will not assert infringement or misappropriation claims against us with respect to current or future services or products, or that any such assertions will not require us to enter into royalty arrangements, result in costly litigation, or result in us being unable to use certain intellectual property. Infringement assertions from third parties may involve patent holding companies or other patent owners who have no relevant product revenue, and therefore our own issued and pending patents may provide little or no deterrence to these patent owners in bringing intellectual property rights claims against us.

If we are forced to defend against any infringement or misappropriation claims, whether they are with or without merit, are settled out of court, or are determined in our favor, we may be required to expend significant time and financial resources on the defense of such claims. Furthermore, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys’ fees, if we are found to have willfully infringed a party’s intellectual property; cease making, licensing, or using our services or products that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to redesign our services or products; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies or works; and to indemnify our partners, customers, and other third parties. Any of these events could seriously harm our business, results of operations, and financial condition.

***Failure to protect our intellectual property could substantially harm our business and results of operations.***

Our success depends in part on our ability to enforce and defend our intellectual property rights. We rely upon a combination of trademark, trade secret, copyright, patent, and unfair competition laws, as well as license agreements and other contractual provisions, to do so.

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We have filed, and may in the future file, patent applications related to certain of our innovations. We do not know whether those patent applications will result in the issuance of a patent or whether the examination process will require us to narrow our claims. In addition, we may not receive competitive advantages from the rights granted under our patents and other intellectual property. Our existing patents and any patents granted to us or that we otherwise acquire in the future, may be contested, circumvented, or invalidated, and we may not be able to prevent third parties from infringing these patents. Therefore, the extent of the protection afforded by these patents cannot be predicted with certainty. In addition, given the costs, effort, risks, and downside of obtaining patent protection, including the requirement to ultimately disclose the invention to the public, we may choose not to seek patent protection for certain innovations; however, such patent protection could later prove to be important to our business.

We also rely on several registered and unregistered trademarks to protect our brand. Nevertheless, competitors may adopt service names similar to ours, or purchase our trademarks and confusingly similar terms as keywords in internet search engine advertising programs, thereby impeding our ability to build brand identity and possibly leading to confusion in the marketplace. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our trademarks. Any claims or customer confusion related to our trademarks could damage our reputation and brand and substantially harm our business and results of operations.

We attempt to protect our intellectual property, technology, and confidential information by generally requiring our employees and consultants to enter into confidentiality agreements and assignment of inventions agreements and third parties to enter into nondisclosure agreements, all of which offer only limited protection. These agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, intellectual property, or technology. Despite our efforts to protect our confidential information, intellectual property, and technology, unauthorized third parties may gain access to our confidential proprietary information, develop and market services or products similar to ours, or use trademarks similar to ours, any of which could materially harm our business and results of operations. In addition, others may independently discover our trade secrets and confidential information, and in such cases, we could not assert any trade secret rights against such parties. Existing United States federal, state, and international intellectual property laws offer only limited protection. The laws of some foreign countries do not protect our intellectual property rights to as great an extent as the laws of the United States, and many foreign countries do not enforce these laws as diligently as governmental agencies and private parties in the United States. Moreover, policing our intellectual property rights is difficult, costly, and may not always be effective.

From time to time, legal action by us may be necessary to enforce our patents and other intellectual property rights, to protect our trade secrets, to determine the validity and scope of the intellectual property rights of others, or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could negatively affect our business, reputation, results of operations, and financial condition. If we are unable to protect our technology and to adequately maintain and protect our intellectual property rights, we may find ourselves at a competitive disadvantage to others who need not incur the additional expense, time, and effort required to create the innovative services and products that have enabled us to be successful to date.

***We and our customers rely on technology and intellectual property of third parties, the loss of which could limit the functionality of our services and products and disrupt our business.***

We use technology and intellectual property licensed from unaffiliated third parties in certain of our services and products, and we may license additional third-party technology and intellectual property in the future. Any errors, defects or security issues in this third-party technology and intellectual property or the integration of third-party technology and intellectual property with our services and products could result in errors that could harm our brand and business. Moreover, licensed technology and intellectual property may not continue to be available on commercially reasonable terms, or at all, or otherwise will be subject to restrictions that under applicable law could adversely affect our proprietary software. The loss of the right to license and distribute this third-party technology could limit the functionality of our services and products and might require us to redesign our services and products.

In addition, our Guidewire Cloud offerings rely on third-party hosting and infrastructure services provided by AWS, for the continuous, reliable, and secure operation of servers, related hardware and software, and network infrastructure. A prolonged AWS service disruption or slowdown for any reason could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers, or otherwise harm our business.

***Some of our services and technologies may use “open source” software, which may restrict how we use or distribute our services or require that we release the source code of certain services and products subject to those licenses.***

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Some of our services and technologies may incorporate software licensed under so-called “open source” licenses. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on origin of the software. Additionally, some open source licenses require that source code subject to the license be made available to the public and that any modifications or derivative works to open source software continue to be licensed under open source licenses. These open source licenses typically mandate that proprietary software, when combined in specific ways with open source software, become subject to the open source license. If we combine our proprietary software in such ways with open source software, we could be required to release the source code of our proprietary software. Further, this third-party technology and intellectual property has the potential for security-related concerns, given that we do not create or maintain such third-party technology and intellectual property that may be exposed to unknown future security risks, such as the Log4j vulnerability.

We take steps to ensure that our proprietary software is not combined with, and does not incorporate, open source software in ways that would require our proprietary software to be subject to many of the restrictions in an open source license. However, few courts have interpreted open source licenses, and the manner in which these licenses may be interpreted and enforced is therefore subject to some uncertainty. Additionally, we rely on hundreds of software programmers to design our proprietary technologies, and although we take steps to prevent our programmers from including objectionable open source software in the technologies and software code that they design, write and modify, we do not exercise complete control over the development efforts of our programmers and we cannot be certain that our programmers have not incorporated such open source software into our proprietary services and products and technologies or that they will not do so in the future. In the event that portions of our proprietary technology are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our services and technologies and materially and adversely affect our business, results of operations, and prospects.

***We may be obligated to disclose our proprietary source code to our customers, which may limit our ability to protect our intellectual property and could reduce the renewals of our support services.***

Our software license agreements typically contain provisions permitting the customer to become a party to, or a beneficiary of, a source code escrow agreement under which we place the proprietary source code for our applicable services and products in escrow with a third party. Under these escrow agreements, the source code to the applicable product may be released to the customer, typically for its use to maintain, modify, and enhance the product, upon the occurrence of specified events, such as our filing for bankruptcy, discontinuance of our support services, and breaching our representations, warranties, or covenants of our agreements with our customers. Additionally, in some cases, customers have the right to request access to our source code upon demand. Some of our customers have obtained the source code for certain of our services and products by exercising this right, and others may do so in the future.

Disclosing the content of our source code may limit the intellectual property protection we can obtain or maintain for that source code or the services and products containing that source code and may facilitate intellectual property infringement claims against us. It also could permit a customer to which a product’s source code is disclosed to support and maintain that software product without being required to purchase our support services. Each of these could harm our business, results of operations, and financial condition.

### **Risks Related to Legal, Regulatory, Accounting, and Tax Matters**

***The nature of our business requires the application of accounting guidance that requires management to make estimates and assumptions. Reported results under United States Generally Accepted Accounting Principles (“GAAP”) may vary from key metrics used to measure our business. Additionally, changes in accounting guidance may cause us to experience greater volatility in our quarterly and annual results. If we are unsuccessful in adapting to and interpreting the requirements of new guidance, or in clearly explaining to stockholders how new guidance affects reporting of our results of operations, our stock price may decline.***

We prepare our consolidated financial statements to conform to GAAP. These accounting principles are subject to interpretation by the SEC, Financial Accounting Standards Board (“FASB”), and various bodies formed to interpret and create accounting rules and regulations. Accounting standards, such as ASC 606 - Revenue from Contracts with Customers or ASC 842 - Leases, or the guidance relating to interpretation and adoption of standards could have a significant effect on our financial results and could affect our business. Additionally, the FASB and the SEC are focused on the integrity of financial reporting, and our accounting policies are subject to scrutiny by regulators and the public.

We cannot predict the impact of future changes to accounting principles or our related accounting policies on our financial statements going forward. In addition, were we to change our accounting estimates, including those related to the timing of revenue recognition and those used to allocate revenue between various performance obligations, our reported revenue and

results of operations could be significantly impacted. If we are unsuccessful in adapting to the requirements of any new standard, or if changes to our go-to-market strategy create new risks, then we may experience greater volatility in our quarterly and annual results, which may cause our stock price to decline.

In addition, GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources.

Further, revenue recognition standards require significant judgment and estimates that impact our reported revenue and results of operations. Additionally, reported revenue has and will vary from the ARR, a non-GAAP metric, and cash flow associated with each customer agreement. For example, for some arrangements with multiple performance obligations, a portion of recurring license and support or subscription contract value is allocated to services revenue for revenue recognition purposes, but does not get allocated for purposes of calculating ARR. This revenue allocation only impacts the initial term of the contract. This means that as we increase arrangements with multiple performance obligations that include services at discounted rates, more of the total contract value will be recognized as services revenue, but our reported ARR amount will not be impacted. This potential difference and variability in the trends of reported amounts may cause volatility in our stock price.

***If we fail to maintain effective internal control over financial reporting or identify a material weakness in our internal control over financial reporting, our ability to report our financial condition and results of operations in a timely and accurate manner could be adversely affected, investor confidence in our Company could diminish, and the value of our common stock may decline.***

Preparing our consolidated financial statements involves a number of complex manual and automated processes, which are dependent upon individual data input or review and require significant management judgment. One or more of these processes may result in errors that may not be detected and could result in a material misstatement of our consolidated financial statements. The Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) requires, among other things, that as a publicly-traded company we disclose whether our internal control over financial reporting and disclosure controls and procedures are effective.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

While we continually undertake steps to improve our internal control over financial reporting as our business changes, we may not be successful in making the improvements and changes necessary to be able to identify and remediate control deficiencies or material weaknesses on a timely basis. If we are unable to successfully remediate any future material weaknesses in our internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected; our liquidity, access to capital markets and perceptions of our creditworthiness may be adversely affected; we may be unable to maintain compliance with securities laws, stock exchange listing requirements and debt instruments covenants regarding the timely filing of periodic reports; we may be subject to regulatory investigations and penalties; investors may lose confidence in our financial reporting; we may suffer defaults under our debt instruments; and our stock price may decline.

***If tax laws change or we experience adverse outcomes resulting from examination of our income tax returns, it could adversely affect our results of operations.***

We are subject to federal, state, and local income taxes in the United States and in foreign jurisdictions. Our future effective tax rates and the value of our deferred tax assets could be adversely affected by changes in, interpretations of, and guidance regarding tax laws, including impacts of the Tax Cuts and Jobs Act of 2017 (the “Tax Act”), the Coronavirus Aid, Relief, Economic Security Act of 2020, the Inflation Reduction Act of 2022, and certain OECD proposals, including the implementation of the global minimum tax under the Pillar Two model rules.

In addition, we are subject to the examination of our income tax returns by the IRS and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from such examinations to determine the adequacy of our provision for income taxes. Significant judgment is required in determining our worldwide provision for income taxes. Although we believe we have made appropriate provisions for taxes in the jurisdictions in which we operate, changes in the tax laws or challenges from tax authorities under existing tax laws could adversely affect our business, financial condition and results of operations.

### **Risks Related to Ownership of Our Common Stock**

***Our stock price may be volatile, which could result in securities class action litigation against us.***

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The market price of our common stock could be subject to wide fluctuations in response to, among other things, the risk factors described in this report, the timing and amount of any share repurchases by us, and other factors beyond our control, such as fluctuations in the valuation of companies perceived by investors to be comparable to us and research analyst coverage about our business.

Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions, such as recessions, interest rate changes, inflation or deflation, armed conflict, or international currency fluctuations, have and may continue to affect the market price of our common stock.

In the past, we and many companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation and we may become the target of complaints of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from our business, which could seriously harm our business, results of operations, and financial condition.

***We currently do not intend to pay dividends on our common stock and, consequently, the only opportunity to achieve a return on investment is if the price of our common stock appreciates.***

We currently do not plan to declare dividends on shares of our common stock in the foreseeable future. Consequently, the only opportunity to achieve a return on investment in our Company will be if the market price of our common stock appreciates and shares are sold at a profit.

***Certain provisions of our certificate of incorporation and bylaws and of Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock.***

Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a merger, acquisition, or other change in control that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions may also prevent or delay attempts by stockholders to replace or remove our current management or members of our board of directors. These provisions include:

- not providing for cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- authorizing our board of directors to issue, without stockholder approval, preferred stock rights senior to those of common stock, which could be used to significantly dilute the ownership of a hostile acquirer;
- prohibiting stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- limiting the persons who may call special meetings of stockholders, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- requiring advance notification of stockholder nominations and proposals, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

The affirmative vote of the holders of at least a majority of our shares of capital stock entitled to vote is generally necessary to amend or repeal the above provisions that are contained in our amended and restated certificate of incorporation. Also, absent approval of our board of directors, our amended and restated bylaws may only be amended or repealed by the affirmative vote of the holders of at least 50% of our shares of capital stock entitled to vote.

In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding common stock, from engaging in certain business combinations without approval of substantially all of our stockholders for a certain period of time.

These and other provisions in our amended and restated certificate of incorporation, our amended and restated bylaws, and under Delaware law could discourage potential takeover attempts, reduce the price that investors might be willing to pay for shares of our common stock in the future and result in the market price of our shares being lower than it would be without these provisions.

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***Our amended and restated bylaws designate certain state or federal courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit stockholders' ability to obtain a favorable judicial forum for disputes with us.***

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any state law claim for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders;
- any action asserting a claim arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or
- any action asserting a claim that is governed by the internal affairs doctrine (the "Delaware Forum Provision").

The Delaware Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. Further, our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the United States District Court for the Northern District of California will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (the "Federal Forum Provision"), as we are based in the State of California. In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The Delaware Forum Provision and the Federal Forum Provision in our amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims. Additionally, these forum selection clauses may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees (including, without limitation, any claims in respect of stockholder nominations of directors as permitted under our amended and restated bylaws), which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the United States District Court for the Northern District of California may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

***We cannot guarantee that any share repurchase program will be fully consummated or it will enhance stockholder value, and share repurchases could affect the price of our common stock***

In September 2022, our board of directors authorized and approved a share repurchase program of up to \$400.0 million of our outstanding common stock and we entered into an accelerated share repurchase ("ASR") agreement to repurchase an aggregate \$200.0 million of our common stock. As of July 31, 2023, \$138.2 million of the share repurchase program remained available for future repurchases. Share repurchases under the program may be made from time to time, in the open market, in privately negotiated transactions and otherwise, at the discretion of management and in accordance with applicable federal securities laws, including Rule 10b-18 of the Exchange Act, and other applicable legal requirements. Such repurchases may also be made in compliance with Rule 10b5-1 trading plans entered into by us. The timing, pricing, and size of these repurchases will depend on a number of factors, including the market price of our common stock and general market and economic conditions. The share repurchase program does not obligate us to repurchase any dollar amount or number of shares, and the program may be suspended or discontinued at any time, which may result in a decrease in the price of our common stock. The share repurchase program could affect the price of our common stock, increase volatility, and diminish our cash reserves.

#### **General Risk Factors**

***If we are unable to retain our personnel and hire and integrate additional skilled personnel, we may be unable to achieve our goals and our business will suffer.***

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Our future success depends upon our ability to continue to attract, train, integrate, and retain highly skilled employees, particularly our executive officers, sales and marketing personnel, professional services personnel, cloud operations personnel, and software engineers, especially as we transition to a business model focused on delivering cloud-based offerings. Additionally, our stakeholders increasingly expect us to have a culture that embraces diversity, inclusion and belonging. Our inability to attract and retain diverse and qualified personnel, or delays in hiring required personnel, may seriously harm our business, results of operations, and financial condition. If U.S. immigration policy related to skilled foreign workers were materially adjusted, such a change could hamper our efforts to hire highly skilled foreign employees, including highly specialized engineers, which would adversely impact our business.

Any one of our executive officers and other key employees could terminate his or her relationship with us at any time. The loss of one or more of our executive officers or key employees, and any failure to have in place and execute an effective succession plan for key executive officers, could significantly delay or prevent us from achieving our business and/or development objectives and could disrupt or materially harm our business. Although we strive to reduce the challenges of any transition, failure to ensure effective transfer of knowledge and a smooth transition could disrupt or adversely affect our business, results of operations, financial condition, and prospects.

We face competition for qualified individuals from numerous software and other technology companies. Competition for qualified personnel is particularly intense in the San Francisco Bay Area, where our headquarters are located, though we also face significant competition in all of our domestic and foreign development centers. Further, significant amounts of time and resources are required to train technical, sales, services, operations, and other personnel. We may incur significant costs to attract, train, and retain such personnel, and we may lose new employees to our competitors or other technology companies before we realize the benefit of our investment after recruiting and training them.

Also, to the extent that we hire personnel from competitors, we may be subject to allegations that such personnel have been improperly solicited or have divulged proprietary or other confidential information. In addition, we have a limited number of sales people and the loss of several sales people within a short period of time could have a negative impact on our sales efforts. Additionally, current global events and recent economic conditions have increased attrition and decreased the number of available candidates for open positions, which has increased the time to identify and hire new employees. We may be unable to attract and retain suitably qualified individuals who are capable of meeting our growing technical, operational, and managerial requirements, including managing employees and contractors remotely or in a hybrid environment, or we may be required to pay increased compensation in order to do so.

Further, our ability to expand geographically depends, in large part, on our ability to attract, retain, and integrate managers with the appropriate skills to lead the local business and employees. Similarly, our profitability depends on our ability to effectively utilize personnel with the right mix of skills and experience to perform services for our clients, including our ability to transition employees to new assignments on a timely basis. If we are unable to effectively deploy our employees globally on a timely basis to fulfill the needs of our clients, our reputation could suffer and our ability to attract new clients may be harmed.

Because of the technical nature of our services and products and the dynamic market in which we compete, any failure to attract, integrate, and retain qualified direct sales, professional services, cloud operations, and product development personnel, as well as our contract workers, could harm our ability to generate sales, deliver consulting services, manage our customers' cloud environments, or successfully develop new services and products and enhancements of existing services and products.

***Increased and complex scrutiny of environmental, social, and governance (“ESG”) matters may require us to incur additional costs or otherwise adversely impact our business.***

Increased investor, governmental, and societal attention to and expectations around the wide range of issues generally referred to as ESG matters and our response to the same, may result in increased costs (including, but not limited to, increased costs related to compliance, stakeholder engagement and contracting), impact our reputation, or otherwise negatively affect our business performance. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on ESG matters, while other organizations are pushing corporations not to focus on ESG matters in decision making. Both unfavorable ESG ratings and engaging in activities designed to improve such ratings could lead to negative investor sentiment toward us and/or our industry, which could have a negative impact on our access to and costs of capital. To the extent ESG matters negatively impact our reputation, we may also not be able to compete as effectively to recruit or retain employees. We may take certain actions in relation to ESG matters in response to stakeholder demand; however, such actions may be costly or be subject to numerous conditions that are outside our control, and we cannot guarantee that such actions will have the desired effect or outcome.

Moreover, while we may create and publish voluntary disclosures regarding ESG matters (in particular, information related to environmental and human capital matters) from time to time, many of the statements in such voluntary disclosures are based on certain expectations and assumptions that may or may not be representative of current or actual risks or events or

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forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many environmental and human capital matters. Such disclosures may also be at least partially reliant on third-party information that we have not independently verified or that otherwise cannot be independently verified.

Statements about our environmental and human capital initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. If our related data, processing and reporting are incomplete or otherwise inaccurate, or if we fail to achieve progress on certain metrics on a timely basis, our reputation, business, financial performance and growth could be adversely affected.

In addition, we expect there will likely be increasing levels of regulation, disclosure-related and otherwise, with respect to ESG matters, and increased regulation will likely lead to increased compliance costs as well as scrutiny that could heighten all of the associated risks identified in this risk factor. Such compliance matters may also impact our customers, which could adversely impact our business, financial condition, or results of operations.

***Our customers may defer or forego purchases of our services or products in the event of weakened global economic conditions, political transitions, and industry consolidation.***

General worldwide economic conditions remain unstable, and prolonged economic uncertainties or downturns could harm our business, results of operations, or financial condition. In particular, global inflation concerns, the ongoing conflict between Russia and Ukraine, the recent pandemic, and escalating tensions in the South China Sea, have created and may continue to create global economic uncertainty in regions in which we have significant operations. These conditions may make it difficult for our customers and us to forecast and plan future business activities accurately, and could cause our customers to reevaluate their decision to purchase our services and products, which could delay and lengthen our sales cycles, delay or increase pricing pressures on services engagements, or result in cancellations of planned purchases. Moreover, during challenging economic times our customers may face issues in gaining timely access to sufficient credit, which could result in an impairment of their ability to make timely payments to us. If that were to occur, we may not receive amounts owed to us and may be required to record an accounts receivable allowance, which would adversely affect our financial results. A substantial downturn in the P&C insurance industry may cause firms to react to worsening conditions by reducing their capital expenditures, reducing their spending on information technology, delaying or canceling information technology projects, or seeking to lower their costs by renegotiating vendor contracts. Negative or worsening conditions in the general economy both in the United States and abroad, including conditions resulting from financial and credit market fluctuations and inflation, could cause a decrease in corporate spending on enterprise software in general, and in the insurance industry specifically, and negatively affect the rate of growth of our business.

Furthermore, the increased pace of consolidation in the P&C insurance industry may result in reduced overall spending on our services and products. Acquisitions of customers or potential customers can delay or cancel sales cycles or result in existing arrangements not being renewed and because we cannot predict the timing or duration of such acquisitions, our results of operations could be materially impacted.

***Factors outside of our control, including, but not limited to, natural catastrophes, the geopolitical landscape, and terrorism may adversely impact the P&C insurance industry, preventing us from expanding or maintaining our existing customer base and increasing our revenue. Our business is subject to the risks of earthquakes, fire, floods, and other natural catastrophic events, and to interruption by man-made problems such as computer viruses.***

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Our customers are P&C insurers that have experienced, and will likely experience in the future, losses from catastrophes or terrorism that may adversely impact their businesses. Catastrophes can be caused by various events, including, without limitation, hurricanes, tsunamis, floods, windstorms, earthquakes, hail, tornadoes, explosions, severe weather, excessive heat, epidemics, pandemics, and fires. Climate change and other environmental factors are contributing to an increase in erratic weather patterns globally and intensifying the impact of certain types of catastrophes. Moreover, acts of terrorism or armed conflict or uncertainty in the geopolitical landscape, including as a result of escalation in the ongoing conflict between Russia and Ukraine as well as the escalation of tensions in the South China Sea, could cause disruptions to our business or our customers' businesses or the economy as a whole. The risks associated with natural catastrophes, the geopolitical landscape, and terrorism are inherently unpredictable, and it is difficult to forecast the timing of such events or estimate the amount of losses they will generate. Recently, for example, various parts of the United States have suffered extensive damage due to hurricanes, droughts, floods, severe heat and cold events, fires, and other natural disasters, the island of Maui in Hawaii has experienced severe fires, Turkey and Syria have experienced severe earthquakes, Germany, Pakistan, and other parts of Europe have experienced flooding, Canada has experienced fires, and Australia has experienced extensive damage due to fires and flooding. The combined and expected effect of those losses on P&C insurers is significant. Such losses and losses due to future events may adversely impact our current or potential customers, which may prevent us from maintaining or expanding our customer base and increasing our revenue, as such events may cause customers to postpone purchases and professional service engagements or to discontinue existing projects.

Our corporate headquarters and the majority of our operations are located in the San Francisco Bay Area, a region known for seismic activity and near an area subject to severe fire damage. A significant natural disaster, such as an earthquake, tsunami, fire, flood, epidemic, or pandemic could have a material adverse impact on our business, results of operations, and financial condition.

In addition, our information technology systems are vulnerable to computer viruses, break-ins, and similar disruptions from unauthorized tampering, such as the Log4j vulnerability. To the extent that such disruptions result in delays or cancellations of customer orders or collections, or the deployment or availability of our services and products, our business, results of operations, and financial condition would be adversely affected.

***Adverse developments affecting certain financial institutions, as well as the banking system as a whole, could negatively affect our current and projected business operations and our financial condition and results of operations.***

Adverse developments that may affect certain financial institutions and the banking system as a whole, such as events involving liquidity that are either rumored or actual, have in the past and may in the future lead to bank failures and market-wide liquidity concerns. On March 10, 2023, Silicon Valley Bank was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation as receiver. Up until March of 2023, our primary banking partner in the United States was Silicon Valley Bank. Since such time, we have further diversified our banking relationships. In connection with such developments, we have not experienced any material adverse impact to our cash flow or to our current and projected business operations, financial condition or results of operations. Although we are continuing to evaluate and diversify our banking relationships, uncertainty remains over liquidity concerns in the broader financial services industry. As a consequence, our business, our business partners, or industry as a whole may be adversely impacted in ways that we cannot predict at this time. Uncertainty remains over liquidity concerns in the broader financial services industry, and there may be additional impacts to our business and our industry that we cannot currently predict. Further, a significant portion of our assets are held in cash, cash equivalent and marketable securities. If any financial uncertainty were to impact a broad segment of the financial services industry, our enterprise value and our future prospects could be harmed or otherwise negatively impacted.

***Our revenue, results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Australian Dollar, British Pound, Canadian Dollar, Euro, Indian Rupee, and Polish Zloty.***

The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. Although we believe our operating activities act as a natural hedge for a majority of our foreign currency exposure at the cash flow or operating income level because we typically collect revenue and incur costs in the currency of the location in which we provide our software and services, our relationships with our customers are long-term in nature so it is difficult to predict if our operating activities will provide a natural hedge in the future. In addition, because our contracts are characterized by large annual payments, significant fluctuations in foreign currency exchange rates that coincide with annual payments may affect our cash flows, revenue or financial results in such quarter. Our results of operations may also be impacted by transaction gains or losses related to revaluing certain current asset and liability balances that are denominated in currencies other than the functional currency of the entity in which they are recorded. Moreover, significant and unforeseen changes in foreign currency exchange rates may cause us to fail to achieve our stated projections for revenue, ARR, and operating income, which could

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have an adverse effect on our stock price. We do business in Argentina, which is experiencing extremely high inflation and currency fluctuations. The Argentina government has placed restrictions on sending U.S. dollars outside of the country, which has impacted our customers' timeliness in paying their obligations to us and could impact the collectibility of our accounts receivable in such respects. While we have limited currency exchange exposure to the Russian Ruble, we expect global exchange rates for various currencies may be more volatile than normal as a result of the ongoing conflict between Russia and Ukraine and related events. We will continue to experience fluctuations in foreign currency exchange rates, which, if material, may harm our revenue or results of operations.

***Servicing our indebtedness requires a significant amount of cash. We may not have sufficient cash flow from our business to pay our substantial indebtedness, and we may not have the ability to raise the funds necessary to settle for cash conversions of the Convertible Senior Notes or to repurchase the Convertible Senior Notes upon a fundamental change, which could adversely affect our business and results of operations.***

As of July 31, 2023, we had outstanding an aggregate principal amount of \$400.0 million of our 1.25% Convertible Senior Notes due 2025 (the "Convertible Senior Notes"). Our indebtedness may increase our vulnerability to any generally adverse economic and industry conditions, and we and our subsidiaries may, subject to the limitations in the terms of our existing and future indebtedness, incur additional debt, secure existing or future debt, or recapitalize our debt. If we incur additional indebtedness, the risks related to our business would increase and our ability to service or repay our indebtedness may be adversely impacted.

Pursuant to their terms, holders may convert their Convertible Senior Notes at their option prior to the scheduled maturities of their Convertible Senior Notes under certain circumstances. Upon conversion of the Convertible Senior Notes, unless we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be obligated to make cash payments. In addition, holders of our Convertible Senior Notes will have the right to require us to repurchase their Convertible Senior Notes upon the occurrence of a fundamental change (as defined in the Indenture, dated as of March 13, 2018, between the Company and U.S. Bank National Association, as trustee (the "Trustee") (the "Base Indenture"), as amended and supplemented by the First Supplemental Indenture, dated as of March 13, 2018, between the Company and the Trustee (together with the Base Indenture, the "Indenture")) at a repurchase price equal to 100% of the principal amount of the Convertible Senior Notes to be repurchased, plus accrued and unpaid interest, if any, to, but not including, the fundamental change purchase date. Although it is our intention and we currently expect to have the ability to settle the Convertible Senior Notes in cash, there is a risk that we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Convertible Senior Notes surrendered therefor or Convertible Senior Notes being converted. In addition, our ability to make payments may be limited by law, by regulatory authority, or by agreements governing our future indebtedness. Our failure to repurchase Convertible Senior Notes at a time when the repurchase is required by the Indenture or to pay any cash payable on future conversions of the Convertible Senior Notes as required by such Indenture would constitute a default under such Indenture. A default under the Indenture or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Convertible Senior Notes or make cash payments upon conversions thereof.

Our ability to make scheduled payments of the principal and interest on our indebtedness when due or to make payments upon conversion or repurchase demands with respect to our Convertible Senior Notes, or to refinance our indebtedness as we may need or desire, depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to satisfy our obligations under our existing indebtedness, and any future indebtedness we may incur, and to make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing, or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance existing or future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our existing or future indebtedness and have a material adverse effect on our business, results of operations, and financial condition.

***The conditional conversion feature of the Convertible Senior Notes, if triggered, may adversely affect our financial condition and results of operations.***

In the event the conditional conversion feature of the notes is triggered, holders of our Convertible Senior Notes will be entitled to convert the Convertible Senior Notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Senior Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if

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holders do not elect to convert their Convertible Senior Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

***Transactions relating to our Convertible Senior Notes may affect the value of our common stock.***

The conversion of some or all of the Convertible Senior Notes would dilute the ownership interests of existing stockholders to the extent we satisfy our conversion obligation by delivering shares of our common stock upon any conversion of such Convertible Senior Notes. Our Convertible Senior Notes may become in the future convertible at the option of their holders under certain circumstances. If holders of our Convertible Senior Notes elect to convert their notes, we may settle our conversion obligation by delivering to them a significant number of shares of our common stock, which would cause dilution to our existing stockholders.

In connection with the issuance of the Convertible Senior Notes, we entered into capped call transactions with certain financial institutions (the “option counterparties”). The capped call transactions are expected generally to reduce the potential dilution to our common stock upon any conversion of the notes and/or offset any cash payments we are required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and/or offset subject to a cap.

From time to time, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Convertible Senior Notes. This activity could cause a decrease in the market price of our common stock.

***The accounting method for convertible debt securities that may be settled in cash, such as the Convertible Senior Notes, could have a material effect on our reported financial results.***

In August 2020, the FASB issued Accounting Standards Update (“ASU”) 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40), which we adopted on August 1, 2022. The ASU simplifies the accounting for convertible instruments, and among other things, eliminates the treasury stock method to calculate diluted earnings per share for convertible instruments and requires the use of the if-converted method. When calculating diluted EPS, the if-converted method requires us to assume that convertible debt instruments (and any applicable conversion premium) are converted to common stock as of the beginning of the period presented regardless of the price of our stock in periods that we have net income. Additionally, the if-converted method does not allow us to offset the impact of our capped call transactions on the calculation. We expect that such calculations will negatively affect our reported diluted EPS in the periods that we have net income irrespective of actual conversion of the Convertible Senior Notes.

***We are subject to counterparty risk with respect to the capped call transactions.***

The option counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the capped call transactions. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Past and recent global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transactions with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the option counterparties.

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**Item 1B. Unresolved Staff Comments**

Not applicable.

**Item 2. Properties**

Our corporate headquarters in San Mateo, California consists of approximately 79,000 square feet of space leased through June 2027. Our European headquarters in Dublin, Ireland consists of approximately 85,000 square feet of space leased through March 2032. As of July 31, 2023, we also lease facilities for our sales, services, development, operations and administrative activities in various locations in the United States and around the world, including in the Americas, Europe, and Asia-Pacific.

We believe that our facilities are suitable to meet our current needs. We are evaluating our real estate strategy as it relates to the anticipated needs of a hybrid workforce. In the future, we may expand our facilities or add new facilities as we add employees and enter new geographic markets, and we believe that suitable additional or alternative space will be available as needed to accommodate any such growth. We expect to incur additional expenses in connection with such new or expanded facilities.

**Item 3. Legal Proceedings**

From time to time we are involved in legal proceedings that arise in the ordinary course of our business. Any such proceedings, whether meritorious or not, could be time consuming, costly, and result in the diversion of significant operational resources and/or management time.

Although the outcomes of legal proceedings are inherently difficult to predict, we are not currently involved in any legal proceeding in which the outcome, in our judgment based on information currently available, is likely to have a material adverse effect on our business or financial position.

As described in Note 9 “Commitments and Contingencies” to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, which are incorporated by reference herein, we are not party to any material pending legal proceedings.

**Item 4. Mine Safety Disclosures**

Not applicable.

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**PART II****Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock is listed on the New York Stock Exchange under the symbol “GWRE”.

On July 31, 2023, the last reported sale price of our common stock on the New York Stock Exchange for fiscal year 2023 was \$84.82 per share. As of July 31, 2023, we had 37 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

We have never declared or paid, and do not anticipate declaring or paying, any cash dividends on our common stock. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

**Purchases of Equity Securities by the Issuer**

The following table summarizes our repurchase of equity securities during the fiscal quarter ended July 31, 2023:

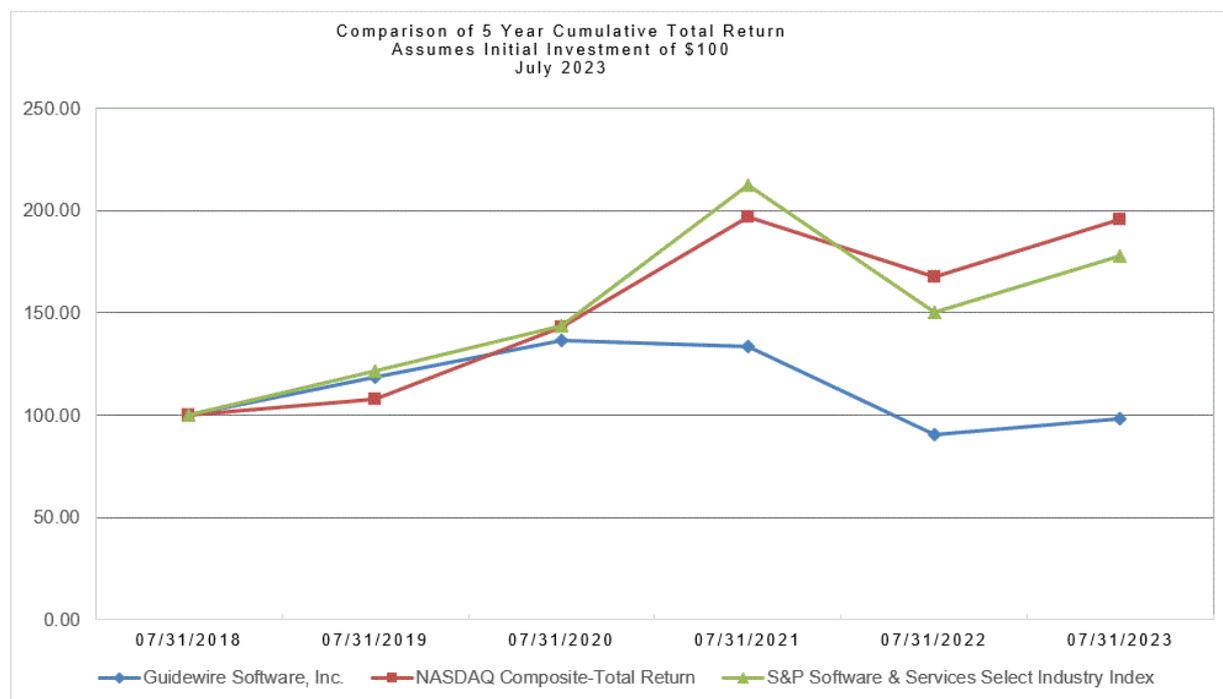
<b>Period</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price Paid per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup></b>	<b>Approximate Dollar Value (in millions) of Shares That May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup></b>
May 1, 2023 – May 31, 2023	278,442	\$78.94	278,442	\$162
June 1, 2023 – June 30, 2023	286,297	\$72.80	286,297	\$141
July 1, 2023 – July 31, 2023	39,875	\$75.05	39,875	\$138
<b>Total</b>	<b>604,614</b>		<b>604,614</b>	

<sup>(1)</sup> On September 22, 2022, we announced that our board of directors authorized and approved a share repurchase program of up to \$400 million of our outstanding stock. We began repurchasing shares under this program during the first quarter of fiscal year 2023. As of July 31, 2023, we had \$138 million remaining for future share repurchases under the share repurchase program. The share repurchase program does not obligate us to repurchase any dollar amount or number of shares, and the program may be modified, suspended, or discontinued at any time. There is no stated expiration date for the program.

## Performance Graph

This performance graph shall not be deemed “soliciting material” or to be “filed” with the Securities and Exchange Commission for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act of 1933 or the Exchange Act.

The following graph shows a comparison of the cumulative total return for our common stock, the NASDAQ Composite-Total Return Index and S&P Software & Services Select Industry Index for the period from July 31, 2018 through July 31, 2023. Such returns are based on historical results and are not intended to suggest future performance. Data for the NASDAQ Composite Total Return Index and S&P Software & Services Select Industry Index assume reinvestment of dividends.



	<u>7/31/2018</u>	<u>7/31/2019</u>	<u>7/31/2020</u>	<u>7/31/2021</u>	<u>7/31/2022</u>	<u>7/31/2023</u>
Guidewire Software, Inc.	\$ 100.00	\$ 118.42	\$ 136.50	\$ 133.64	\$ 90.16	\$ 98.40
NASDAQ Composite-Total Return Index	\$ 100.00	\$ 107.74	\$ 143.06	\$ 196.76	\$ 167.33	\$ 195.47
S&P Software & Services Select Industry Index	\$ 100.00	\$ 121.23	\$ 143.51	\$ 212.36	\$ 149.92	\$ 177.57

## Unregistered Sales of Equity Securities and Use of Proceeds from Registered Securities

None.

**Item 6. [Reserved]**

**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes thereto included in Item 8 and the Risk Factors included in Item 1A of Part I of this Annual Report on Form 10-K. All information presented herein is based on our fiscal calendar. Unless otherwise stated, references in this Annual Report on Form 10-K to particular years or quarters refer to our fiscal years ended in July and the associated quarters of those fiscal years. We assume no obligation to revise or update any forward-looking statements for any reason, except as required by law.*

*We have elected to omit discussion on the earliest of the three years covered by the consolidated financial statements presented. Refer to Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations located in our Form 10-K for the fiscal year ended July 31, 2022, filed on September 26, 2022, for reference to discussion of the fiscal year ended July 31, 2021, the earliest of the three fiscal years presented.*

**Overview**

Guidewire delivers a leading platform that property and casualty (“P&C”) insurers trust to engage, innovate, and grow efficiently. Guidewire’s platform combines core operations, digital engagement, analytics, machine learning and AI applications delivered as a cloud service or self-managed software. As a partner to our customers, we continually evolve to enable their success and assist them in navigating a rapidly changing insurance market.

Our core operational services and products are InsuranceSuite Cloud, InsuranceNow, and InsuranceSuite for self-managed installations. These services and products are transactional systems of record that support the entire insurance lifecycle, including insurance product definition, distribution, underwriting, policyholder services, and claims management. Our digital engagement applications enable digital sales, omni-channel service, and enhanced claims experiences for policyholders, agents, vendor partners, and field personnel. Our analytics offerings enable insurers to manage data more effectively, gain insights into their business, drive operational efficiencies, and underwrite new and evolving risks. To support P&C insurers globally, we have localized, and will continue to localize, our platform for use in a variety of international regulatory, language, and currency environments.

InsuranceSuite Cloud is a highly configurable and scalable product, delivered as a service, and primarily comprised of three core applications (PolicyCenter Cloud, BillingCenter Cloud, and ClaimCenter Cloud) that can be subscribed to separately or together. These applications are built on and optimized for our Guidewire Cloud Platform (“GWCP”) architecture and leverage our in-house cloud operations team. InsuranceSuite Cloud is designed to support multiple releases each year to ensure that cloud customers remain on the latest version and gain fast access to our innovation efforts. Additionally, InsuranceSuite Cloud embeds digital and analytics capabilities natively into our platform. Most new sales and implementations are for InsuranceSuite Cloud.

InsuranceNow is a complete, cloud-based application that offers policy, billing, and claims management functionality to insurers.

InsuranceSuite for self-managed installations is comprised of three core applications (PolicyCenter, BillingCenter, and ClaimCenter) that can be licensed separately or together and can be deployed and updated by our customers and their implementation partners.

Our customers range from some of the largest global insurance companies or their subsidiaries to predominantly national or local insurers that serve specific states and/or regions. Our customer engagement is led by our direct sales team and supported by our system integrator (“SI”) partners. We maintain and continue to grow our sales and marketing efforts globally, and maintain regional sales centers throughout the world.

Because our platform is critical to our new and existing customers’ businesses, their decision-making and product evaluation process is thorough, which often results in an extended sales cycle. These evaluation periods can extend further if a customer purchases multiple services and products or is considering a move to a cloud-based subscription for the first time. Sales to new customers also involve extensive customer due diligence and reference checks. The success of our sales efforts relies on continued improvements and enhancements to our current services and products, the introduction of new services and products, efficient operation of our cloud infrastructure, continued development of relevant local content and automated tools for updating content, and successful implementations and migrations.

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We sell our cloud-delivered offerings through subscription services and our self-managed products through term licenses. We generally price our services and products based on the amount of Direct Written Premium (“DWP”) that will be managed by our platform. Our subscription, term license, and support fees are typically invoiced annually in advance. Subscription services are generally sold with an initial term of between three and five years with optional annual renewals commencing after the initial term. Subscription revenue is recognized on a ratable basis over the committed term, once all revenue recognition criteria are met including providing access to the service. Term licenses are primarily sold with an initial two-year committed term with optional annual renewals commencing after the initial term. We may enter into term license arrangements with our customers that have an initial term of more than two years or may renew license arrangements for longer than one year. A small portion of our revenue is derived from perpetual licenses. Term and perpetual license revenue are typically recognized when software is made available to the customer, provided that all other revenue recognition criteria have been met. Our support revenue is generally recognized ratably over the committed support term of the licensed software. Our support fees are typically priced as a fixed percentage of the associated license fees. We also offer professional services, both directly and through SI partners, to help our customers deploy, migrate, and utilize our platform, services, and products. A majority of our services revenue is billed monthly on a time and materials basis.

Over the past few years, we have primarily been entering into cloud-based subscription arrangements with our new and existing customers, and we anticipate that subscription arrangements will be a majority of annual new sales going forward. As this sales model matures, we may decide to change certain contract terms in new arrangements to remain competitive or otherwise meet market demands.

To extend our technology leadership in the global market and to drive operating efficiency, we continue to invest in product development and cloud operations to enhance and improve our current services and products, introduce new services and products, and advance our ability to securely and cost-effectively deliver our services in the cloud. Continued investment is critical as we seek to assist our customers in achieving their technology goals, maintain our competitive advantage, grow our revenue, expand internationally, and meet evolving customer demands. In certain cases, we may also acquire skills and technologies to manage our cloud infrastructure and accelerate our time to market for new products, solutions, and upgrades.

Our track record of success with customers and their implementations is central to maintaining our strong competitive position. We rely on our global services team and SI partners to ensure that teams with the right combination of product, business, and language skills are used in the most efficient way to meet our customers’ implementation and migration needs. We have extensive relationships with SI, consulting, technology, and other industry partners. Our network of partners has expanded as interest in and adoption of our platform has grown. We encourage our partners to co-market, pursue joint sales initiatives, and drive broader adoption of our technology, helping us grow our business more efficiently and enabling us to focus our resources on continued innovation and further enhancement of our solutions.

We work closely with our network of third-party SI partners to facilitate new sales and implementations of both our subscription services and self-managed products. Our partnership with leading SI partners allows us to increase efficiency and scale while reducing customer implementation and migration costs. We continue to invest time and resources to increase the number of qualified consultants employed by our SI partners, develop relationships with new partners in existing and new markets, and ensure that all SI partners are qualified to assist with implementing our services and products. We believe this model will continue to serve us well, and we intend to continue to expand our network of partners and the number of certified consultants with whom we work so we can leverage our SI partners more effectively, especially for future subscription migrations and implementations.

We face a number of risks in the execution of our strategy, including risks related to expanding to new markets, managing lengthy sales cycles, competing effectively in the global market, relying on sales to a relatively small number of large customers, developing new or acquiring existing services and products successfully, migrating our business towards a subscription model with ratable revenue recognition, increasing the overall adoption of our services and products, and cost-effectively and securely managing the infrastructure of our cloud-based customers. In response to these and other risks we might face, we continue to invest in many areas of our business, including product development, cloud operations, cybersecurity, implementation and migration services, and sales and marketing.

### **Seasonality**

We have experienced seasonal variations in our license revenue and, to a lesser extent, in our subscription revenue as a result of increased customer orders in our fourth fiscal quarter, which is the quarter ending July 31. We generally see significantly increased orders in our fourth fiscal quarter, which is the quarter ending July 31, due to efforts by our sales team to achieve annual incentives. Because we recognize revenue upfront for new term licenses and multi-year term license renewals compared to over time for subscription services, changes in the mix between term license and subscription services may impact our quarterly results. Additionally, any quarter in which a significant multi-year term license or multi-year term license renewal

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or non-renewal occurs could be impacted. As subscriptions increase as a percentage of total sales, the revenue we can recognize in the initial fiscal year of an order will be reduced, deferred revenue will increase, and our reported revenue growth will be adversely affected in the near term due to the ratable nature of these arrangements. The concentration of our sales in our fourth fiscal quarter increases this impact as the revenue impact of most fourth fiscal quarter subscription sales will not be realized until the following fiscal year.

Our services revenue is also subject to seasonal fluctuations, though to a lesser degree than our license revenue and subscription revenue. Our services revenue is impacted by the number of billable days in a given fiscal quarter. Our second fiscal quarter, which is the quarter ending January 31, usually has fewer billable days due to the impact of the Thanksgiving, Christmas, and New Year's holidays. Our fourth fiscal quarter usually has fewer billable days due to the impact of vacations taken by our services professionals. Because we pay our services professionals the same amount throughout the year, our gross margins on our services revenue are usually lower in these quarters. This seasonal pattern, however, may be absent in any given year.

### **Recent Global Events**

Recent global events have adversely affected and are continuing to adversely affect workforces, organizations, economies, and financial markets globally, leading to economic downturns, inflation, and increased market volatility. For instance, the ongoing conflict between Russia and Ukraine, escalating tensions in the South China Sea, inflation higher than we have seen in decades, the recent bank failures in the United States and Switzerland and the related impact on financial markets and institutions, and supply chain issues have contributed to global economic and market volatility. We are unable to accurately predict the full impact that these global events will have on our results of operations, financial condition, liquidity, and cash flows due to numerous uncertainties.

Our business and financial results since the third quarter of fiscal year 2020 have been impacted due to these disruptions, which has affected our ARR growth rates, services revenue and margins, operating cash flow and expenses, potentially higher employee attrition, challenges in hiring and onboarding necessary personnel, and the change in fair value of strategic investments. Our sales cycles, ARR growth rates and revenue, especially services revenue, continued to be impacted as a result of these disruptions and challenges. Additionally, in recent quarters, inflation has reached levels that have not been seen for decades, which is impacting the global economy and magnifying the impact of these disruptions.

Our customers may be unable to pay or may request amended payment terms for their outstanding invoices due to the economic impacts from these disruptions, and we may need to increase our accounts receivable allowances. A decrease in orders in a given period could negatively affect our revenue and ARR in future periods, particularly if experienced on a sustained basis, because a substantial proportion of our new software subscription services orders is recognized as revenue over time. Also, the global economic impact of these disruptions could affect our customers' DWP, which could ultimately impact our revenue as we generally price our services and products based on the amount of DWP that will be managed by our platform. Additionally, we may be required to record impairment related to our operating lease assets, investments, long-lived assets, intangible assets, or goodwill.

We will continue to monitor and evaluate the nature and extent of these global events on our business.

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## Key Business Metrics

We use certain key metrics and financial measures not prepared in accordance with United States Generally Accepted Accounting Principles (“GAAP”) to evaluate and manage our business, including ARR and Free Cash Flow. For a further discussion of how we use key metrics and certain non-GAAP financial measures, see “Non-GAAP Financial Measures” in this Annual Report on Form 10-K.

### Annual Recurring Revenue (“ARR”)

We use ARR to quantify the annualized recurring value outlined in active customer contracts at the end of a reporting period. ARR includes the annualized recurring value of term licenses, subscription agreements, support contracts, and hosting agreements based on customer contracts, which may not be the same as the timing and amount of revenue recognized. All components of the licensing and other arrangements that are not expected to recur (primarily perpetual licenses and professional services) are excluded. In some arrangements with multiple performance obligations, a portion of recurring license and support or subscription contract value is allocated to services revenue for revenue recognition purposes, but does not get allocated for purposes of calculating ARR. This revenue allocation only impacts the initial term of the contract. This means that as we increase arrangements with multiple performance obligations that include services at discounted rates, more of the total contract value will be recognized as services revenue, but our reported ARR amount will not be impacted. In fiscal year 2023, the recurring license and support or subscription contract value recognized as services revenue was \$29.6 million.

If a customer contract contains invoicing amounts that increase over the contract term, then ARR reflects the annualized invoicing amount outlined in the contract for the current reporting period. For example, given a contract with annual invoicing of \$1.0 million at the beginning of year one, \$2.0 million at the beginning of year two, and \$3.0 million at the beginning of year three, and the reporting period is subsequent to year two invoicing and prior to year three invoicing, the reported ARR for that contract would be \$2.0 million.

As of July 31, 2023, ARR was \$763 million, or \$761 million based on currency exchange rates as of July 31, 2022. We measure ARR on a constant currency basis during the fiscal year and revalue ARR at year end to current currency rates. ARR grew in fiscal year 2023 by 15%, or 15% on a constant currency basis.

### Free Cash Flow

We monitor our free cash flow as a key measure of our overall business performance, which enables us to analyze our financial performance without the effects of certain non-cash items such as depreciation, amortization, and stock-based compensation expenses. Additionally, free cash flow takes into account the impact of changes in deferred revenue, which reflects the receipt of cash payment for services and products before they are recognized as revenue, and unbilled accounts receivable, which reflects revenue that has been recognized that has yet to be invoiced to our customers. Our net cash provided by (used in) operating activities is significantly impacted by the timing of invoicing and collections of accounts receivable, the timing and amount of annual bonus payments, as well as payroll and tax payments. Our capital expenditures consist of purchases of property and equipment, primarily computer hardware, software, and leasehold improvements, and capitalized software development costs. Free cash flow in fiscal year 2023 was impacted by severance payments of \$2.9 million. Free cash flow in fiscal year 2022 was impacted by payments of \$18.1 million related to settling accrued vacation balances in countries in which we adopted a non-accrual vacation policy. For a further discussion of our operating cash flows, see “Liquidity and Capital Resources – Cash Flows.”

	Fiscal years ended July 31,	
	2023	2022
	(in thousands)	
Net cash provided by (used in) operating activities	\$ 38,395	\$ (37,940)
Purchases of property and equipment	(5,821)	(9,510)
Capitalized software development costs	(11,606)	(12,266)
Free cash flow	\$ 20,968	\$ (59,716)

## **Critical Accounting Policies and Estimates**

Our consolidated financial statements are prepared in accordance with GAAP. Accounting policies, methods, and estimates are an integral part of the preparation of our consolidated financial statements in accordance with GAAP and, in part, are based upon management's current judgments. Those judgments are normally based on knowledge and experience with regard to past and current events and assumptions about future events. Certain accounting policies, methods, and estimates are particularly sensitive because of their significance to our consolidated financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. While there are a number of significant accounting policies, methods, and estimates affecting our consolidated financial statements, which are described in Note 1 "The Company and a Summary of Significant Accounting Policies and Estimates" to our consolidated financial statements included in this Annual Report on Form 10-K, our revenue recognition policies are critical to the periods presented.

### **Revenue Recognition**

Revenue recognition requires judgment and the use of estimates, especially in identifying and evaluating the various non-standard terms and conditions in our contracts with customers as to their effect on reported revenue.

Our revenue is derived from contracts with customers. The majority of our revenue is derived from subscriptions to our cloud services, licensing arrangements for our software, and implementation and other professional services arrangements. We account for revenue in accordance with Accounting Standards Codification 606, Revenue from Contracts with Customers ("ASC 606"). The core principle of ASC 606 is to recognize revenue upon the transfer of services or products to customers in an amount that reflects the consideration we expect to be entitled to in exchange for those services or products. We apply a five-step framework to recognize revenue as described in our Revenue Recognition policy included in Note 1 of our consolidated financial statements included in this Annual Report on Form 10-K.

Our customers have significant negotiating power during the sales process, which can and does result in terms and conditions that are different from our standard terms and conditions. When terms and conditions of our customer contracts are not standard, certain negotiated terms may require significant judgment in order to determine the appropriate revenue recognition in accordance with ASC 606.

The estimates and assumptions requiring significant judgment under our revenue policy in accordance with ASC 606 are as follows:

#### ***Allocation of the transaction price to the performance obligations in the contract***

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on its standalone selling price ("SSP") in relation to the total fair value of all performance obligations in the arrangement. Some of our performance obligations, such as support, implementation services, and training services, have observable inputs that are used to determine the SSP of those distinct performance obligations. Where SSP is not directly observable, we determine the SSP using information that may include market conditions and other observable inputs. In the circumstances when available information to determine SSP is highly variable or uncertain, such as for our term licenses, we will use the residual method.

The majority of our contracts contain multiple performance obligations, such as when licenses are sold with support, implementation services or training services. As customers enter into a subscription agreement to migrate from an existing term license agreement, customers may be under contract for self-managed licenses and support, in addition to subscription services, for a period of time, which may require an allocation of the transaction price to each performance obligation. New and migration subscription agreements also typically include implementation, configuration, and training services, which may require an allocation of the transaction price to each performance obligation.

Additionally, contract modifications for services and products that are distinct but are not priced commensurate with their SSP or are not distinct from the existing contract may affect the initial transaction price or the allocation of the transaction price to the performance obligations in the contract. In such cases, revenue recognized may be adjusted.

### **Recent Accounting Pronouncements**

See Note 1 "The Company and Summary of Significant Accounting Policies and Estimates" to our consolidated financial statements included in this Annual Report on Form 10-K for a full description of recent accounting pronouncements adopted, including the dates of adoption, and recent accounting pronouncements not yet adopted.

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## Results of Operations

The following table sets forth our results of operations for the years presented. The data has been derived from the consolidated financial statements contained in this Annual Report on Form 10-K. The results for any period should not be considered indicative of results for any future period.

	Fiscal years ended July 31,			
	2023	As a % of Total Revenue	2022	As a % of Total Revenue
(in thousands except percentages)				
<b>Revenue:</b>				
Subscription and support	\$ 429,667	48 %	\$ 343,708	42 %
License	265,593	29	258,631	32
Services	210,081	23	210,275	26
Total revenue	905,341	100	812,614	100
<b>Cost of revenue:</b>				
Subscription and support	210,507	23	202,832	25
License	6,488	1	8,754	1
Services	230,135	25	223,852	28
Total cost of revenue	447,130	49	435,438	54
<b>Gross profit:</b>				
Subscription and support	219,160	25	140,876	17
License	259,105	28	249,877	31
Services	(20,054)	(2)	(13,577)	(2)
Total gross profit	458,211	51	377,176	46
<b>Operating expenses:</b>				
Research and development	249,746	27	229,230	28
Sales and marketing	188,224	21	182,620	22
General and administrative	169,731	19	164,773	20
Total operating expenses	607,701	67	576,623	70
Income (loss) from operations	(149,490)	(16)	(199,447)	(24)
Interest income	24,389	3	6,277	1
Interest expense	(6,716)	(1)	(19,446)	(2)
Other income (expense), net	(2,277)	—	(17,099)	(2)
Income (loss) before provision for (benefit from) income taxes	(134,094)	(14)	(229,715)	(27)
Provision for (benefit from) income taxes	(22,239)	(3)	(49,284)	(8)
Net income (loss)	\$ (111,855)	(11)%	\$ (180,431)	(19)%

## Comparison of the Fiscal Years Ended July 31, 2023 and 2022

### Revenue

We derive our revenue primarily from delivering cloud-based services, licensing our software applications, providing support, and delivering professional services.

### Subscription and Support

A growing portion of our revenue consists of fees for our subscription services, which are generally priced based on the amount of DWP that is managed by our subscription services. Subscription revenue is recognized ratably over the term of the arrangement, beginning at the point in time our provisioning process has been completed and access has been made available to the customer. The initial term of such arrangements is generally from three to five years. Subscription agreements contain optional annual renewals commencing upon the expiration of the initial contract term. A majority of our subscription customers are billed annually in advance. In some arrangements with multiple performance obligations, a portion of recurring subscription contract value may be allocated to

license revenue or services revenue for revenue recognition purposes. For example, in arrangements with multiple performance obligations that include services at discounted rates, a portion of the total contract value related to subscription services will be allocated and recognized as services revenue. Additionally, agreements to migrate an existing term license customer to subscription services contain multiple performance obligations, including a provision to continue using the term license during the subscription service implementation period. Under these migration agreements, a portion of the total contract value related to subscription services could be allocated and recognized as term license and support revenue in the period renewed or delivered.

Our support revenue is generally recognized ratably over the committed support term of the licensed software. Our support fees are typically priced as a fixed percentage of the associated term license fees. We generally invoice support annually in advance. Support related to subscription arrangements is included in subscription revenue, as support is not quoted or priced separately from the subscription services.

#### License

A substantial majority of our license revenue consists of term license fees. Our term license revenue is primarily generated through license fees that are billed annually in advance during the term of the contract, including any renewals. Our term license fees are generally priced based on the amount of DWP that will be managed by our licensed software. Our term licenses have generally been sold under a two-year initial term with optional annual renewals after the initial term. However, we do enter into license arrangements that have an initial term of more than two years and renewal terms of more than one year. Term license revenue for the committed term of the customer agreement is generally fully recognized upon delivery of the software or at the beginning of the renewal term.

In a limited number of cases, we license our software on a perpetual basis. Perpetual license revenue is generally recognized upon delivery. We invoice our perpetual license customers either in full at contract signing or on an installment basis.

#### Services

Our services revenue is primarily derived from implementation and migration services performed for our customers, reimbursable travel expenses, and training fees. A majority of our services engagements are billed and revenue is recognized on a time and materials basis upon providing our services.

	Fiscal years ended July 31,				Change	
	2023		2022			
	Amount	% of total revenue	Amount	% of total revenue	(\$)	(%)
(in thousands, except percentages)						
<b>Revenue:</b>						
<b>Subscription and support:</b>						
Subscription	\$ 352,145	39 %	\$ 259,232	32 %	\$ 92,913	36 %
Support	77,522	9	84,476	10	(6,954)	(8)
<b>License:</b>						
Term license	265,389	29	258,441	32	6,948	3
Perpetual license	204	—	190	—	14	7
Services	210,081	23	210,275	26	(194)	—
<b>Total revenue</b>	<b>\$ 905,341</b>	<b>100 %</b>	<b>\$ 812,614</b>	<b>100 %</b>	<b>\$ 92,727</b>	<b>11 %</b>

#### Subscription and Support

We anticipate subscriptions will continue to represent a majority of new arrangements, including customers migrating from existing term license arrangements to subscription services, in future periods. Due to the ratable recognition of subscription revenue, growth in subscription revenue will lag behind the growth of subscription orders and will impact the comparative growth of our reported revenue on a year-over-year basis. If we complete a higher percentage of subscription arrangements in a given period, our short-term growth rates will be negatively impacted. Due to the seasonal nature of our business, the impact of new subscription orders in our fourth fiscal quarter, our historically largest quarter for new orders, is not fully reflected in revenue until the following fiscal year.

Subscription revenue increased by \$92.9 million compared to the prior year primarily due to the impact of cloud transition agreements and new subscription agreements entered into and provisioned since July 31, 2022, and the renewal or extension of subscription services at the fully ramped annual fees after the initial committed term.

Support revenue decreased by \$7.0 million compared to the prior year, primarily due to customers migrating from on-premise term licenses to subscription services. Support related to subscription arrangements is included in subscription revenue, as support is not quoted or priced separately from the subscription services. As customers enter into a subscription agreement to migrate from an existing term license agreement, the timing and amount of revenue recognized will be impacted by allocations of the total contract value between the license, subscription, and support performance obligations. As a result, we expect the increase in subscription orders as a percentage of total new sales and customers migrating from term licenses to subscription services will result in lower support revenue in the future.

#### *License*

Revenue related to new term licenses and multi-year term license renewals is generally recognized upfront and, as a result, no additional license revenue is recognized until after the committed term expires. As a customer enters into a subscription agreement to migrate from an existing term license agreement, the timing and amount of revenue recognition will be impacted by allocations of total contract value between license, subscription, and support performance obligations. License revenue growth has and will be negatively impacted as subscription sales increase as a percentage of total new sales and as customers migrate from term licenses to subscription services instead of renewing their term licenses.

Term license revenue increased by \$6.9 million compared to the prior year primarily due to an increase in new deals and the impact of renewals of \$10.9 million, which was partially offset by decreases due to agreements that migrated from a term license to a subscription service in the prior year of \$4.0 million. Ongoing revenue related to migration agreements is recorded as subscription revenue. The impact on term license revenue from contracts with an initial term of greater than two years or a renewal term of greater than one year was \$7.6 million during fiscal year 2023, as compared to \$2.5 million in the prior year.

Perpetual license revenue accounted for less than 1% of total revenue in fiscal year 2023. We expect perpetual license revenue to continue to represent a small percentage of our total license revenue. We also expect perpetual license revenue to potentially be volatile across quarters due to the large amount of perpetual revenue that may be generated from a single customer order.

#### *Services Revenue*

Services revenue was flat compared to the prior year. Services revenue was impacted by the completion of implementations, partially offset by an increase from new and existing subscription implementation and migration projects. Services revenue overall continues to be impacted by contracts with lower average services billing rates and increased investments in customer implementations, including fixed fee or capped arrangements, to accelerate customer transition to the cloud. In these arrangements when a project extends longer than originally anticipated, the average billing rate we recognize may decrease, which can result in revenue adjustments and lower gross profit. Additionally, our SI partners are leading more new subscription implementation and migration projects than in the past.

We expect some level of variability in our services revenue in future periods. As we successfully leverage our SI partners to lead more implementations and migrations, our services revenue could decrease. We expect challenges related to global events including inflation and our ability to hire additional services professionals will also continue to negatively impact services revenue. As we continue to expand into new markets and develop new services and products, we have, and may continue to, enter into contracts with lower average billing rates, make investments in customer implementation and migration engagements, and enter into fixed price contracts, which may impact services revenue and services margin.

#### ***Cost of Revenue and Gross Profit***

Our cost of subscription and support revenue primarily consists of personnel costs for our cloud operations and technical support teams, cloud infrastructure costs, development of online training curriculum, amortization of intangible assets, and royalty fees paid to third parties. Our cost of license revenue primarily consists of development of online training curriculum, royalty fees paid to third parties, and amortization of intangible assets. Our cost of services revenue primarily consists of personnel costs for our professional service employees, third-party subcontractors or consultants, and travel costs. In instances where we have primary responsibility for the delivery of services, subcontractor fees are expensed as cost of services revenue. In each case, personnel costs include salaries, bonuses, benefits, and stock-based compensation.

We allocate overhead such as information technology infrastructure and software expenses, information security infrastructure and software expenses, and facilities expenses to all functional departments based on headcount. As such, these general overhead expenses are reflected in cost of revenue and each functional operating expense.

Effective as of the beginning of fiscal year 2023, we revised our allocation methodology to more closely reflect the way our business is managed and to be more comparable to other companies in our industry. The change resulted in facilities expenses, information technology infrastructure and software expenses, and information security infrastructure and software expenses being

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allocated to all functional departments based on headcount, while other previously allocated expenses are recorded within general and administrative expenses. The effect of this change is an increase in general and administrative expenses and a decrease in cost of revenue and other operating expense categories. Prior period amounts have been re-classified to reflect the revised methodology in our prior year consolidated financial statements and accompanying notes for comparability purposes.

**Cost of Revenue:**

	Fiscal years ended July 31,				Change	
	2023		2022		(\$)	(% )
	Amount	% of total revenue	Amount	% of total revenue		
(In thousands, except percentages)						
<b>Cost of revenue:</b>						
Subscription and support	\$ 210,507	23 %	\$ 202,832	25 %	\$ 7,675	4 %
License	6,488	1	8,754	1	(2,266)	(26)
Services	230,135	25	223,852	28	6,283	3
<b>Total cost of revenue</b>	<b>\$ 447,130</b>	<b>49 %</b>	<b>\$ 435,438</b>	<b>54 %</b>	<b>\$ 11,692</b>	<b>3 %</b>
<b>Includes stock-based compensation of:</b>						
Cost of subscription and support revenue	\$ 14,073		\$ 13,222		\$ 851	
Cost of license revenue	463		692		(229)	
Cost of services revenue	19,257		20,978		(1,721)	
<b>Total</b>	<b>\$ 33,793</b>		<b>\$ 34,892</b>		<b>\$ (1,099)</b>	

Cost of subscription and support revenue increased by \$7.7 million primarily due to increases in cloud infrastructure expense of \$9.2 million for our growing cloud usage and customer base, internal-use software amortization of \$3.1 million, royalties of \$1.0 million, and personnel costs of \$0.7 million. These increases were partially offset by decreases in amortization of intangibles of \$4.2 million due to certain acquired intangible assets being fully amortized, and professional services of \$2.2 million. As a result of efficiencies that we are seeing from our previous investments in cloud operations and development efforts along with the challenges presented by the macroeconomic environment, we have slowed hiring and are critically evaluating professional services contracts and third-party software costs.

Due to our continued investment in cloud-based operations, increase in new cloud-based customers, and increased usage from existing cloud-based customers, the costs to provide our subscription and support services increased. We expect our cost of subscription and support revenue to decrease as a percentage of revenue, but increase in absolute dollars, due to inflation, platform and product investments, and more customers utilizing our cloud product. To address cloud infrastructure costs, we entered into a five-year agreement with our cloud infrastructure provider at lower per unit usage costs. However, we believe that the cost of subscription and support revenue will grow at a slower rate than subscription and support revenue in future years as we achieve economies of scale and other efficiencies. The short-term impact of these trends along with mix within subscription and support revenue may result in a decline in subscription and support gross margin even though subscription and support gross profit increases in absolute dollars.

The \$2.3 million decrease in our cost of license revenue was primarily due to a decrease in personnel costs associated with the development of online training curriculum included with the latest releases of InsuranceSuite of \$1.7 million, royalties of \$0.4 million, and amortization of intangibles of \$0.1 million due to certain acquired intangible assets being fully amortized.

We continue to anticipate lower cost of license revenue over time as our term license customers transition to cloud subscription agreements.

The \$6.3 million increase in cost of services revenue was primarily due to increases in personnel expenses of \$8.0 million associated with an increase in headcount, and software subscriptions of \$0.8 million. These increases were partially offset by decreases in subcontractor expenses of \$1.1 million, professional services of \$1.1 million, and web hosting costs of \$0.2 million.

We had 648 cloud operations and technical support employees and 784 professional service employees as of July 31, 2023 compared to 696 cloud operations and technical support employees and 755 professional services employees as of July 31, 2022.

**Gross Profit**

	Fiscal years ended July 31,						Change	
	2023		2022					
	Amount	margin %	Amount	margin %	(\$)	(%)		
(In thousands, except percentages)								
Gross profit:								
Subscription and support	\$ 219,160	51 %	\$ 140,876	41 %	\$ 78,284	56 %		
License	259,105	98	249,877	97	9,228	4		
Services	(20,054)	(10)	(13,577)	(6)	(6,477)	48		
Total gross profit	<u>\$ 458,211</u>	<u>51 %</u>	<u>\$ 377,176</u>	<u>46 %</u>	<u>\$ 81,035</u>	<u>21 %</u>		

Our gross profit increased by \$81.0 million compared to the prior year. Gross profit was impacted by an increase in subscription and support gross profit due to the increase in subscription revenue and cloud operations efficiencies, partially offset by a decrease in services gross profit due to the investments that we are making in our customers' transition to subscription services.

Our gross margin increased to 51% in fiscal year 2023, as compared to 46% in fiscal year 2022. Gross margin was primarily impacted by the increase in subscription and support revenue at a higher margin due to cloud operations efficiencies, partially offset by lower services margin due to the investments that we are making in our customers' transition to subscription services.

We expect subscription and support gross margin to improve over the next several years as we gain efficiencies and increase the number of cloud customers. We expect services gross margin will improve as we lower our reliance on subcontractors and enter into fewer fixed fee arrangements. We expect license gross margin to fluctuate based on changes in revenue due to the timing of delivery of new multi-year term licenses and the execution of multi-year term license renewals, as cost of license revenue is expected to be relatively consistent from period to period in the future. Overall, we expect gross margins to continue to improve over time as improvements in subscription and support gross margin and services gross margin will more than offset the negative impact of revenue shifts away from high margin license revenue.

### Operating Expenses

Our operating expenses consist of research and development, sales and marketing, and general and administrative expenses. The largest components of our operating expenses are personnel costs for our employees and, to a lesser extent, professional services. In each case, personnel costs include salaries, bonuses, commissions, benefits, and stock-based compensation.

We allocate overhead such as information technology infrastructure and software expenses, information security infrastructure and software expenses, and facilities expenses to all functional departments based on headcount. As such, these general overhead expenses are reflected in cost of revenue and each functional operating expense.

Effective as of the beginning of fiscal year 2023, we revised our allocation methodology to more closely reflect the way our business is managed and to be more comparable to other companies in our industry. The change resulted in facilities expenses, information technology infrastructure and software expenses, and information security infrastructure and software expenses being allocated to all functional departments based on headcount, while other previously allocated expenses are recorded within general and administrative expenses. The effect of this change is an increase in general and administrative expenses and a decrease in cost of revenue and other operating expense categories. Prior period amounts have been re-classified to reflect the revised methodology in our prior year consolidated financial statements and accompanying notes for comparability purposes.

	Fiscal years ended July 31,				Change	
	2023		2022		(\$)	(% )
	Amount	% of total revenue	Amount	% of total revenue		
(In thousands, except percentages)						
<b>Operating expenses:</b>						
Research and development	\$ 249,746	28 %	\$ 229,230	28 %	\$ 20,516	9 %
Sales and marketing	188,224	21	182,620	23	5,604	3
General and administrative	169,731	19	164,773	20	4,958	3
Total operating expenses	<u>\$ 607,701</u>	<u>68 %</u>	<u>\$ 576,623</u>	<u>71 %</u>	<u>\$ 31,078</u>	<u>5 %</u>
<b>Includes stock-based compensation of:</b>						
Research and development	\$ 39,865		\$ 33,446		\$ 6,419	
Sales and marketing	29,925		31,281		(1,356)	
General and administrative	39,259		37,392		1,867	
Total	<u>\$ 109,049</u>		<u>\$ 102,119</u>		<u>\$ 6,930</u>	

### Research and Development

Our research and development expenses primarily consist of personnel costs for our technical staff and consultants providing professional services.

The \$20.5 million increase in research and development expenses was primarily due to increases in personnel costs of \$25.2 million associated with higher headcount and software subscription costs of \$1.0 million. These increases were partially offset by decreases in cloud hosting costs of \$3.5 million and professional services of \$2.2 million. Cloud hosting costs are benefiting from the efficiencies that we are achieving with GWCP and the five-year agreement with a cloud infrastructure services provider that was entered into in the first quarter of this fiscal year.

Our research and development headcount was 1,069 as of July 31, 2023, as compared to 972 as of July 31, 2022.

We expect our research and development expenses to increase in absolute dollars due to inflation and investments to support our growing customer base, but decrease as a percentage of revenue after a period of significant investment in cloud platform capabilities as overall hiring slows and we focus on hiring in lower cost regions. We continue to dedicate internal resources to develop, improve, and expand the functionality of our solutions and migrate our solutions to the cloud. Research and development expenses may also increase if we pursue additional acquisitions.

### *Sales and Marketing*

Our sales and marketing expenses primarily consist of personnel costs for our sales and marketing employees. Included in our personnel costs are commissions, which are considered contract acquisition costs and are capitalized when earned and expensed over the anticipated period of time that goods and services are expected to be provided to a customer, which we estimate to be approximately five years. Sales and marketing expenses also include travel expenses, professional services for marketing activities, and amortization of certain acquired intangibles.

The \$5.6 million increase in sales and marketing expenses was primarily due to increases in personnel costs of \$6.2 million, including \$2.8 million related to contract acquisition costs and \$1.5 million of severance expenses incurred in the first quarter of fiscal year 2023, travel costs of \$2.6 million due to more in-person client interactions, and marketing and advertising costs of \$0.5 million. These increases were partially offset by decreases in amortization of intangibles of \$2.9 million due to certain acquired intangible assets being fully amortized, professional services costs of \$0.5 million, and cloud hosting costs of \$0.3 million.

Our sales and marketing headcount was 463 as of July 31, 2023, as compared to 475 as of July 31, 2022.

We expect our sales and marketing expenses to continue to increase in absolute dollars due to inflation and investments to support ongoing growth, but decrease as a percentage of revenue as overall hiring slows after a period of investment in building out our customer success team and adding analytics and cloud sales capabilities.

### *General and Administrative*

Our general and administrative expenses include executive, finance, human resources, information technology, information security, legal, and corporate development and strategy functions, and primarily consist of personnel costs and, to a lesser extent, professional services, software costs, and cloud hosting costs.

The \$5.0 million increase in our general and administrative expenses was primarily due to the net impact of the assignment of the lease agreement for our previous headquarters and concurrent sublease for office space in San Mateo, California with the same third party for our new worldwide headquarters which resulted in an \$8.5 million expense, personnel costs of \$3.0 million, which includes \$1.0 million of severance expense incurred in the first quarter of fiscal year 2023, and software subscriptions and cloud hosting costs of \$2.7 million. These increases were partially offset by decreases in facilities costs of \$8.0 million and professional services costs of \$1.5 million.

Our general and administrative headcount was 451 as of July 31, 2023, as compared to 478 as of July 31, 2022. General and administrative headcount includes facilities personnel whose expenses are allocated across all functional departments.

We expect that our general and administrative expenses will increase in absolute dollars due to inflation and investments required to support our strategic initiatives, grow our business, and meet our product and information security, compliance and reporting obligations, but decrease as a percentage of revenue as overall hiring and investments slow.

### *Other Income (Expense)*

	Fiscal years ended July 31,		Change	
	2023	2022		
	Amount	Amount		
	<b>(In thousands, except percentages)</b>			
Interest income	\$ 24,389	\$ 6,277	\$ 18,112	289 %
Interest expense	\$ (6,716)	\$ (19,446)	\$ 12,730	(65)%
Other income (expense), net	\$ (2,277)	\$ (17,099)	\$ 14,822	(87)%

### *Interest Income*

Interest income represents interest earned on our cash, cash equivalents, and investments.

Interest income increased by \$18.1 million in fiscal year 2023, primarily due to higher interest rates on invested funds, even though we had a lower funds available for investment.

### *Interest Expense*

Prior to August 1, 2022 and adoption of ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40), Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity, interest expense included both stated interest and the amortization of debt discount and issuance costs associated with our Convertible Senior Notes. Previously, the amortization of debt discount and issuance costs were recognized on an effective interest basis. For periods after August 1, 2022, there is no longer a debt discount component related to the Convertible Senior Notes as it was eliminated upon adoption. Stated interest expense is consistent in the comparative periods as the outstanding principal and stated interest rate have not changed.

Interest expense for the 12 months ended July 31, 2023 consists of stated interest of \$5.0 million and non-cash interest expense of \$1.7 million related to amortization of debt issuance costs. Interest expense for the 12 months ended July 31, 2022 consists of stated interest of \$5.0 million and non-cash interest expense of \$14.4 million related to the amortization of debt discount and issuance costs.

#### *Other Income (Expense), Net*

Other income (expense), net includes foreign exchange gains and losses resulting from fluctuations in foreign exchange rates on monetary asset and monetary liability balances that are denominated in currencies other than the functional currency of the entity in which they are recorded. Our monetary assets and liabilities denominated in currencies other than the functional currency of the entity in which they are recorded consist primarily of trade accounts receivable, unbilled accounts receivable, trade accounts payable, and intercompany receivables and payables. We have significant transactions in the following currencies: Australian Dollar, British Pound, Canadian Dollar, Euro, Indian Rupee, Japanese Yen, Malaysian Ringgit, and Polish Zloty.

Other income (expense), net in fiscal year 2023 was expense of \$2.3 million compared to expense of \$17.1 million in fiscal year 2022. The decrease was due to fluctuations in foreign currency exchange rates. In addition to the foreign currency exchange rate fluctuations during the fiscal year ended July 31, 2023, an impairment charge of \$0.8 million was recognized related to a strategic equity investment.

#### **Provision for (benefit from) Income Taxes**

We are subject to taxes in the United States as well as other tax jurisdictions and countries in which we conduct business. Earnings from our non-U.S. activities are subject to local country income tax and may also be subject to U.S. income tax.

	Fiscal years ended July 31,		Change	
	2023	2022		
	Amount	Amount		
	<b>(In thousands, except percentages)</b>			
Provision for (benefit from) income taxes	\$ (22,239)	\$ (49,284)	\$ 27,045	(55)%
Effective tax rate	17 %	21 %		

We recognized an income tax benefit of \$22.2 million for fiscal year 2023 compared to an income tax benefit of \$49.3 million for fiscal year 2022. The decrease in our income tax benefit for fiscal year 2023 was primarily due to a decrease in pre-tax net loss, an increase in tax deficiencies related to stock-based compensation, certain non-deductible expenses, including executive compensation limitation, and an increase in foreign earnings taxed in the U.S., partially offset by an increase in research and development tax credits and the release of uncertain tax positions.

As of July 31, 2023, we had unrecognized tax benefits of \$12.9 million that, if recognized, would affect our effective tax rate, as certain unrecognized tax benefits have a valuation allowance.

The effective tax rate could differ from the statutory U.S. Federal income tax rate of 21% primarily due to state taxes, tax deficiencies related to stock-based compensation, research and development credits, foreign earnings taxed in the U.S., release of uncertain tax positions, a change in valuation allowance and certain non-deductible expenses, including, but not limited to, executive compensation limitation.

#### **Comparison of the Fiscal Years Ended July 31, 2022 and 2021**

Refer to Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations located in our 10-K for the fiscal year ended July 31, 2022, filed on September 26, 2022, for the discussion of the comparison of the fiscal year ended July 31, 2022 to the fiscal year ended July 31, 2021, the earliest of the three fiscal years presented in the consolidated financial statements.

### Non-GAAP Financial Measures

In addition to the key business metrics presented above, we believe that the following non-GAAP financial measures provide useful information to management and investors regarding certain financial and business trends relating to our financial condition and results of operations. Management uses these non-GAAP measures to compare our performance to that of prior periods for trend analysis, for purposes of determining executive and senior management incentive compensation, and for budgeting and planning purposes. We believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial results with other software companies because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, many of which present similar non-GAAP financial measures to investors. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP.

The non-GAAP financial information is presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in our financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. We urge investors to review the reconciliation of non-GAAP financial measures to the comparable GAAP financial measures included herein and not to rely on any single financial measure to evaluate the Company's business.

The following table reconciles the specific items excluded from GAAP in the calculation of non-GAAP financial measures for the periods indicated below (in thousands, except share and per share data):

	Fiscal years ended July 31,	
	2023	2022
<b>Gross profit reconciliation:</b>		
GAAP gross profit	\$ 458,211	\$ 377,176
Non-GAAP adjustments:		
Stock-based compensation	33,793	34,892
Amortization of intangibles	3,360	7,659
Non-GAAP gross profit	<u>\$ 495,364</u>	<u>\$ 419,727</u>
<b>Income (loss) from operations reconciliation:</b>		
GAAP income (loss) from operations	\$ (149,490)	\$ (199,447)
Non-GAAP adjustments:		
Stock-based compensation	142,842	137,011
Amortization of intangibles	6,888	14,081
Acquisition consideration holdback	2,939	3,067
Net impact of assignment of lease agreement <sup>(1)</sup>	8,502	—
Non-GAAP income (loss) from operations	<u>\$ 11,681</u>	<u>\$ (45,288)</u>
<b>Net income (loss) reconciliation:</b>		
GAAP net income (loss)	\$ (111,855)	\$ (180,431)
Non-GAAP adjustments:		
Stock-based compensation	142,842	137,011
Amortization of intangibles	6,888	14,081
Acquisition consideration holdback	2,939	3,067
Amortization of debt discount and issuance costs	1,703	14,391
Changes in fair value of strategic investments	802	(1,538)
Net impact of assignment of lease agreement <sup>(1)</sup>	8,502	—
Tax impact of non-GAAP adjustments	(22,611)	(29,105)
Non-GAAP net income (loss)	<u>\$ 29,210</u>	<u>\$ (42,524)</u>
<b>Tax provision (benefit) reconciliation:</b>		
GAAP tax provision (benefit)	\$ (22,239)	\$ (49,284)
Non-GAAP adjustments:		
Stock-based compensation	92,849	37,826

Amortization of intangibles	4,677	3,936
Acquisition consideration holdback	1,924	847
Amortization of debt discount and issuance costs	1,105	4,049
Changes in fair value of strategic investments	(103)	(471)
Net impact of assignment of lease agreement <sup>(1)</sup>	3,196	—
Tax impact of non-GAAP adjustments	(81,037)	(17,082)
Non-GAAP tax provision (benefit)	\$ 372	\$ (20,179)

**Net income (loss) per share reconciliation:**

GAAP net income (loss) per share – diluted	\$ (1.36)	\$ (2.16)
Non-GAAP adjustments:		
Stock-based compensation	1.74	1.63
Amortization of intangibles	0.08	0.16
Acquisition consideration holdback	0.04	0.03
Amortization of debt discount and issuance costs	0.02	0.17
Changes in fair value of strategic investments	0.01	0.01
Net impact of assignment of lease agreement <sup>(1)</sup>	0.10	—
Tax impact of non-GAAP adjustments	(0.28)	(0.35)
Non-GAAP net income (loss) per share – diluted	\$ 0.35	\$ (0.51)

**Shares used in computing Non-GAAP income (loss) per share amounts:**

GAAP weighted average shares – diluted	82,176,629	83,569,517
Non-GAAP dilutive shares excluded from GAAP income (loss) per share calculation	466,516	—
Pro forma weighted average shares – diluted	82,643,145	83,569,517

(1) During the third quarter of fiscal year 2023, the Company recorded in general and administrative expenses a net loss of \$8.5 million related to the assignment of the lease agreement for the remaining lease term of the Company's previous headquarters. The loss is comprised of an \$18.4 million gain from the de-recognition of the operating lease asset of \$56.9 million, the de-recognition of the lease liability of \$75.5 million, and other expenses related to the lease assignment of \$0.2 million, offset by accelerated depreciation expense related to property and equipment, primarily consisting of leasehold improvements, at the previous headquarters of \$26.9 million. Prior to the third quarter of fiscal year 2023, there were no transactions similar to the lease assignment in any periods presented.

**Liquidity and Capital Resources**

Our principal sources of liquidity are as follows (in thousands):

	July 31, 2023	July 31, 2022
Cash, cash equivalents, and investments	\$ 927,467	\$ 1,163,675
Working capital	\$ 726,342	\$ 915,185

**Cash, Cash Equivalents, and Investments**

Our cash and cash equivalents are comprised of cash and liquid investments with remaining maturities of 90 days or less from the date of purchase, primarily commercial paper and money market funds. Our investments primarily consist of corporate debt securities, U.S. government and agency debt securities, commercial paper, asset-backed securities, and non-U.S. government securities, which include state, municipal and foreign government securities.

As of July 31, 2023, approximately \$55.6 million of our cash and cash equivalents were domiciled in foreign jurisdictions. We may repatriate foreign earnings to the United States in the future to the extent that the repatriation is not restricted by local laws or there are no substantial incremental costs associated with such repatriation.

**Share Repurchase Program**

In September 2022, our board of directors authorized and approved a share repurchase program of up to \$400.0 million of our outstanding common stock. We entered into an accelerated share repurchase (“ASR”) agreement with a large financial institution whereupon we provided them with a prepayment of \$200.0 million and received an initial delivery of 2,581,478 shares of our common stock. As of July 31, 2023, the ASR was settled in full which resulted in total repurchases under the ASR of 3,229,479 shares of common stock at an average purchase price of \$61.93 per share.

During the fiscal year ended July 31, 2023, the Company repurchased 4,041,284 shares of common stock at an average price of \$64.78 per share, for an aggregate purchase price of \$261.8 million. As of July 31, 2023, \$138.2 million remained available for future share repurchases under the authorized and approved share repurchase program.

During the fiscal year ended July 31, 2022, we repurchased 322,545 shares of common stock at an average price of \$116.11 per share for an aggregate purchase price of \$37.5 million under a previous authorized and approved share repurchase program.

### **Cash Flows**

Our cash flows from operations are significantly impacted by timing of invoicing and collections of accounts receivable, annual bonus payments, as well as payments of payroll, commissions, payroll taxes, and other taxes. We expect that we will generate positive cash flows from operations on an annual basis in the future, although this may fluctuate significantly on a quarterly basis. In particular, we typically use more cash during our first fiscal quarter, which is the quarter ending October 31, as we generally pay cash bonuses to our employees for the prior fiscal year and seasonally higher sales commissions from increased customer orders booked in our fourth fiscal quarter of the prior year. Additionally, our capital expenditures may fluctuate depending on future office build outs and development activities subject to capitalization.

We believe that our existing cash and cash equivalents and sources of liquidity will be sufficient to fund our operations for at least the next 12 months. Our future cash requirements will depend on many factors, including our rate of revenue growth, the expansion of our sales and marketing activities, the timing and extent of our spending to support our research and development efforts, investments in cloud infrastructure, cybersecurity, and operating costs, and expansion into other markets. We also may invest in or acquire complementary businesses, applications or technologies, or may execute on a board-authorized share repurchase program, which may require the use of significant cash resources and/or additional financing.

The following summary of cash flows for the periods indicated has been derived from our consolidated financial statements included elsewhere in this Annual Report on Form 10-K (in thousands):

	Fiscal years ended July 31,	
	2023	2022
Net cash provided by (used in) operating activities	\$ 38,395	\$ (37,940)
Net cash provided by (used in) investing activities	\$ 12,712	\$ 312,212
Net cash provided by (used in) financing activities	\$ (261,579)	\$ (37,335)

### **Cash Flows from Operating Activities**

Net cash provided by operating activities increased by \$76.3 million in fiscal year 2023 as compared to fiscal year 2022. The increase in operating cash provided was primarily attributable to an \$81.0 million decrease in net loss after excluding the impact of non-cash charges such as deferred taxes, stock-based compensation expense, depreciation and amortization expense, and other non-cash items, partially offset by an increase of \$4.7 million in cash used by working capital activities.

### **Cash Flows from Investing Activities**

Net cash provided by investing activities decreased by \$299.5 million in fiscal year 2023 as compared to fiscal year 2022. The decrease in cash provided by investing activities was primarily due to a decrease in net cash provided from available-for-sale securities transactions of \$348.3 million, partially offset by lower capital expenditures and capitalized software development costs of \$4.3 million, decreased business acquisition costs of \$43.8 million as HazardHub was acquired in fiscal year 2022, and a \$0.7 million net decrease in amounts paid for strategic investments.

### **Cash Flows from Financing Activities**

Net cash used in financing activities increased by \$224.2 million in fiscal year 2023 as compared to fiscal year 2022. The increase in cash used was primarily because of our authorized share repurchase programs which resulted in our repurchase of \$224.3 million more of our common stock during fiscal year 2023 compared to the same period a year ago, partially offset by an increase in proceeds from option exercises of \$0.1 million.

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## **Commitments and Contractual Obligations**

Our estimated future obligations consist of leases, royalties, purchase obligations, debt, and taxes as of July 31, 2023. Refer to Note 8 “Leases,” Note 9 “Commitments and Contingencies,” and Note 11 “Income Taxes” to our consolidated financial statements included in this Annual Report on Form 10-K for more information.

Effective during the fiscal year ended July 31, 2023, we entered into an agreement with a cloud infrastructure services provider for a total obligation of \$600 million over a five-year period.

Effective during the fiscal year ended July 31, 2023, we assigned the remaining lease term of our previous headquarters and concurrently entered into a sublease for office space in San Mateo, California with the same third party for our new worldwide headquarters.

## **Off-Balance Sheet Arrangements**

Through July 31, 2023, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

## **Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in interest rates and foreign currency exchange rates. We do not hold or issue financial instruments for trading purposes.

### ***Interest Rate Sensitivity***

Our exposure to market risk for changes in interest rates relates primarily to our cash, cash equivalents, and investments. Our cash, cash equivalents, and investments as of July 31, 2023 and 2022 were \$927.5 million and \$1,163.7 million, respectively, primarily consisting of cash, money market funds, corporate debt securities, U.S. government and agency debt securities, commercial paper, asset-backed securities and non-U.S. government securities, which include state, municipal, and foreign government securities. Changes in interest rates, primarily in the United States, affect the interest earned on our cash, cash equivalents, and investments, and their market value. A hypothetical 100 basis point increase in interest rates is estimated to result in a decrease of \$3.0 million and \$3.6 million in the market value of our available-for-sale securities as of July 31, 2023 and 2022, respectively. Any realized gains or losses resulting from such interest rate changes would only occur if we sold the investments prior to maturity.

### ***Foreign Currency Exchange Risk***

Our results of operations, ARR, and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Australian Dollar, British Pound, Canadian Dollar, Euro, Indian Rupee, and Polish Zloty, the currency of the locations within which we have significant operations. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. We believe our operating activities act as a natural hedge for a substantial portion of our foreign currency exposure because we typically collect revenue and incur costs in the currency of the location in which we provide our services. However, our relationships with our customers are long-term in nature so it is difficult to predict if our operating activities will provide a natural hedge in the future. Additionally, changes in foreign currency exchange rates can affect our financial results due to transaction gains or losses related to revaluing certain monetary asset and monetary liability balances that are denominated in currencies other than the functional currency of the entity in which they are recorded. Our monetary assets and liabilities denominated in currencies other than the functional currency of the entity in which they are recorded consist primarily of trade accounts receivable, unbilled accounts receivable, trade accounts payable, and intercompany receivables and payables. For the periods ended July 31, 2023 and 2022, we recorded a foreign currency loss of \$1.8 million and \$17.2 million, respectively, in other income (expense) in our consolidated statements of operations. We will continue to experience fluctuations in foreign currency exchange rates. If a hypothetical ten percent change in foreign exchange rates were to occur in the future, the resulting transaction gain or loss is estimated to be approximately \$28.8 million. As our international operations grow, we will continue to assess our approach to managing our risk relating to fluctuations in currency rates.

### ***Fair Value of Financial Instruments***

We do not have material exposure to market risk with respect to investments in financial instruments, as our investments primarily consist of high quality liquid investments purchased with a remaining maturity of three years or less. We do not use

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derivative financial instruments for speculative or trading purposes. However, this current position does not preclude our adoption of specific hedging strategies in the future.

Our strategic investments in privately held securities are in various classes of equity. The particular securities we hold, and their rights and preferences relative to those of other securities within the capital structure, may impact the magnitude by which our investment value moves in relation to movements in the total enterprise value of the company in which we are invested. As a result, our investment in a specific company may move by more or less than any change in value of that overall company. In addition, the financial success of our investment in any company is typically dependent on a liquidity event, such as a public offering, acquisition, or other favorable market event reflecting appreciation to the value of our investment. All of our investments, particularly those in privately held companies, are therefore subject to a risk of partial or total loss of invested capital.

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**Item 8. Financial Statements and Supplemental Data**

**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES  
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## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors  
Guidewire Software, Inc.:

### *Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Guidewire Software, Inc. and subsidiaries (the Company) as of July 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended July 31, 2023, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of July 31, 2023, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of July 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the three-year period ended July 31, 2023, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 31, 2023 based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

### *Basis for Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### *Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Evaluation of revenue related to software licensing arrangements and subscriptions to cloud services with non-standard terms*

As discussed in Notes 1 and 2 to the consolidated financial statements, revenue was derived principally from software licensing arrangements, subscriptions to cloud services, and implementation and other professional services. The Company recognized total revenue of \$905.3 million for the year ended July 31, 2023. The Company's software licensing arrangements generally have a two-year initial term and subscriptions to cloud services generally have a three- to five-year term, with a customer option to renew on an annual basis after the initial term. Consideration for software licensing arrangements and subscriptions to cloud services is typically billed in advance on an annual basis over the term.

We identified the evaluation of revenue from software licensing arrangements and subscriptions to cloud services with non-standard terms and conditions as a critical audit matter. Significant auditor judgment was required to evaluate the Company's assessment of the impact on revenue recognition of non-standard terms and conditions, including, the identification and evaluation of the accounting impact of contract modifications related to software licensing term extensions, and arrangements that provide a customer with the ability to transition from a software licensing arrangement to a subscription to cloud services during the contractual term.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of an internal control related to the critical audit matter. This control is related to the identification and evaluation of software licensing arrangements and subscriptions to cloud services with non-standard terms and conditions. We tested certain software licensing arrangements and subscriptions to cloud services by reading the underlying customer agreements and evaluating the Company's assessment of the contractual terms and conditions in accordance with revenue recognition requirements. Specifically, this included an evaluation of the Company's identification and assessment of non-standard terms and conditions that could give rise to special accounting consideration.

/s/ KPMG LLP

We have served as the Company's auditor since 2006.

Santa Clara, California  
September 18, 2023

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**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except for share data)

	July 31, 2023	July 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 401,813	\$ 606,303
Short-term investments	396,872	369,865
Accounts receivable, net of allowances of \$218 and \$359, respectively	151,034	143,797
Unbilled accounts receivable, net	87,752	71,515
Prepaid expenses and other current assets	62,132	61,223
Total current assets	1,099,603	1,252,703
Long-term investments	128,782	187,507
Unbilled accounts receivable, net	11,112	13,914
Property and equipment, net	54,499	80,740
Operating lease assets	52,373	90,287
Intangible assets, net	14,473	21,361
Goodwill	372,214	372,192
Deferred tax assets, net	226,875	191,461
Other assets	67,957	56,732
<b>TOTAL ASSETS</b>	<b>\$ 2,027,888</b>	<b>\$ 2,266,897</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 34,627	\$ 40,440
Accrued employee compensation	103,980	90,962
Deferred revenue, net	206,923	170,776
Other current liabilities	27,731	35,340
Total current liabilities	373,261	337,518
Lease liabilities	42,972	105,123
Convertible senior notes, net	397,171	358,216
Deferred revenue, net	5,988	7,500
Other liabilities	9,030	6,883
Total liabilities	828,422	815,240
Commitments and contingencies (Note 9)		
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock, par value \$0.0001 per share—500,000,000 shares authorized as of July 31, 2023 and 2022; 81,440,669 and 84,084,209 shares issued and outstanding as of July 31, 2023 and 2022, respectively	8	8
Additional paid-in capital	1,831,267	1,755,476
Accumulated other comprehensive income (loss)	(13,859)	(19,845)
Retained earnings (accumulated deficit)	(617,950)	(283,982)
Total stockholders' equity	1,199,466	1,451,657
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 2,027,888</b>	<b>\$ 2,266,897</b>

*See accompanying Notes to Consolidated Financial Statements.*

**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except share and per share amounts)

	Fiscal years ended July 31,		
	2023	2022	2021
Revenue:			
Subscription and support	\$ 429,667	\$ 343,708	\$ 252,358
License	265,593	258,631	303,792
Services	210,081	210,275	187,117
Total revenue	<u>905,341</u>	<u>812,614</u>	<u>743,267</u>
Cost of revenue:			
Subscription and support	210,507	202,832	157,488
License	6,488	8,754	10,569
Services	230,135	223,852	185,650
Total cost of revenue	<u>447,130</u>	<u>435,438</u>	<u>353,707</u>
Gross profit:			
Subscription and support	219,160	140,876	94,870
License	259,105	249,877	293,223
Services	(20,054)	(13,577)	1,467
Total gross profit	<u>458,211</u>	<u>377,176</u>	<u>389,560</u>
Operating expenses:			
Research and development	249,746	229,230	201,465
Sales and marketing	188,224	182,620	150,521
General and administrative	169,731	164,773	143,158
Total operating expenses	<u>607,701</u>	<u>576,623</u>	<u>495,144</u>
Income (loss) from operations	<u>(149,490)</u>	<u>(199,447)</u>	<u>(105,584)</u>
Interest income	24,389	6,277	7,395
Interest expense	(6,716)	(19,446)	(18,711)
Other income (expense), net	(2,277)	(17,099)	12,619
Income (loss) before provision for (benefit from) income taxes	<u>(134,094)</u>	<u>(229,715)</u>	<u>(104,281)</u>
Provision for (benefit from) income taxes	<u>(22,239)</u>	<u>(49,284)</u>	<u>(37,774)</u>
Net income (loss)	<u>\$ (111,855)</u>	<u>\$ (180,431)</u>	<u>\$ (66,507)</u>
Net income (loss) per share:			
Basic and diluted	<u>\$ (1.36)</u>	<u>\$ (2.16)</u>	<u>\$ (0.79)</u>
Shares used in computing net income (loss) per share:			
Basic and diluted	<u>82,176,629</u>	<u>83,569,517</u>	<u>83,577,375</u>

*See accompanying Notes to Consolidated Financial Statements.*

**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(in thousands)**

	Fiscal years ended July 31,		
	2023	2022	2021
Net income (loss)	\$ (111,855)	\$ (180,431)	\$ (66,507)
Other comprehensive income (loss):			
Foreign currency translation adjustments	2,642	(7,201)	1,779
Unrealized gains (losses) on available-for-sale securities	5,377	(8,342)	(4,746)
Tax benefit (expense) on unrealized gains (losses) on available-for-sale securities	(1,053)	2,009	872
Reclassification adjustment for realized gains (losses) included in net income (loss)	(980)	(93)	1,123
Total other comprehensive income (loss)	5,986	(13,627)	(972)
Comprehensive income (loss)	\$ (105,869)	\$ (194,058)	\$ (67,479)

*See accompanying Notes to Consolidated Financial Statements.*

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**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in thousands, except for share data)

	Common stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings (accumulated deficit)	Total stockholders' equity
	Shares	Amount				
<b>Balance as of July 31, 2020</b>	<b>83,461,925</b>	<b>\$ 8</b>	<b>\$ 1,499,050</b>	<b>\$ (5,246)</b>	<b>\$ 162,956</b>	<b>\$ 1,656,768</b>
Net income (loss)	—	—	—	—	(66,507)	(66,507)
Issuance of common stock upon exercise of stock options	53,932	—	1,932	—	—	1,932
Issuance of common stock upon vesting of RSUs	1,167,291	—	—	—	—	—
Stock-based compensation	—	—	116,222	—	—	116,222
Repurchase and retirement of common stock	(1,488,991)	—	—	—	(162,549)	(162,549)
Foreign currency translation adjustment	—	—	—	1,779	—	1,779
Unrealized gain (loss) on available-for-sale securities, net of tax	—	—	—	(3,874)	—	(3,874)
Reclassification adjustment for realized gain (loss) on available-for-sale securities, included in net income (loss)	—	—	—	1,123	—	1,123
<b>Balance as of July 31, 2021</b>	<b>83,194,157</b>	<b>\$ 8</b>	<b>\$ 1,617,204</b>	<b>\$ (6,218)</b>	<b>\$ (66,100)</b>	<b>\$ 1,544,894</b>
Net income (loss)	—	—	—	—	(180,431)	(180,431)
Issuance of common stock upon exercise of stock options	10,472	—	116	—	—	116
Issuance of common stock upon vesting of RSUs	1,202,125	—	—	—	—	—
Stock-based compensation	—	—	138,156	—	—	138,156
Repurchase and retirement of common stock	(322,545)	—	—	—	(37,451)	(37,451)
Foreign currency translation adjustment	—	—	—	(7,201)	—	(7,201)
Unrealized gain (loss) on available-for-sale securities, net of tax	—	—	—	(6,333)	—	(6,333)
Reclassification adjustment for realized gain (loss) on available-for-sale securities, included in net income (loss)	—	—	—	(93)	—	(93)
<b>Balance as of July 31, 2022</b>	<b>84,084,209</b>	<b>\$ 8</b>	<b>\$ 1,755,476</b>	<b>\$ (19,845)</b>	<b>\$ (283,982)</b>	<b>\$ 1,451,657</b>
Net income (loss)	—	—	—	—	(111,855)	(111,855)
Issuance of common stock upon exercise of stock options	6,582	—	228	—	—	228
Issuance of common stock upon vesting of RSUs	1,391,162	—	—	—	—	—
Stock-based compensation	—	—	143,566	—	—	143,566
Repurchase and retirement of common stock	(4,041,284)	—	—	—	(261,807)	(261,807)
Foreign currency translation adjustment	—	—	—	2,642	—	2,642
Unrealized gain (loss) on available-for-sale securities, net of tax	—	—	—	4,324	—	4,324
Reclassification adjustment for realized gain (loss) on available-for-sale securities, included in net income (loss)	—	—	—	(980)	—	(980)
Adoption of Accounting Standards Update ("ASU") 2020-06	—	—	(68,003)	—	39,694	(28,309)
<b>Balance as of July 31, 2023</b>	<b>81,440,669</b>	<b>\$ 8</b>	<b>\$ 1,831,267</b>	<b>\$ (13,859)</b>	<b>\$ (617,950)</b>	<b>\$ 1,199,466</b>

*See accompanying Notes to Consolidated Financial Statements.*

**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Fiscal years ended July 31,		
	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income (loss)	\$ (111,855)	\$ (180,431)	\$ (66,507)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	24,838	33,540	36,955
Amortization of debt discount and issuance costs	1,703	14,391	13,617
Amortization of contract costs	17,966	14,456	11,442
Stock-based compensation	142,842	137,011	115,009
Changes to allowance for credit losses and revenue reserves	(131)	2,597	226
Deferred income tax	(27,516)	(54,115)	(35,789)
Amortization of premium (accretion of discount) on available-for-sale securities, net	(4,858)	5,498	6,567
Changes in fair value of strategic investments	802	(1,545)	—
Accelerated depreciation related to lease assignment	26,921	—	—
Gain from lease assignment	(18,419)	—	—
Other non-cash items affecting net income (loss)	164	63	863
Changes in operating assets and liabilities:			
Accounts receivable	(7,301)	(42,545)	10,820
Unbilled accounts receivable	(13,435)	18,106	(19,194)
Prepaid expenses and other assets	(22,613)	(23,390)	(16,764)
Operating lease assets	(19,000)	7,160	6,350
Accounts payable	(6,080)	13,580	3,627
Accrued employee compensation	12,440	(8,942)	41,526
Deferred revenue	34,635	31,564	12,940
Lease liabilities	9,548	(9,637)	(3,346)
Other liabilities	(2,256)	4,699	(6,755)
Net cash provided by (used in) operating activities	<u>38,395</u>	<u>(37,940)</u>	<u>111,587</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of available-for-sale securities	(506,115)	(519,536)	(1,033,095)
Maturities and sales of available-for-sale securities	547,094	908,914	1,128,524
Purchases of property and equipment	(5,821)	(9,510)	(19,008)
Capitalized software development costs	(11,606)	(12,266)	(9,846)
Acquisition of strategic investments	(10,840)	(11,560)	(2,384)
Acquisition of business, net of acquired cash	—	(43,830)	—
Net cash provided by (used in) investing activities	<u>12,712</u>	<u>312,212</u>	<u>64,191</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issuance of common stock upon exercise of stock options	228	116	1,932
Repurchase and retirement of common stock	(261,807)	(37,451)	(161,319)
Net cash provided by (used in) financing activities	<u>(261,579)</u>	<u>(37,335)</u>	<u>(159,387)</u>
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	2,576	(7,161)	1,550
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<u>(207,896)</u>	<u>229,776</u>	<u>17,941</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—Beginning of period	614,686	384,910	366,969
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—End of period	<u>\$ 406,790</u>	<u>\$ 614,686</u>	<u>\$ 384,910</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>			
Cash paid for interest	\$ 5,000	\$ 5,000	\$ 5,000
Cash paid for income taxes, net of tax refunds	\$ 5,167	\$ 4,323	\$ 4,155
Accruals for purchase of property and equipment	\$ 1,136	\$ 1,114	\$ 1,676
Accruals for capitalized cloud software development costs	\$ 1,094	\$ 1,250	\$ 845
Accrual for shares repurchased	\$ —	\$ —	\$ 1,230

*See accompanying Notes to Consolidated Financial Statements.*

**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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## 1. The Company and Summary of Significant Accounting Policies and Estimates

### Company

Guidewire Software, Inc., a Delaware corporation, was incorporated on September 20, 2001. Guidewire Software, Inc., together with its subsidiaries (the “Company”), provides a technology platform which combines core operations, digital engagement, analytics, machine learning, and artificial intelligence (“AI”) applications. The Company’s technology platform supports core insurance operations, including underwriting, policy administration, claim management, and billing; insights into data that can improve business decision making; and digital sales, service, and claims experiences for policyholders, agents, and other key stakeholders. The Company’s customers are primarily property and casualty insurance carriers.

### Basis of Presentation and Consolidation

The Company’s consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The consolidated financial statements and notes include the Company and its wholly-owned subsidiaries and reflect all adjustments (all of which are normal and recurring in nature) that, in the opinion of management, are necessary for a fair presentation of the periods presented. All intercompany balances and transactions have been eliminated in consolidation.

#### *Reclassification*

Effective as of the beginning of fiscal year 2023, the Company revised its allocation methodology for determining the presentation of certain expenses. The change resulted in facilities expenses, information technology infrastructure and software expenses, and information security infrastructure and software expenses being allocated to all functional departments based on headcount, while the remaining previously allocated costs being recorded within general and administrative expenses. The impact was an increase in general and administrative expenses and a decrease in cost of revenue and other operating expense categories. Accordingly, prior period amounts have been reclassified to conform to the current period presentation in the Company’s consolidated financial statements and the accompanying notes presented herein.

### Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions about future events that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses. Significant items subject to such estimates include, but are not limited to, revenue recognition, the useful lives of property and equipment and intangible assets, accounts receivable and unbilled accounts receivable allowances, valuation allowance for deferred tax assets, stock-based compensation, annual bonus attainment, income tax uncertainties, fair value of convertible senior notes and investments, valuation of goodwill and intangible assets, fair value of acquired assets and assumed liabilities, software development costs to be capitalized, leases, and contingencies. These estimates and assumptions are based on management’s best estimates and judgment. Management regularly evaluates its estimates and assumptions using historical experience and other factors; however, actual results could differ from these estimates.

### Foreign Currency

The functional currency of the Company’s foreign subsidiaries is their respective local currency. The Company translates all assets and liabilities of foreign subsidiaries to U.S. dollars at the current exchange rate as of the applicable balance sheet date. Revenue and expenses are translated at the average exchange rate prevailing during the period in which the transactions occur. The effects of foreign currency translations are recorded in accumulated other comprehensive income (loss) as a separate component of stockholders’ equity in the accompanying consolidated balance sheets. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency of the recording entity are included in other income (expense) in the consolidated statements of operations.

### Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments with remaining maturities of 90 days or less at the date of purchase. Cash equivalents primarily consist of commercial paper and money market funds.

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## Restricted Cash

Unearned acquisition consideration holdback subject to service conditions is held in escrow and considered restricted cash. At July 31, 2023, unearned acquisition consideration holdback of \$2.9 million was included in prepaid expenses and other current assets and \$2.1 million was included in other assets in the consolidated balance sheet.

## Investments

Management determines the appropriate classification of investments at the time of purchase based upon management's intent with regard to such investments. All investments in the periods presented have been classified as available-for-sale.

The Company classifies investments as short-term when they have remaining contractual maturities of one year or less from the balance sheet date, and as long-term when the investments have remaining contractual maturities of more than one year from the balance sheet date. Investments are recorded at fair value with unrealized holding gains and losses, net of taxes, generally included in accumulated other comprehensive income (loss). Unrealized losses related to the credit worthiness of an investment, if any, are recorded in other income (expense), net on the consolidated statements of operations.

## Property, Equipment, and Software Development Costs

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Maintenance and repairs that do not extend the life or improve an asset are expensed in the period incurred.

The estimated useful lives of property and equipment are as follows:

Computer hardware	3 years
Purchased software	3 years
Software development	3 to 5 years
Equipment and machinery	3 to 5 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of 10 years or remaining lease term

Certain development costs related to software delivered to customers ("self-managed software") incurred subsequent to the establishment of technological feasibility are subject to capitalization and amortized over the estimated lives of the related products. Technological feasibility is established upon completion of a working model. Costs incurred subsequent to the establishment of technological feasibility have not been material and, therefore, all software development costs related to self-managed software have been charged to research and development expense in the accompanying consolidated statements of operations as incurred.

The Company capitalizes software development costs for technology applications that provide new or significantly enhanced functionality that the Company will offer solely as a cloud-based subscription. Capitalized costs are primarily comprised of compensation for employees who are directly associated with cloud software development projects. The Company begins to capitalize costs when preliminary development efforts are successfully completed, management has authorized and committed project funding, it is probable that the project will be completed, and the software will be used as intended. If any of these criteria cease being met before the software reaches its intended use, any capitalized costs related to the project will be impaired. When the software reaches its intended use, which is typically once the technology applications are available for general release, capitalized costs are amortized to cost of revenue over the estimated useful lives of the related assets, generally estimated to be three to five years. Costs incurred prior to meeting these capitalization criteria and costs incurred for training and maintenance are recorded as research and development expense in the Company's consolidated statements of operations. Capitalized software development costs are recorded in property and equipment in the Company's consolidated balance sheets.

## Leases

The Company accounts for leases under Accounting Standards Codification Topic 842: Leases ("ASC 842") issued by the Financial Accounting Standards Board. Under ASC 842, the Company determines if an arrangement is a lease at inception of the agreement. If an arrangement is determined to be a lease, an operating lease asset, also known as a right-of-use asset, and lease liability are recorded based on the present value of lease payments over the non-cancellable lease term. In connection with determining the present value of the lease payments, the Company considers only payments that are fixed and determinable at the time of commencement, including non-lease components that are fixed throughout the lease term. Variable components of the lease payments, such as utilities, maintenance, and taxes, are expensed as incurred and not included in determining the present value of the lease

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liability. As the Company's leases generally do not provide an implicit rate, the Company's incremental borrowing rate, calculated based on available information at the lease commencement date, is used in determining the present value of the lease payments. The Company's incremental borrowing rate is a hypothetical rate based on the Company's understanding of its credit rating. The lease term used to calculate the lease liability and operating lease asset includes options to extend or terminate the lease if it is reasonably certain the Company will exercise that option. Operating lease assets also include any lease payments made prior to commencement and are recorded net of any lease incentives received. Lease expense is recognized on a straight-line basis over the lease term and is reflected in the consolidated statements of operations in each of the cost of revenue and operating expense categories.

The Company may also enter into agreements to sublease unoccupied office space. Any sublease payments received in excess of the straight-line rent expense related to the subleased space are recorded as an offset to operating expenses over the sublease term.

Operating leases are included in operating lease assets, other current liabilities, and lease liabilities on the consolidated balance sheets.

### **Impairment of Long-Lived Assets, Intangible Assets, and Goodwill**

The Company evaluates its long-lived assets, consisting of property and equipment, operating lease assets, and intangible assets, for indicators of possible impairment when events or changes in circumstances indicate that the carrying amount of certain assets may not be recoverable. Impairment exists if the carrying amount of such assets exceed the estimates of future net undiscounted cash flows expected to be generated by such assets. Should impairment exist, the impairment loss would be measured based on the excess carrying amount of the assets over the estimated fair value of the assets. There have been no long-lived asset impairments during the periods presented.

The Company tests goodwill for impairment annually, during the fourth quarter of each fiscal year, and in the interim whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company evaluates qualitative factors to determine whether it is more likely than not that the fair value of the Company's single reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the goodwill impairment test. In performing the qualitative assessment, the Company considers events and circumstances, including, but not limited to, macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, changes in management or key personnel, changes in strategy, changes in customers, changes in the composition or carrying amount of a reporting unit's net assets, and changes in the price of the Company's common stock. If, after assessing the totality of events or circumstances, the Company determines that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then the goodwill impairment test is not performed. There have been no goodwill impairments during the periods presented.

### **Convertible Senior Notes**

In March 2018, the Company issued \$400.0 million aggregate principal amount of 1.25% Convertible Senior Notes due 2025 (the "Convertible Senior Notes"). Prior to the adoption of ASU 2020-06 on August 1, 2022, upon the issuance of the Convertible Senior Notes, the Company separated the Convertible Senior Notes into liability and equity components. The carrying amount of the liability component was calculated by measuring the fair value of a similar liability that did not have an associated convertible feature. The carrying amount of the equity component, representing the conversion option, was determined by deducting the fair value of the liability component from the par value of the Convertible Senior Notes as a whole. The difference between the principal amount of the Convertible Senior Notes and the liability component was initially recorded as a debt discount and was amortized as interest expense using the effective interest method over the term of the Convertible Senior Notes. Refer to Recently Adopted Accounting Pronouncements section for the adoption impact of ASU 2020-06.

### **Business Combinations**

The Company uses its best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. Goodwill is calculated as the difference between the acquisition-date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. The Company's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and subject to refinement, and, as a result, actual results may differ from estimates. During the measurement period, which may be up to one year from the acquisition date, if new information is obtained about facts and circumstances that existed as of the acquisition date, the Company may record adjustments to the fair value of these assets and liabilities, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired and liabilities assumed, whichever comes first, subsequent adjustments, if any, are recorded to the Company's consolidated statements of operations.

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## Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash, cash equivalents, investments, accounts receivable, and unbilled accounts receivable. The Company maintains its cash, cash equivalents, and investments with high quality financial institutions. The Company is exposed to credit risk for cash held in financial institutions in the event of a default to the extent that such amounts recorded in the consolidated balance sheets are in excess of amounts that are insured by the Federal Deposit Insurance Corporation.

No customer individually accounted for 10% or more of the Company's revenue for the years ended July 31, 2023, 2022, and 2021. As of July 31, 2023 and July 31, 2022, no customer accounted for 10% or more of the Company's total accounts receivable.

## Accounts Receivable and Allowances

Accounts receivable are recorded at invoiced amounts and do not bear interest. While the Company does not require collateral, the Company performs ongoing credit evaluations of its customers. The Company maintains an allowance for credit losses based upon the expected collectability of its accounts receivable and unbilled accounts receivable. The expectation of collectability is based on historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with delinquent accounts. Credit losses are recorded in general and administrative expense while billing and other revenue adjustments are recorded against the corresponding revenue financial statement line item in the consolidated statements of operations.

## Revenue Recognition

The Company's revenue is derived from contracts with customers. The majority of the Company's revenue is derived from subscriptions to its cloud services, licensing arrangements for its software, and implementation and other professional services arrangements. The Company accounts for revenue in accordance with Accounting Standards Codification 606, Revenue from Contracts with Customers ("ASC 606"). The core principle of ASC 606 is to recognize revenue upon the transfer of services or products to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products.

### *Identification of the contract, or contracts, with the customer*

The Company considers the terms and conditions of written contracts and its customary business practices in identifying its contracts. The Company determines it has a contract with a customer when the contract is approved, the Company can identify each party's rights regarding the services and products to be transferred, the Company can identify the payment terms for the services and products, the Company has determined that the customer has the ability and intent to pay, and the contract has commercial substance. In general, contract terms will be reflected in a written document that is signed by both parties. At contract inception, the Company evaluates whether two or more contracts with the same customer should be combined and accounted for as a single contract. The customer's ability and intent to pay is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, credit and financial information pertaining to the customer.

Contracts may be modified to account for changes in contract scope or price. The Company considers contract modifications to exist when the modification either creates new rights or obligations or changes the existing enforceable rights and obligations of either party. Contract modifications for services and products that are distinct from the existing contract and are priced commensurate with their standalone selling price are treated as separate contracts, and are accounted for prospectively. Contract modifications for services and products that are distinct but are not priced commensurate with their standalone selling price or are not distinct from the existing contract may affect the initial transaction price or the allocation of the transaction price to the performance obligations in the contract. In such cases, recognized revenue may be adjusted.

### *Identification of the performance obligation in the contract*

Performance obligations promised in a contract are identified based on the services or products that will be transferred to the customer that are both:

- i. capable of being distinct, whereby the customer can benefit from the service or product either on its own or together with other resources that are readily available from the Company or third parties, and
- ii. distinct in the context of the contract, whereby the transfer of the services or products is separately identifiable from other promises in the contract.

To the extent a contract includes multiple promised services or products, the Company applies judgment to determine whether promised services or products are capable of being distinct and distinct in the context of the contract. If these criteria are not met, the promised services or products are accounted for as a combined performance obligation.

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The Company generates revenue from the following sources, which represent the performance obligations of the Company:

- i. Subscription services related to the Company's Software-as-a-Service ("SaaS") offerings, including hosting;
- ii. Support activities that consist of email and phone support, bug fixes, and unspecified software updates and upgrades released when, and if, available during the support term;
- iii. Self-managed software licenses related to term or perpetual agreements; and
- iv. Services related to the implementation and configuration of the Company's services and products, reimbursable travel, and training.

Subscriptions are typically sold with a three to five-year initial term with a customer option to renew on an annual basis after the initial term. Term licenses generally have a two-year initial term with a customer option to renew on an annual basis after the initial term. In certain circumstances, the Company will enter into term licenses with an initial term of more than two years or a renewal period longer than one year. Support for term licenses follows the same contract periods. Professional services typically are time and materials contracts that last for an average period of approximately one year.

#### Determination of the transaction price

The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring services and products to the customer. Consideration may vary due to discounts, incentives, and potential service level credits or contractual penalties. Variable consideration is estimated and included in the transaction price if, in the Company's judgment, it is probable that there will not be a significant future reversal of cumulative revenue under the contract.

Self-managed software licenses and subscription services may be subject to either fixed or variable installments. Variable installments are generally subject to changes in a customer's Direct Written Premium ("DWP") or a customer's Gross Written Premium ("GWP"). When consideration is subject to variable installments, the Company estimates variable consideration using the expected value method based on historical DWP or GWP usage to the extent that a significant revenue reversal is not probable to occur.

The Company elected the practical expedient to evaluate whether a significant financing component exists when the contract term is greater than one year and the timing of revenue recognition occurs in advance of invoicing. This timing difference occurs when control of the software license is transferred at a point in time, usually at the contract onset, but the customer payments occur over time. This timing difference can also occur when subscription services have significant ramps in the annual invoice amount over the committed term. A significant financing component generally does not exist under the Company's standard contracting and billing practices. For example, the Company's typical time-based licenses have a two-year initial term with the final payment due at the end of the first year and the Company's typical subscription services are generally billed in advance of providing the services.

#### Allocation of the transaction price to the performance obligations in the contract

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on its standalone selling price ("SSP") in relation to the total fair value of all performance obligations in the arrangement. Some of the Company's performance obligations, such as support, implementation services, and training services, have observable inputs that are used to determine the SSP of those distinct performance obligations. Where SSP is not directly observable, the Company determines the SSP using information that may include market conditions and other observable inputs. In circumstances when available information to determine SSP is highly variable or uncertain, such as for our term licenses, the Company will use the residual method.

The majority of the Company's contracts contain multiple performance obligations, such as when licenses are sold with support, implementation services, or training services. Additionally, as customers enter into subscription agreements to migrate from an existing term license agreement, customers may be under contract for self-managed licenses and support, in addition to subscription services, for a period of time, which may require an allocation of the transaction price to each performance obligation. New and migration subscription agreements also typically include implementation, configuration, and training services, which may require an allocation of the transaction price to each performance obligation.

#### Recognition of revenue when, or as, the Company satisfies a performance obligation

The Company recognizes revenue when control of the services or products is transferred to a customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products. The Company is principally

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responsible for the satisfaction of its distinct performance obligations, which are satisfied either at a point in time or over a period of time.

*Performance obligations satisfied at a point in time*

Self-managed term and perpetual software licenses comprise the majority of distinct performance obligations that are satisfied at a point in time. Revenue is recognized at the point in which the self-managed software licenses are made available to a customer. Consideration for self-managed software licenses is typically billed in advance on an annual basis over the license term, which is generally two years.

*Performance obligations satisfied over a period of time*

Subscriptions, support activities, and professional service arrangements comprise the majority of distinct performance obligations that are satisfied over a period of time.

Revenue from subscription arrangements is recognized ratably over the subscription period using a time-based measure of progress as customers receive the benefits from their subscriptions over the contractually agreed-upon term. The Company's subscription arrangements are generally three to five years in duration. Consideration for subscription arrangements is typically billed in advance on an annual basis over the contract period and the annual billing may ramp over the contract period.

Revenue from support activities associated with self-managed licenses is a stand-ready obligation, which is generally recognized over the contractually agreed-upon term using a time-based measure of progress as customers receive benefits from the availability of support technicians over the support period. Consideration for support activities is typically billed in advance on an annual basis. The Company's support activities are consistently priced as a percentage of the associated self-managed software license.

Revenue from professional service arrangements is recognized over the service period as the underlying services are performed.

In substantially all of the Company's professional service contracts, services are separately identifiable performance obligations for which related revenue and costs are recognized according to when each service obligation is delivered. Substantially all professional services engagements are billed and recognized on a time and materials basis. In select situations, the Company will contract professional services on a fixed fee basis, where the Company generally recognizes services revenue over time, using an input method. The measure of progress of the professional services being provided under these fixed fee arrangements is based on hours incurred compared to estimates of the total hours to complete the performance obligation.

When professional services are sold with a self-managed license or subscription arrangement, the Company evaluates whether the performance obligations are distinct or separately identifiable, or whether they constitute a single performance obligation. In the limited cases where professional services are not considered to be distinct from the self-managed license or subscription services, the Company will recognize revenue based on the nature and term of the combined performance obligation when control of the combined performance obligation is transferred to the customer.

*Balance Sheet Presentation*

Contracts with customers are reflected in the consolidated balance sheets as follows:

- Accounts receivable, net represents amounts billed to customers in accordance with contract terms for which payment has not yet been received. It is presented net of any allowances as part of current assets in the consolidated balance sheets.
  - Unbilled accounts receivable, net represents amounts that are unbilled due to agreed-upon contractual terms in which billing occurs subsequent to revenue recognition. This situation typically occurs when the Company transfers control of self-managed software licenses to customers up-front, but invoices customers annually over the term of the license. Additionally, subscription agreements with ramped billing schedules could result in unbilled accounts receivable in the early years of the committed term. Unbilled accounts receivable is classified as either current or non-current based on the duration of remaining time between the date of the consolidated balance sheets and the anticipated due date of the underlying receivables. Unbilled accounts receivable is evaluated for credit losses based upon the expected collectibility of future accounts receivable, customer payment history, global economic conditions, and ongoing credit evaluations of customers. Unbilled accounts receivable is presented net of allowance for credit losses, if applicable, in the consolidated balance sheets. This balance represents contract assets.
  - Contract costs include customer acquisition costs, which consist primarily of sales commissions and related payroll taxes paid to sales personnel and referral fees paid to third-parties, and costs to fulfill a contract, which consist primarily of royalties payable to third-party software providers that support both the Company's software offerings and
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support services. The short-term portion is presented as prepaid and other current assets. The long-term portion is presented as other assets.

- Deferred costs represent costs related to our professional services that have been deferred to align with revenue recognition. The short-term portion is presented as prepaid and other current assets. The long-term portion is presented as other assets.
- Deferred revenue, net represents amounts that have been invoiced and for which the Company has the right to bill, but that have not been recognized as revenue because the related services or products have not been transferred to the customer. Deferred revenue consists primarily of subscriptions and support services that are billed annually in advance but recognized over time. Deferred revenue that will be realized during the 12-month period following the date of the consolidated balance sheets is recorded as current. The remaining deferred revenue is recorded as non-current. These balances represent contract liabilities.

The Company may receive consideration from its customers in advance of performance on a portion of the contract, thereby creating a contractual liability, and, on another portion of the contract, perform in advance of receiving consideration, thereby creating a contractual asset. Contract assets and liabilities related to rights and obligations in a contract are interdependent. Therefore, contract assets and liabilities are presented net at the contract level, as either a single contract asset or a single contract liability, in the consolidated balance sheets.

Remaining performance obligations represent contracted revenue that has not yet been recognized, which includes deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. The Company excludes amounts related to professional services contracts that are on a time and materials basis from remaining performance obligations.

#### Contract Costs

Contract costs consist of two components: customer acquisition costs and costs to fulfill a contract.

Customer acquisition costs are capitalized only if the costs are incrementally incurred to obtain a customer contract and the expected amortization period is greater than one year. Contract costs are classified as either current or non-current based on the duration of time remaining between the date of the consolidated balance sheets and the anticipated amortization date of the associated costs. Capitalized customer acquisition costs related to software licenses, subscriptions, and support services are amortized over the anticipated period in which the benefit is expected to be received, which the Company estimates to be approximately five years. The amortization of customer acquisition costs is classified as a sales and marketing expense in the consolidated statement of operations.

Costs to fulfill a contract, or fulfillment costs, are only capitalized if they relate directly to a contract with a customer, the costs generate or enhance resources that will be used to satisfy performance obligations in the future, and the costs are expected to be recoverable. Fulfillment costs would be generally amortized over the same period of time as the customer acquisition costs. The amortization of fulfillment costs is classified as a cost of revenue in the consolidated statement of operations.

#### **Warranties**

The Company generally provides a warranty for its software services and products to its customers for periods ranging from three to 12 months. The Company's software products are generally warranted to be free of defects in materials and workmanship under normal use and to substantially perform as described in published documentation. The Company's services are generally warranted to be performed in a professional manner and to materially conform to the specifications set forth in the related customer contract. In the event there is a failure of such warranties, the Company generally will correct the problem or provide a reasonable workaround or replacement product. If the Company cannot correct the problem or provide a workaround or replacement product, then the customer's remedy is generally limited to a refund of the fees paid for the non-conforming products or services. Warranty expense has been insignificant to date.

#### **Advertising Costs**

Advertising costs are expensed as incurred and amounts incurred were \$0.3 million during the year ended July 31, 2023, and were not material during the years ended July 31, 2022 and 2021.

#### **Stock-Based Compensation**

The Company accounts for stock-based compensation using the fair value method, which requires the Company to measure stock-based compensation based on the grant-date fair value of the awards and recognize the compensation expense over the requisite service period. The Company recognizes compensation expense net of actual forfeitures. The Company has granted stock options,

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time-based restricted stock units (“RSUs”) and performance-based restricted stock units (“PSUs”). RSUs and PSUs are collectively referred to as “Stock Awards.”

The fair value of the Company’s RSUs and PSUs is equal to the market value of the Company’s common stock on the date of grant. These awards are subject to time-based vesting, which generally occurs over a period of three to four years. The Company recognizes compensation expense for awards that contain only service conditions on a straight-line basis over the requisite service period, which is generally the vesting period of the respective awards. The Company recognizes the compensation cost for awards that contain performance conditions using the graded vesting method and a portion of the expense may fluctuate depending on changing estimates of the achievement of the performance conditions.

The fair value of the Company’s stock options is estimated at the grant date using the Black-Scholes option-pricing model. Recently granted stock options are subject to time-based vesting, which generally occurs over a period of two years. The Company recognizes compensation expense for stock options that contain only service conditions on a straight-line basis over the requisite service period, which is generally the vesting period of the respective stock options. The inputs used in the Black-Scholes option-pricing model, which are subjective and generally requires significant judgment to determine, include:

*Expected Term* — The expected term represents the period that the stock-based awards are expected to be outstanding. The simplified method calculates the expected term as the average of the time-to-vesting and the contractual life of the options. The Company uses the simplified method to determine its expected term because of its limited history of stock option exercise activity.

*Expected Volatility* — The expected volatility is derived from the historical volatility of the Company’s common stock.

*Risk-Free Interest Rate* — The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero coupon U.S. Treasury notes with maturities approximately equal to the expected term of the options.

*Expected Dividend* — The expected dividend is zero, as the Company has never paid dividends and has no expectations to do so.

## Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statement carrying amounts and tax basis of existing assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. All deferred tax assets and liabilities are classified as non-current on the Company’s consolidated balance sheets. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance against deferred tax assets is recorded when it is more likely than not that some portion or all of such deferred tax assets will not be realized and is based on both positive and negative evidence about the future, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations.

The effective tax rate in any given financial statement period may differ materially from the statutory rate. These differences may be caused by changes in tax regulations and resulting changes in the deferred tax valuation allowance; changes in the mix and level of income or losses; changes in the expected outcome of tax audits; permanent differences for stock-based compensation, including excess tax benefits; research and development credits; the tax rate differences between the United States and foreign countries; foreign withholding taxes; certain non-deductible expenses, including executive compensation; acquisition-related expenses; and provisions under the Tax Cuts and Jobs Act of 2017 (the “Tax Act”), including a provision to tax global intangible low-taxed income of foreign subsidiaries, a special deduction for foreign-derived intangible income, and a base erosion anti-abuse tax that may tax certain payments between a U.S. corporation and its foreign subsidiaries.

The Company records interest and penalties related to unrecognized tax benefits as income tax expense in its consolidated statement of operations.

## Recently Adopted Accounting Pronouncements

### ***Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity***

On August 1, 2022, the Company adopted ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40), Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity, which simplifies the accounting for convertible instruments. In addition, this ASU amends the requirement for calculating diluted earnings per share for convertible instruments by using the “if-converted” method instead of the treasury stock method. The use of the “if-converted” method will not impact the Company’s diluted earnings per share in the periods in which the Company has a net loss.

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The Company adopted the ASU using the modified retrospective transition method, and the prior period consolidated financial statements have not been retrospectively adjusted and continue to be reported under the accounting standards in effect for those periods. As a result of the adoption, the Company accounts for the Convertible Senior Notes as a single liability and no longer separately accounts for the liability and equity components. The adoption of this ASU also resulted in the de-recognition of a deferred tax liability, which represented a basis difference in the face value of the Convertible Senior Notes due to the previous allocation of a portion of the proceeds to the equity component. Additionally, the Company recorded a cumulative adjustment to decrease the beginning balance of the accumulated deficit on August 1, 2022, which represented a reversal of the previously recorded amortization of debt discount through July 31, 2022.

The following table summarizes the adjustments made to the consolidated balance sheet as of August 1, 2022 as a result of applying the modified retrospective adoption method (in thousands):

	Balances reported as of July 31, 2022	Cumulative effect adjustment due to adoption of ASU 2020- 06	Adjusted beginning balance as of August 1, 2022
Deferred tax assets, net	\$ 191,461	\$ 8,944	\$ 200,405
Convertible senior notes, net	\$ (358,216)	\$ (37,253)	\$ (395,469)
Additional paid-in capital	\$ (1,755,476)	\$ 68,003	\$ (1,687,473)
Accumulated deficit	\$ 283,982	\$ (39,694)	\$ 244,288

### Other Accounting Pronouncements

Other recent accounting pronouncements that will be applicable to the Company are not expected to have a material impact on its present or future financial statements.

## 2. Revenue

### Disaggregation of Revenue

Revenue by license or service type is as follows (in thousands):

	Fiscal years ended July 31,		
	2023	2022	2021
Subscription and support			
Subscription	\$ 352,145	\$ 259,232	\$ 168,649
Support	77,522	84,476	83,709
License			
Term license	265,389	258,440	303,309
Perpetual license	204	191	483
Services	210,081	210,275	187,117
Total revenue	\$ 905,341	\$ 812,614	\$ 743,267

Revenue by revenue type and by geography is as follows (in thousands):

**Fiscal year ended July 31, 2023**

	<b>Subscription and support</b>	<b>License</b>	<b>Services</b>	<b>Total</b>
United States	\$ 289,152	\$ 141,465	\$ 143,243	\$ 573,860
Canada	71,039	16,677	17,965	105,681
Other Americas	5,891	3,323	3,090	12,304
Total Americas	366,082	161,465	164,298	691,845
United Kingdom	10,255	23,938	2,733	36,926
Other EMEA	30,406	42,805	32,505	105,716
Total EMEA	40,661	66,743	35,238	142,642
Total APAC	22,924	37,385	10,545	70,854
Total revenue	\$ 429,667	\$ 265,593	\$ 210,081	\$ 905,341

**Fiscal year ended July 31, 2022**

	<b>Subscription and support</b>	<b>License</b>	<b>Services</b>	<b>Total</b>
United States	\$ 229,177	\$ 151,464	\$ 135,783	\$ 516,424
Canada	55,633	17,145	27,232	100,010
Other Americas	4,608	3,094	2,682	10,384
Total Americas	289,418	171,703	165,697	626,818
United Kingdom	9,421	20,740	4,074	34,235
Other EMEA	22,732	32,508	28,944	84,184
Total EMEA	32,153	53,248	33,018	118,419
Total APAC	22,137	33,680	11,560	67,377
Total revenue	\$ 343,708	\$ 258,631	\$ 210,275	\$ 812,614

**Fiscal year ended July 31, 2021**

	<b>Subscription and support</b>	<b>License</b>	<b>Services</b>	<b>Total</b>
United States	\$ 167,920	\$ 180,742	\$ 123,498	\$ 472,160
Canada	35,465	26,214	13,464	75,143
Other Americas	4,234	4,651	5,307	14,192
Total Americas	207,619	211,607	142,269	561,495
United Kingdom	6,911	21,032	4,333	32,276
Other EMEA	20,449	39,553	29,574	89,576
Total EMEA	27,360	60,585	33,907	121,852
Total APAC	17,379	31,600	10,941	59,920
Total revenue	\$ 252,358	\$ 303,792	\$ 187,117	\$ 743,267

No country or region other than those listed above accounted for more than 10% of revenue during the years ended July 31, 2023, 2022, and 2021.

**Customer Contract – Related Balance Sheet Amounts**

Amounts related to customer contract-related arrangements are included on the consolidated balance sheets as follows (in thousands):

	<b>July 31, 2023</b>	<b>July 31, 2022</b>
Unbilled accounts receivable, net	\$ 98,864	\$ 85,429
Contract costs, net	\$ 47,254	\$ 44,235
Deferred revenue, net	\$ 212,911	\$ 178,276

*Unbilled accounts receivable*

The unbilled accounts receivable, net increased by \$13.4 million primarily due to cloud subscription orders with ramped billing schedules, partially offset by the impact of current year billings on multi-year term license arrangements.

As of July 31, 2023 and 2022, there was no allowance for credit losses associated with unbilled accounts receivable.

#### *Contract costs*

The current portion of contract costs of \$15.9 million and \$14.8 million is included in prepaid and other current assets on the Company's consolidated balance sheets as of July 31, 2023 and 2022, respectively. The non-current portion of contract costs of \$31.3 million and \$29.4 million is included in other assets on the Company's consolidated balance sheets as of July 31, 2023 and 2022, respectively. The Company amortized \$18.0 million, \$14.5 million, and \$11.4 million of contract costs during the fiscal years ended July 31, 2023, 2022, and 2021 respectively.

#### *Deferred revenue*

During the fiscal year ended July 31, 2023, the Company recognized revenue of \$167.3 million related to the Company's deferred revenue balance as of July 31, 2022.

#### **Remaining Performance Obligations**

The aggregate amount of consideration allocated to remaining performance obligations either not satisfied or partially satisfied, was approximately \$1.5 billion as of July 31, 2023. Subscription services are typically satisfied over three to five years, support services are generally satisfied within one year, and professional services are typically satisfied within one year. Professional services under time and material contracts are not included in the remaining performance obligations calculation as these arrangements can be cancelled at any time.

### **3. Fair Value of Financial Instruments**

Available-for-sale investments within cash equivalents and investments consist of the following (in thousands):

	July 31, 2023			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. Government agency securities	\$ 84,180	\$ 9	\$ (151)	\$ 84,038
Commercial paper	150,254	—	—	150,254
Corporate bonds	200,691	41	(1,590)	199,142
U.S. Government bonds	87,064	1	(1,230)	85,835
Asset-backed securities	43,573	18	(234)	43,357
Foreign government bonds	14,559	—	(203)	14,356
Certificates of deposit	34,395	—	—	34,395
Money market funds	229,721	—	—	229,721
Total	\$ 844,437	\$ 69	\$ (3,408)	\$ 841,098

	July 31, 2022			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. Government agency securities	\$ 37,572	\$ —	\$ (586)	\$ 36,986
Commercial paper	197,998	—	—	197,998
Corporate bonds	320,474	8	(4,880)	315,602
U.S. Government bonds	47,014	—	(1,312)	45,702
Asset-backed securities	54,782	—	(611)	54,171
Foreign government bonds	15,109	—	(361)	14,748
Municipal bonds	205	—	—	205
Certificates of deposit	43,715	—	—	43,715
Money market funds	349,492	—	—	349,492
Total	<u>\$ 1,066,361</u>	<u>\$ 8</u>	<u>\$ (7,750)</u>	<u>\$ 1,058,619</u>

The Company does not consider any portion of the unrealized losses at July 31, 2023 to be credit losses. The Company has recorded the securities at fair value in its consolidated balance sheets, with unrealized gains and losses reported as a component of accumulated other comprehensive income (loss). The amount of unrealized gains and losses reclassified into earnings are based on the specific identification of the securities sold. The realized gains and losses from sales of securities are presented in the consolidated statements of comprehensive income (loss).

The following table summarizes the contractual maturities of the Company's available-for-sale investments measured at fair value (in thousands):

	July 31, 2023		
	Less Than 12 Months	12 months or greater	Total
U.S. Government agency securities	\$ 77,579	\$ 6,459	\$ 84,038
Commercial paper	150,254	—	150,254
Corporate bonds	156,396	42,746	199,142
U.S. Government bonds	50,549	35,286	85,835
Asset-backed securities	2,705	40,652	43,357
Foreign government bonds	10,717	3,639	14,356
Certificates of deposit	34,395	—	34,395
Money market funds	229,721	—	229,721
Total	<u>\$ 712,316</u>	<u>\$ 128,782</u>	<u>\$ 841,098</u>

#### ***Fair Value Measurement***

Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company applies the three-level valuation hierarchy when measuring the fair value of certain assets and liabilities:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2—Inputs other than quoted prices included within Level 1 that are observable, unadjusted quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; and

Level 3—Unobservable inputs that are supported by little or no market activity, which require the Company to develop its own assumptions.

*Available-for-sale investments*

The following tables summarize the Company's available-for-sale investments measured at fair value, by level within the fair value hierarchy (in thousands):

	July 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Cash equivalents:</b>				
U.S. Government agency securities	\$ —	\$ 8,478	\$ —	\$ 8,478
Commercial paper	—	61,296	—	61,296
U.S. Government bonds	—	15,949	—	15,949
Money market funds	229,721	—	—	229,721
<b>Total cash equivalents</b>	<b>229,721</b>	<b>85,723</b>	<b>—</b>	<b>315,444</b>
<b>Short-term investments:</b>				
U.S. Government agency securities	—	69,101	—	69,101
Commercial paper	—	88,958	—	88,958
Corporate bonds	—	156,396	—	156,396
U.S. Government bonds	—	34,600	—	34,600
Asset-backed securities	—	2,705	—	2,705
Foreign government bonds	—	10,717	—	10,717
Certificates of deposit	—	34,395	—	34,395
<b>Total short-term investments</b>	<b>—</b>	<b>396,872</b>	<b>—</b>	<b>396,872</b>
<b>Long-term investments:</b>				
U.S. Government agency securities	—	6,459	—	6,459
Corporate bonds	—	42,746	—	42,746
U.S. Government bonds	—	35,286	—	35,286
Asset-backed securities	—	40,652	—	40,652
Foreign government bonds	—	3,639	—	3,639
<b>Total long-term investments</b>	<b>—</b>	<b>128,782</b>	<b>—</b>	<b>128,782</b>
<b>Total</b>	<b>\$ 229,721</b>	<b>\$ 611,377</b>	<b>\$ —</b>	<b>\$ 841,098</b>

	July 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Cash equivalents:</b>				
U.S. Government agency securities	\$ —	\$ 10,000	\$ —	\$ 10,000
Commercial paper	—	132,066	—	132,066
Certificates of deposit	—	9,689	—	9,689
Money market funds	349,492	—	—	349,492
<b>Total cash equivalents</b>	349,492	151,755	—	501,247
<b>Short-term investments:</b>				
U.S. Government agency securities	—	26,986	—	26,986
Commercial paper	—	65,932	—	65,932
Corporate bonds	—	203,960	—	203,960
U.S. Government bonds	—	25,429	—	25,429
Asset-backed securities	—	8,627	—	8,627
Foreign government bonds	—	4,700	—	4,700
Municipal bonds	—	205	—	205
Certificates of deposit	—	34,026	—	34,026
<b>Total short-term investments</b>	—	369,865	—	369,865
<b>Long-term investments:</b>				
Corporate bonds	—	111,642	—	111,642
U.S. Government bonds	—	20,273	—	20,273
Asset-backed securities	—	45,544	—	45,544
Foreign government bonds	—	10,048	—	10,048
<b>Total long-term investments</b>	—	187,507	—	187,507
<b>Total</b>	<b>\$ 349,492</b>	<b>\$ 709,127</b>	<b>\$ —</b>	<b>\$ 1,058,619</b>

#### *Convertible Senior Notes*

The fair value of the Convertible Senior Notes was \$388.2 million and \$387.6 million at July 31, 2023 and 2022, respectively. The Company estimates the fair value of the Convertible Senior Notes using commonly accepted valuation methodologies and market-based risk measurements that are directly observable, such as unadjusted quoted prices in markets that are not active (Level 2). The Company carries the Convertible Senior Notes at initial fair value less unamortized debt discount and issuance costs on its consolidated balance sheets. For further information on the Convertible Senior Notes, see Note 7.

#### **4. Acquisitions**

On August 18, 2021, the Company completed its acquisition of HazardHub, Inc. (“HazardHub”) for net cash consideration of approximately \$53 million, subject to customary transaction adjustments, including \$8.2 million of acquisition consideration holdback subject to service conditions over three years. The unearned holdback amount is held in escrow and considered restricted cash. HazardHub provides property risk insights to the property and casualty insurance industry through curation, analysis, and distillation of vast amounts of data to deliver a comprehensive, national catalog of risks that may damage or destroy property. The acquisition was accounted for as a business combination.

In conjunction with the purchase price allocation, the Company determined that HazardHub's separately identifiable intangible assets were acquired technology, customer relationships, and trademarks. The valuation models were based on estimates of future operating projections of HazardHub and rights to sell new products containing the acquired technology, as well as judgments on the discount rates used and other variables. The Company developed forecasts based on a number of factors, including future revenue and operating cost projections, a discount rate that is representative of the weighted average cost of capital, and royalty and long-term sustainable growth rates based on a market analysis. These fair value measurements were based on significant inputs that were not observable in the market and thus represents a Level 3 measurement. The Company amortizes the acquired intangibles over their estimated useful lives as set forth in the table below.

The measurement period ended on August 17, 2022, and the final allocation of the purchase consideration is as follows:

	<b>Purchase Price Allocation</b> <b>(in thousands)</b>	<b>Estimated Useful Lives</b> <b>(in years)</b>
Acquired assets, net of assumed liabilities	\$ 176	
Acquired technology	9,700	5
Customer relationships	5,100	5
Trademarks	900	7
Goodwill	31,337	
Deferred tax liability	(2,882)	
<b>Total purchase consideration</b>	<b>\$ 44,331</b>	

Goodwill of \$31.3 million arising from the acquisition is primarily related to the acquired workforce, expected synergies, and the opportunity to sell into and expand the Company's customer base. The goodwill recorded is not expected to be deductible for income tax purposes.

Pro forma and historical financial information has not been provided as the acquisition was not material to the consolidated financial statements.

## 5. Balance Sheet Components

### *Accounts Receivables, Net*

Accounts receivable, net consists of the following (in thousands):

	July 31, 2023	July 31, 2022
Accounts receivable	\$ 151,252	\$ 144,156
Allowance for credit losses and revenue reserves	(218)	(359)
Accounts receivable, net	<u>\$ 151,034</u>	<u>\$ 143,797</u>

### *Allowance for Credit Losses and Revenue Reserves*

Changes to the allowance for credit losses and revenue reserves consists of the following (in thousands):

Balance as of July 31, 2022	\$ 359
Net changes to credit losses	—
Net changes to revenue reserves	(131)
Write-offs, net	(10)
Balance as of July 31, 2023	<u>\$ 218</u>

### *Prepaid Expenses and Other Current Assets*

Prepaid expenses and other current assets consist of the following (in thousands):

	July 31, 2023	July 31, 2022
Prepaid expenses	\$ 21,761	\$ 24,273
Contract costs	15,918	14,843
Deferred costs	6,753	9,969
Deposits and other receivables	17,700	12,138
Prepaid expenses and other current assets	<u>\$ 62,132</u>	<u>\$ 61,223</u>

### *Property and Equipment, Net*

Property and equipment consist of the following (in thousands):

	July 31, 2023	July 31, 2022
Computer hardware	\$ 13,880	\$ 14,472
Purchased software	4,671	5,124
Capitalized software development costs	52,163	38,724
Equipment and machinery	3,432	8,248
Furniture and fixtures	6,302	11,467
Leasehold improvements	23,110	59,059
Total property and equipment	103,558	137,094
Less accumulated depreciation	(49,059)	(56,354)
Property and equipment, net	\$ 54,499	\$ 80,740

As of July 31, 2023 and 2022, no property and equipment was pledged as collateral. Depreciation expense, excluding the amortization of capitalized software development costs, was \$36.3 million, \$14.0 million and \$14.0 million for the fiscal years ended July 31, 2023, 2022, and 2021, respectively. Depreciation expense for the fiscal year ended July 31, 2023 includes \$26.9 million of accelerated depreciation expense, recorded from the date the lease was assigned through the date that the lease term ended related to the assignment to an unrelated third party of the Company's previous office headquarters, which was recognized in general and administrative expenses on the consolidated statements of operations. Refer to Note 8 "Leases" for information about the lease assignment of the previous office headquarters.

The Company recognized amortization of capitalized software development costs in cost of subscription and support revenue on the consolidated statements of operations of \$9.9 million, \$6.3 million and \$3.4 million during the fiscal years ended July 31, 2023, 2022, and 2021 respectively.

#### **Goodwill and Intangible Assets, Net**

There were no significant changes in the carrying amount of goodwill from July 31, 2022 to July 31, 2023.

The Company's intangible assets are amortized over their estimated useful lives. Intangible assets consist of the following (in thousands):

	Remaining Weighted-Average Useful Life (in years)	July 31, 2023			July 31, 2022		
		Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Acquired technology	3.1	\$ 9,700	\$ 3,786	\$ 5,914	\$ 38,100	\$ 28,826	\$ 9,274
Customer contracts and related relationships	2.6	23,100	15,674	7,426	23,100	12,653	10,447
Partner relationships	1.7	200	163	37	200	141	59
Trademarks	3.5	3,400	2,304	1,096	3,400	1,819	1,581
Total	2.9	\$ 36,400	\$ 21,927	\$ 14,473	\$ 64,800	\$ 43,439	\$ 21,361

Amortization expense was \$6.9 million, \$14.1 million, and \$20.0 million during the years ended July 31, 2023, 2022, and 2021, respectively. The future amortization expense for existing intangible assets as of July 31, 2023, based on their current useful lives, is as follows (in thousands):

Fiscal year ending July 31,		
2024	\$	5,468
2025		5,026
2026		3,572
2027		272
2028		129
Thereafter		6
Total future amortization expense	\$	14,473

### **Other Assets**

Other assets consist of the following (in thousands):

	July 31, 2023	July 31, 2022
Prepaid expenses	\$ 3,111	\$ 3,085
Contract costs	31,337	29,392
Deferred costs	3,664	1,256
Strategic equity investments	27,772	18,023
Other	2,073	4,976
Other assets	\$ 67,957	\$ 56,732

The Company's other assets include strategic equity investments in privately-held companies in which the Company does not have a controlling interest or the ability to exert significant influence. The strategic investments consist of non-marketable equity securities that do not have readily determinable market values (Level 3). The Company records these strategic investments at cost less impairment and adjusts cost for subsequent observable changes in fair value. The Company invested \$10.8 million and \$12.3 million in new strategic equity investments during the fiscal year ended July 31, 2023 and 2022, respectively. An impairment charge of \$0.8 million was recognized related to a strategic equity investment during the fiscal year ended July 31, 2023. No impairment charge related to strategic equity investments was recognized during the fiscal year ended July 31, 2022.

### **Accrued Employee Compensation**

Accrued employee compensation consists of the following (in thousands):

	July 31, 2023	July 31, 2022
Bonus	\$ 64,048	\$ 55,206
Commission	10,108	6,247
Vacation	6,429	5,728
Salaries, payroll taxes, and benefits	23,395	23,781
Accrued employee compensation	\$ 103,980	\$ 90,962

### **Other Current Liabilities**

Other current liabilities consist of the following (in thousands):

	July 31, 2023	July 31, 2022
Lease liabilities	\$ 8,433	\$ 12,238
Accrued royalties	6,301	10,575
Accrued taxes	4,158	6,566
Other	8,839	5,961
Other current liabilities	\$ 27,731	\$ 35,340

**6. Net Income (Loss) Per Share**

The Company calculates basic earnings per share by dividing the net income (loss) by the weighted average number of shares of common stock outstanding for the period. For options to purchase common stock and Stock Awards, the Company uses the treasury stock method for calculating diluted earnings per share in all periods presented. Effective August 1, 2022, the Company adopted ASU 2020-06 which requires the use of the if-converted method for the Convertible Senior Notes. During fiscal years 2022 and 2021, the Company used the treasury stock method for the Convertible Senior Notes.

The following table sets forth the computation of the Company's basic and diluted net income (loss) per share for the fiscal years ended July 31, 2023, 2022, and 2021 (in thousands, except share and per share amounts):

	Fiscal years ended July 31,		
	2023	2022	2021
<b>Numerator:</b>			
Net income (loss)	\$ (111,855)	\$ (180,431)	\$ (66,507)
<b>Net income (loss) per share:</b>			
Basic and diluted	\$ (1.36)	\$ (2.16)	\$ (0.79)
<b>Denominator:</b>			
Weighted average shares used in computing net income (loss) per share:			
Basic and diluted	82,176,629	83,569,517	83,577,375

The following weighted average shares of potential common stock were excluded from the computation of diluted net income (loss) per share for the periods presented because including them would have been anti-dilutive:

	Fiscal years ended July 31,		
	2023	2022	2021
Stock options	11,978	24,206	37,980
Stock awards	2,352,203	1,836,455	2,737,597
Convertible senior notes	3,516,480	33,417	52,430

Except for the first quarter in fiscal year 2022 and the second quarter in fiscal year 2021, the average market price of the Company's common stock did not exceed the conversion price using the treasury stock method. In fiscal year 2023, the average market price of the Company's common stock did not exceed the conversion price using the if-converted method.

## 7. Convertible Senior Notes

In March 2018, the Company offered and sold \$400.0 million aggregate principal amount of its 1.25% Convertible Senior Notes due 2025. The Convertible Senior Notes were issued in accordance with the Indenture, dated as of March 13, 2018, between the Company and U.S. Bank National Association, as trustee (the “Trustee”) (the “Base Indenture”), as amended and supplemented by the First Supplemental Indenture, dated as of March 13, 2018, between the Company and the Trustee (together with the Base Indenture, the “Indenture”). The net proceeds from the issuance of the Convertible Senior Notes were \$387.2 million, after deducting issuance costs.

The Convertible Senior Notes are unsecured obligations of the Company with interest payable semi-annually in arrears at a rate of 1.25% per year, on March 15th and September 15th of each year. The Convertible Senior Notes will mature on March 15, 2025 unless repurchased, redeemed, or converted prior to such date. Prior to the close of business on the business day immediately preceding October 15, 2024, the Convertible Senior Notes are convertible at the option of holders during certain periods, upon satisfaction of certain conditions. On or after October 15, 2024, the Convertible Senior Notes are convertible at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. The Convertible Senior Notes will have an initial conversion rate of 8.7912 shares of common stock per \$1,000 principal (equivalent to an initial conversion price of approximately \$113.75 per share of the Company’s common stock). The conversion rate is subject to customary adjustments upon the occurrence of certain events but will not be adjusted for any accrued and unpaid interest. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of its common stock or a combination of cash and shares of its common stock, at its election.

The Company may redeem the Convertible Senior Notes, at its option, on or after March 20, 2022, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest if the last reported sale price of the Company’s common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including at least one of the three trading days immediately preceding the date on which the Company provides notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. No sinking fund is provided for the Convertible Senior Notes. Upon the occurrence of a fundamental change (as defined in the Indenture) prior to the maturity date, holders may require the Company to repurchase all or a portion of the Convertible Senior Notes for cash at a price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The Convertible Senior Notes rank senior in right of payment to any of the Company’s indebtedness that is expressly subordinated in right of payment to the Convertible Senior Notes, and equal in right of payment to any of its indebtedness that is not so subordinated. The Convertible Senior Notes are effectively junior in right of payment to any of the Company’s secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) and any preferred equity of its current or future subsidiaries.

The net carrying value of the liability component, unamortized debt discount, and unamortized debt issuance costs of the Convertible Senior Notes was as follows (in thousands):

	July 31, 2023	July 31, 2022
Principal	\$ 400,000	\$ 400,000
Less unamortized:		
Debt discount <sup>(1)</sup>	—	37,253
Debt issuance costs	2,829	4,531
Net carrying amount	<u>\$ 397,171</u>	<u>\$ 358,216</u>

<sup>(1)</sup> Effective August 1, 2022, the Company adopted ASU 2020-06 using the modified retrospective method which resulted in the accounting for the Convertible Senior Notes as a single liability and no longer required the liability and equity components to be accounted for separately. The prior periods have not been retrospectively adjusted and continue to be reported under the accounting standards in effect for each respective period.

The effective interest rate of the Convertible Senior Notes after the adoption of ASU 2020-06 on August 1, 2022 is 1.69%. Prior to the adoption of ASU 2020-06, the effective interest rate of the Convertible Senior Notes was 5.53%.

The following table sets forth the interest expense recognized related to the Convertible Senior Notes (in thousands):

	Fiscal years ended July 31,		
	2023	2022	2021
Contractual interest expense	\$ 5,000	\$ 5,000	\$ 5,000
Amortization of debt discount <sup>(1)</sup>	—	12,945	12,310
Amortization of debt issuance costs	1,703	1,446	1,307
Total	<u>\$ 6,703</u>	<u>\$ 19,391</u>	<u>\$ 18,617</u>

<sup>(1)</sup> Effective August 1, 2022, the Company adopted ASU 2020-06 using the modified retrospective method which resulted in the accounting for the Convertible Senior Notes as a single liability and no longer required the liability and equity components to be accounted for separately. The prior periods have not been retrospectively adjusted and continue to be reported under the accounting standards in effect for each respective period.

As of July 31, 2023, the if-converted value did not exceed the outstanding principal of the Convertible Senior Notes.

### ***Capped Call***

In March 2018, the Company paid \$37.2 million to purchase capped calls with certain financial institutions pursuant to capped call confirmations (the “Capped Calls”). The Capped Calls have an initial strike price of \$113.75 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Convertible Senior Notes. The Capped Calls have initial cap prices of \$153.13 per share, subject to certain adjustments. The Capped Calls cover, subject to anti-dilution adjustments, 3.5 million shares of common stock. By entering into the Capped Calls, the Company expects to reduce the potential dilution to its common stock (or, in the event the conversion is settled in cash, to reduce its cash payment obligation) in the event that at the time of conversion its stock price exceeds the conversion price under the Convertible Senior Notes. The Capped Calls are subject to either adjustment or termination upon the occurrence of specified extraordinary events affecting the Company, including a merger event, tender offer, and a nationalization, insolvency, or delisting involving the Company. Additionally, the Capped Calls are subject to certain specified additional disruption events that may give rise to a termination of the Capped Calls, including change in law, insolvency filing, and hedging disruptions. The Capped Calls were recorded in the period purchased as a reduction of the Company’s additional paid-in capital in the accompanying consolidated balance sheets.

### **8. Leases**

The Company’s lease obligations consist of operating leases for office facilities and equipment, with lease periods expiring through fiscal year 2032. Some leases include one or more options to renew. Lease renewals are not assumed in the determination of the lease term until the exercise of the renewal option is deemed to be reasonably certain.

In February 2023, the Company assigned (“the Lease Assignment”) the remaining lease term of its previous headquarters and concurrently entered into a sublease for office space in San Mateo, California with the same third party for its new worldwide headquarters. As a result of the Lease Assignment, the Company recognized an \$8.5 million loss in general and administrative operating expenses during the fiscal year ended July 31, 2023 on the consolidated statements of operations. The loss is comprised of an \$18.4 million gain from the de-recognition of the operating lease asset of \$56.9 million, the de-recognition of the lease liability of \$75.5 million, and other expenses related to the Lease Assignment of \$0.2 million, offset by accelerated depreciation expense related to property and equipment, primarily consisting of leasehold improvements, at the previous headquarters of \$26.9 million. In fiscal year 2023 upon lease commencement of the new worldwide headquarters, the Company recognized a \$27.1 million operating lease asset and \$19.6 million lease liability.

Components of operating lease costs were as follows (in thousands):

	Fiscal years ended July 31,		
	2023	2022	2021
Operating lease costs <sup>(1)</sup>	\$ 12,192	\$ 15,992	\$ 17,614
Variable lease costs	4,353	5,496	5,017
Sublease income	(898)	(1,451)	(1,587)
Net operating lease costs	<u>\$ 15,647</u>	<u>\$ 20,037</u>	<u>\$ 21,044</u>

<sup>(1)</sup> Lease expense for leases with an initial term of 12 months or less is excluded from the table above and was \$0.9 million in each of the fiscal years ended July 31, 2023, 2022, and 2021, respectively.

Future operating lease payments as of July 31, 2023 were as follows (in thousands):

Fiscal year ending July 31,		
2024	\$	10,281
2025		10,980
2026		10,679
2027		9,584
2028		3,678
Thereafter		12,296
Total future lease payments		57,498
Less imputed interest		(6,093)
Total lease liability balance	\$	51,405

Supplemental information related to leases was as follows (in thousands, except for lease term and discount rate):

	As of July 31,	
	2023	2022
Operating lease assets	\$ 52,373	\$ 90,287
Current portion of lease liabilities	8,433	12,238
Non-current portion of lease liabilities	42,972	105,123
Total lease liabilities	\$ 51,405	\$ 117,361
Weighted average remaining lease term (years)	6.17	7.65
Weighted average discount rate	3.92 %	4.00 %

The Lease Assignment executed in February 2023 resulted in a reduction of the associated operating lease assets and lease liabilities as described above.

Supplemental cash and non-cash information related to operating leases was as follows (in thousands):

	Fiscal years ended July 31,		
	2023	2022	2021
Cash payments for operating leases	\$ 12,569	\$ 19,120	\$ 17,837
Operating lease assets obtained in exchange for operating lease liabilities	\$ (36,981)	\$ 5,867	\$ 6,503

## 9. Commitments and Contingencies

The Company's contractual obligations and commitments as of July 31, 2023 are as follows (in thousands):

Fiscal Year Ending July 31,	Purchase Commitments <sup>(1)</sup>	Long Term Debt <sup>(2)</sup>	Total
	2024	\$ 170,027	\$ 5,000
2025	136,936	405,000	541,936
2026	137,356	—	137,356
2027	139,302	—	139,302
2028	34,712	—	34,712
Thereafter	—	—	—
Total	\$ 618,333	\$ 410,000	\$ 1,028,333

<sup>(1)</sup> Purchase commitments represent royalty obligations and commitments to purchase goods and services, entered into in the ordinary course of business, for which a penalty could be imposed if the agreement was cancelled for any reason other than an event of default as described by the agreement. During fiscal year 2023, the Company entered into an agreement with a cloud infrastructure services provider for a total obligation of \$600 million over a five-year period. Purchase commitments do not include lease obligations (refer to Note 8).

<sup>(2)</sup> Long-term debt consists of principal and interest payments on the Company's Convertible Senior Notes. The \$400 million in principal will be due in March 2025.

### ***Legal Proceedings***

From time to time, the Company is involved in various legal proceedings and receives claims, arising from the normal course of business activities. The Company has not recorded any accrual for claims as of July 31, 2023 and 2022, respectively. The Company has not accrued for estimated losses in the accompanying consolidated financial statements as the Company has determined that no provision for liability nor disclosure is required related to any claim against the Company because: (a) there is not a reasonable possibility that a loss exceeding amounts already recognized (if any) may be incurred with respect to such claim; (b) a reasonably possible loss or range of loss cannot be estimated; or (c) such estimate is immaterial. The Company expenses legal fees in the period in which they are incurred.

### ***Indemnification***

The Company sells software licenses and services to its customers under Software License Agreements ("SLA") and Software Subscription Agreements ("SSA"). SLAs and SSAs contain the terms of the contractual arrangement with the customer and generally include certain provisions for defending the customer against any claims that the Company's software infringes upon a patent, copyright, trademark, or other proprietary right of a third party. SLAs and SSAs also generally indemnify the customer against judgments, settlements, fines, penalties, costs, and expenses resulting from a claim ("Losses") against the customer in the event the Company's software is found to infringe upon such third-party rights.

The Company has not had to reimburse any of its customers for Losses related to indemnification provisions and no material claims against the Company were outstanding as of July 31, 2023 and 2022. For several reasons, including the lack of prior indemnification claims and the lack of a monetary liability limit for certain infringement cases under various SLAs and SSAs, the Company cannot estimate the amount of potential future payments, if any, related to indemnification provisions.

The Company has also agreed to indemnify its directors and executive officers for costs associated with any fees, expenses, judgments, fines, and settlement amounts incurred by any of these persons in any action or proceeding to which any of these persons is, or is threatened to be, made a party by reason of the person's service as a director or officer, including any action by the Company, arising out of that person's services as the Company's director or officer or that person's services provided to any other company or enterprise at the Company's request. The Company maintains director and officer insurance coverage that may enable the Company to recover a portion of any future amounts paid.

## **10. Stock-Based Compensation Expense and Shareholders' Equity**

### ***Stock-Based Compensation Expense***

Stock-based compensation expense related to stock options and Stock Awards is included in the Company's consolidated statements of operations as follows (in thousands):

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	Fiscal years ended July 31,		
	2023	2022	2021
Stock-based compensation expense	\$ 143,566	\$ 138,156	\$ 116,222
Net impact of deferred stock-based compensation	(724)	(1,145)	(1,213)
Total stock-based compensation expense	<u>\$ 142,842</u>	<u>\$ 137,011</u>	<u>\$ 115,009</u>

Stock-based compensation expense is included in the following categories:

Cost of subscription and support revenue	\$ 14,073	\$ 13,222	\$ 10,243
Cost of license revenue	463	692	770
Cost of services revenue	19,257	20,978	20,213
Research and development	39,865	33,446	27,452
Sales and marketing	29,925	31,281	24,617
General and administrative	39,259	37,392	31,714
Total stock-based compensation expense	<u>142,842</u>	<u>137,011</u>	<u>115,009</u>
Tax benefit from stock-based compensation	22,566	26,151	31,891
Total stock-based compensation, net of tax effect	<u>\$ 120,276</u>	<u>\$ 110,860</u>	<u>\$ 83,118</u>

Total unrecognized stock-based compensation expense related to the Company's stock options and Stock Awards as of July 31, 2023 is as follows:

	Unrecognized Expense (in thousands)	Weighted Average Expected Recognition Period (in years)
Stock Options	\$ 2,512	1.1
Stock Awards	250,410	2.4
Total unrecognized stock-based compensation expense	<u>\$ 252,922</u>	

**Stock Awards**

A summary of the Company's Stock Awards activity under the Company's equity incentive plans is as follows:

	Stock Awards Outstanding		
	Number of Stock Awards	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value <sup>(1)</sup> (in thousands)
Balance as of July 31, 2020	2,445,698	\$ 99.34	\$ 287,761
Granted	1,429,325	\$ 111.22	
Released	(1,167,291)	\$ 96.83	\$ 131,188
Canceled	(312,764)	\$ 103.22	
Balance as of July 31, 2021	2,394,968	\$ 107.15	\$ 275,900
Granted	1,942,391	\$ 112.83	
Released	(1,202,125)	\$ 107.29	\$ 118,669
Canceled	(349,881)	\$ 111.80	
Balance as of July 31, 2022	2,785,353	\$ 110.47	\$ 216,478
Granted	2,287,778	\$ 66.36	
Released	(1,391,162)	\$ 100.92	\$ 97,324
Canceled	(267,263)	\$ 99.31	
Balance as of July 31, 2023	3,414,706	\$ 85.68	\$ 289,635
Expected to vest as of July 31, 2023	3,414,706	\$ 85.68	\$ 289,635

<sup>(1)</sup>Aggregate intrinsic value at each period end represents the total market value of Stock Awards at the Company's closing stock price of \$84.82, \$77.72, and \$115.20 on July 31, 2023, 2022, and 2021, respectively. Aggregate intrinsic value for released Stock Awards represents the total market value of released Stock Awards at date of release.

Certain executives and employees of the Company received PSUs in addition to RSUs. PSUs awarded will vest over three years with 50% vesting annually over the three year period and the remaining 50% vesting at the end of the third year. The Company recognized stock-based compensation related to these performance-based stock awards of \$15.0 million, \$14.7 million, and \$13.9 million in fiscal years 2023, 2022, and 2021, respectively.

### Stock Options

A summary of stock option activity under the Company's equity incentive plans is as follows:

	Number of Stock Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value <sup>(1)</sup> (in thousands)
Balance as of July 31, 2020	80,332	\$ 29.80	5.2	\$ 7,058
Granted	—	\$ —		
Exercised	(53,932)	\$ 36.00		\$ 3,986
Canceled	(1,122)	\$ 11.24		
Balance as of July 31, 2021	25,278	\$ 17.39	5.0	\$ 2,472
Granted	60,900	\$ 71.67		
Exercised	(10,472)	\$ 11.10		\$ 1,047
Canceled	—	\$ —		
Balance as of July 31, 2022	75,706	\$ 61.93	8.7	\$ 1,196
Granted	121,168	\$ 66.76		
Exercised	(6,582)	\$ 34.60		\$ 255
Canceled	(2,720)	\$ 69.60		
Balance as of July 31, 2023	187,572	\$ 65.90	8.8	\$ 3,549
Vested and expected to vest as of July 31, 2023	187,572	\$ 65.90	8.8	\$ 3,549
Exercisable as of July 31, 2023	8,224	\$ 11.64	3.5	\$ 602

<sup>(1)</sup>Aggregate intrinsic value at each fiscal year end represents the difference between the Company's closing stock price of \$84.82, \$77.72, and \$115.20 on July 31, 2023, 2022, and 2021, respectively, and the exercise price of outstanding stock options. Aggregate intrinsic value for exercised options represents the difference between the Company's stock price at date of exercise and the exercise price.

### Valuation of Awards

#### Stock Options

The fair value of the stock options is estimated at the grant date using the Black-Scholes option-pricing model, which included the following assumptions:

	Fiscal year ended July 31,	
	2023	2022
Expected term (in years)	6.00	6.00
Risk-free interest rate	2.89% - 4.20%	3.04% - 3.55%
Expected volatility	32.14% - 33.05%	31.75% - 31.94%
Expected dividend yield	—%	—%

There were no stock options granted during fiscal year 2021.

### Common Stock Reserved for Issuance

As of July 31, 2023 and 2022, the Company was authorized to issue 500,000,000 shares of common stock with a par value of \$0.0001 per share and, of these, 81,440,669 and 84,084,209 shares of common stock were issued and outstanding, respectively. As of July 31, 2023 and 2022, the Company had reserved shares of common stock for future issuance as follows:

	July 31, 2023	July 31, 2022
Exercise of stock options to purchase common stock	187,572	75,706
Vesting of stock awards	3,414,706	2,785,353
Shares available under stock plans	2,996,441	3,360,659
Total common stock reserved for issuance	6,598,719	6,221,718

### **Equity Incentive Plans**

On December 15, 2020, the Company's stockholders adopted the 2020 Stock Plan ("2020 Plan") for the purpose of granting equity-based incentive awards. The Company initially reserved 5,000,000 shares of its common stock for the issuance of awards under the 2020 Plan. The shares available for issuance are subject to adjustment in the event of a stock split, stock dividend or other defined changes in the Company's capitalization. The 2020 Plan replaced the Company's 2011 Stock Plan; however, awards outstanding under the 2011 Stock Plan will continue to be governed by their existing terms.

The shares the Company issues under the 2020 Plan will be from the Company's pool of authorized but unissued shares. The shares of common stock underlying any awards under the 2011 Stock Plan that are forfeited, canceled, held back upon exercise or settlement of an award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without any issuance of stock or are otherwise terminated (other than by exercise) are added back to the shares of stock available for issuance under the 2020 Plan.

### **Share Repurchase Program**

In September 2022, the Company's board of directors authorized and approved a share repurchase program of up to \$400.0 million of the Company's outstanding common stock. Share repurchases under the program may be made from time to time, in the open market, in privately negotiated transactions and otherwise, at the discretion of management of the Company and in accordance with applicable federal securities laws, including Rule 10b-18 of the Exchange Act, and other applicable legal requirements. Such repurchases may also be made in compliance with Rule 10b5-1 trading plans entered into by the Company.

In September 2022, the Company entered into an accelerated share repurchase ("ASR") agreement with a large financial institution whereupon the Company provided them with a prepayment of \$200.0 million and received an initial delivery of 2,581,478 shares of the Company's common stock. Under the terms of the ASR, the total number of shares delivered and average price paid per share was determined at the settlement date based on the volume weighted average price over the term of the ASR, less an agreed upon discount. The ASR was settled in full with the delivery of an additional 648,001 shares of common stock during the third quarter of fiscal year 2023, which resulted in total repurchases under the ASR of 3,229,479 shares of common stock at an average purchase price of \$61.93 per share.

During the fiscal year ended July 31, 2023, the Company repurchased 4,041,284 shares of common stock, including the shares repurchased under the ASR, at an average price of \$64.78 per share, for an aggregate purchase price of \$261.8 million. During the fiscal year ended July 31, 2022, the Company repurchased 322,545 shares of common stock at an average price of \$116.11 per share, for an aggregate purchase price of \$37.5 million under a previous share repurchase program. During the fiscal year ended July 31, 2021, the Company repurchased 1,488,991 shares of common stock at an average price of \$109.17 per share, for an aggregate purchase price of \$162.5 million under a previous share repurchase program.

## **11. Income Taxes**

The Company recognized an income tax benefit of \$22.2 million for fiscal year 2023 compared to an income tax benefit of \$49.3 million for fiscal year 2022. The decrease in the Company's income tax benefit for fiscal year 2023 was primarily due to a decrease in pre-tax net loss, an increase in tax deficiencies related to stock-based compensation, certain non-deductible expenses, including executive compensation limitation, and an increase in foreign earnings taxed in the U.S., partially offset by an increase in research and development tax credits and the release of uncertain tax positions.

The effective tax rate could differ from the statutory U.S. Federal income tax rate of 21% mainly due to state taxes, tax deficiencies related to stock-based compensation, research and development credits, foreign earnings taxed in the United States, change in valuation allowance and certain non-deductible expenses, including, but not limited to, executive compensation limitation.

The Company's income (loss) before provision for (benefit from) income taxes is as follows (in thousands):

	Fiscal years ended July 31,		
	2023	2022	2021
Domestic	\$ (150,628)	\$ (239,601)	\$ (114,687)
International	16,534	9,886	10,406
Income (loss) before provision for (benefit from) income taxes	<u>\$ (134,094)</u>	<u>\$ (229,715)</u>	<u>\$ (104,281)</u>

The provision for (benefit from) income taxes consisted of the following (in thousands):

	Fiscal years ended July 31,		
	2023	2022	2021
<b>Current:</b>			
U.S. Federal	\$ 555	\$ 1,937	\$ (5,605)
State	564	43	299
Foreign	3,904	1,852	3,290
Total current	5,023	3,832	(2,016)
<b>Deferred:</b>			
U.S. Federal	(23,372)	(48,775)	(31,174)
State	(3,808)	(5,656)	(4,472)
Foreign	(82)	1,315	(112)
Total deferred	(27,262)	(53,116)	(35,758)
Total provision for (benefit from) income taxes	\$ (22,239)	\$ (49,284)	\$ (37,774)

Differences between income taxes calculated using the statutory federal income tax rate of 21% in the fiscal years ended July 31, 2023, 2022, and 2021, and the provision for income taxes are as follows (in thousands):

	Fiscal years ended July 31,		
	2023	2022	2021
Statutory federal income tax	\$ (28,159)	\$ (48,240)	\$ (21,899)
State taxes, net of federal benefit	(3,253)	(5,613)	(4,173)
Stock-based compensation	9,902	2,912	(3,247)
Non-deductible officers' compensation	2,783	4,484	3,682
Foreign income taxed at different rates	(55)	(365)	(854)
Research tax credits	(7,817)	(6,820)	(5,377)
Base erosion and anti-abuse tax	(935)	349	(7,702)
Foreign earnings taxed in the U.S.	2,199	1,201	(1,830)
Non-deductible acquisition costs	617	744	—
Permanent differences and others	1,576	476	495
Change in valuation allowance	903	1,588	3,131
Total provision for (benefit from) income taxes	\$ (22,239)	\$ (49,284)	\$ (37,774)

The tax effects of temporary differences that gave rise to significant portions of deferred tax assets and liabilities are as follows (in thousands):

	As of July 31,	
	2023	2022
Accruals and reserves	\$ 24,899	\$ 27,632
Stock-based compensation	8,389	7,953
Deferred revenue	1,188	1,794
Capitalized R&D	59,332	7,158
Lease liabilities	11,555	27,525
Convertible debt	2,344	—
Net operating loss carryforwards	85,573	110,064
Tax credits	127,209	113,357
Total deferred tax assets	320,489	295,483
Less valuation allowance	59,356	52,133
Net deferred tax assets	261,133	243,350
Less deferred tax liabilities:		
Intangible assets	10,915	8,888
Operating lease assets	10,927	20,706
Property and equipment	576	6,161
Convertible debt	—	5,250
Unremitted foreign earnings	931	710
Capitalized commissions	10,909	10,174
Total deferred tax liabilities	34,258	51,889
Deferred tax assets, net	226,875	191,461
Less foreign deferred tax liabilities	2,175	1,910
Total net deferred tax assets	\$ 224,700	\$ 189,551

The Company considered both positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, differences between prior book and tax profits/losses, and results of future operations, and determined that a valuation allowance was not required for a significant portion of its deferred tax assets. A valuation allowance of \$59.4 million and \$52.1 million remained as of July 31, 2023 and 2022, respectively, primarily related to California, U.S. Federal, Poland and Canada deferred tax assets. The increase of \$7.3 million in the valuation allowance in the current fiscal year relates primarily to net operating losses, and income tax credits in certain tax jurisdictions for which no tax benefit is expected to be recognized.

As of July 31, 2023, the Company had U.S. Federal, California, and other states net operating loss (“NOL”) carryforwards of \$318.0 million, \$72.4 million and \$211.7 million, respectively. The U.S. Federal and California NOL carryforwards will start to expire in 2029 and 2024, respectively.

As of July 31, 2023, the Company had research and development tax credits (“R&D credit”) carryforwards of the following (in thousands):

U.S. Federal	\$ 68,865
California	55,686
Total R&D credit carryforwards	\$ 124,551

U.S. Federal R&D credits carryforwards available at July 31, 2023 will expire starting in 2024. California R&D tax credits do not expire.

Federal and California laws impose restrictions on the utilization of NOL carryforwards and R&D credit carryforwards in the event of a change in ownership of the Company, as defined by Internal Revenue Code 382 and 383. The Company experienced an ownership change in the past that does not materially impact the availability of its carryforwards. However, should there be an ownership change in the future, the Company’s ability to utilize existing carryforwards could be substantially restricted.

As of July 31, 2023, the Company has recorded a provisional estimate for foreign withholding taxes on undistributed earnings from foreign subsidiaries of \$0.9 million. The Company may repatriate foreign earnings in the future to the extent that the repatriation is not restricted by local laws or there are no substantial incremental costs associated with such repatriation.

Beginning in the Company's fiscal year 2023, the Tax Cuts and Jobs Act of 2017 eliminates the right to deduct research and development expenditures for tax purposes in the period the expenses were incurred and instead requires all U.S. and foreign research and development expenditures to be amortized over five and fifteen tax years, respectively. Congress has considered legislation that would defer the amortization requirement to later years, but as of July 31, 2023, the requirement has not been modified. Accordingly, the Company has capitalized research and development expenses for tax purposes in fiscal year 2023.

### **Unrecognized Tax Benefits**

Activity related to unrecognized tax benefits is as follows (in thousands):

	Fiscal years ended July 31,		
	2023	2022	2021
Unrecognized tax benefits - beginning of period	\$ 18,786	\$ 17,138	\$ 23,690
Gross increases - prior period tax positions	1	147	65
Gross decreases - prior period tax positions	(982)	—	(7,769)
Gross increases - current period tax positions	2,713	1,501	1,152
Unrecognized tax benefits - end of period	\$ 20,518	\$ 18,786	\$ 17,138

During the year ended July 31, 2023, the Company's unrecognized tax benefits increased by \$1.7 million. As of July 31, 2023, the Company had unrecognized tax benefits of \$12.9 million that, if recognized, would affect the Company's effective tax rate, as certain unrecognized tax benefits have a valuation allowance. The Company recognizes interest and penalties related to unrecognized tax benefits as income tax expense in its consolidated statements of operations. As of July 31, 2023, the Company has accrued total interest and penalties related to unrecognized tax benefits of \$0.8 million.

The Company, or one of its subsidiaries, files income taxes in the U.S. Federal jurisdiction and various state and foreign jurisdictions. If the Company utilizes NOL carryforwards or tax credits in future years, the U.S. Federal, state and local, and non-U.S. tax authorities may examine the tax returns covering the period in which the net operating losses and tax credits arose. As a result, the Company's tax returns in the U.S. and California remain open to examination from fiscal years 2002 through 2023.

## **12. Defined Contribution and Other Post-Retirement Plans**

The Company's employee savings and retirement plan in the United States is qualified under Section 401(k) of the Internal Revenue Code. Employees on the Company's U.S. payroll are automatically enrolled when they meet eligibility requirements, unless they decline participation. Upon enrollment employees are provided with tax-deferred salary deductions and various investment options. Employees may contribute up to 60% of their eligible salary up to the statutory prescribed annual limit. The Company matches employees' contributions up to \$5,000 per participant per calendar year. Certain of the Company's foreign subsidiaries also have defined contribution plans in which a majority of its employees participate and the Company makes matching contributions. The Company's contributions to its 401(k) and foreign subsidiaries' plans were \$13.3 million, \$13.1 million, and \$11.8 million for the fiscal years ended July 31, 2023, 2022, and 2021, respectively.

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### 13. Segment Information

The Company operates in one segment. The Company's chief operating decision maker (the "CODM"), its Chief Executive Officer, manages the Company's operations on a consolidated basis for purposes of allocating resources. When evaluating the Company's financial performance, the CODM reviews separate revenue information for the Company's subscription, support, term license, perpetual license, and services offerings, as well as revenue by geographic region, while all other financial information is reviewed on a consolidated basis. The Company's principal operations and decision-making functions are located in the United States.

The Company's long-lived assets for this disclosure are defined as property and equipment and operating lease assets. The Company's long-lived assets by geographic region are as follows (in thousands):

	<b>July 31, 2023</b>	<b>July 31, 2022</b>
Americas	\$ 72,089	\$ 133,939
EMEA	29,792	31,230
APAC	4,991	5,858
Total	<u>\$ 106,872</u>	<u>\$ 171,027</u>

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**Item 9. Changes in and Disagreements with Accountant on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of such date, our disclosure controls and procedures were effective.

***Management's Annual Report on Internal Control Over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting as defined in Rule 13a-15(f) or 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of July 31, 2023, using the criteria set forth in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission's 2013 framework. Based on this assessment and those criteria, management concluded that our internal control over financial reporting was effective, at a reasonable level of assurance, as of July 31, 2023.

Our internal control over financial reporting has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which appears in Part II, Item 8 of this Annual Report on Form 10-K.

***Inherent Limitations of Internal Controls***

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

***Changes in Internal Control over Financial Reporting***

There were no changes in our internal control over financial reporting during the quarter ended July 31, 2023 identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Item 9B. Other Information**

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None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

None.

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### PART III

**Item 10. *Directors, Executive Officers and Corporate Governance***

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers, and employees, including our principal executive officer and principal financial officer. The Code of Business Conduct and Ethics is posted on our investor relations website.

We will post any amendments to, or waivers from, a provision of this Code of Business Conduct and Ethics by posting such information on our investor relations website.

The other information required by this item will be contained in our definitive proxy statement to be filed with the SEC in connection with our 2023 Annual Meeting of Stockholders (the "Proxy Statement"), which is expected to be filed not later than 120 days after the end of our fiscal year ended July 31, 2023, and is incorporated in this report by reference.

**Item 11. *Executive Compensation***

The information required by this item will be set forth in the Proxy Statement and is incorporated herein by reference.

**Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item will be set forth in the Proxy Statement and is incorporated herein by reference.

**Item 13. *Certain Relationships and Related Transactions, and Director Independence***

The information, if any, required by this item will be set forth in the Proxy Statement and is incorporated herein by reference.

**Item 14. *Principal Accountant Fees and Services***

The information required by this item will be set forth in the Proxy Statement and is incorporated herein by reference.

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**PART IV**

**Item 15. *Exhibits and Financial Statement Schedules***

(a) The following documents are filed as part of this report:

1. Consolidated Financial Statements

See Index to Consolidated Financial Statements at Item 8 herein.

2. Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes herein.

3. Exhibits

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**EXHIBIT INDEX**

The exhibits listed below are filed or incorporated by reference as part of this Annual Report on Form 10-K.

<b>Exhibit Number</b>	<b>Description</b>	<b>Incorporated by Reference From Form</b>	<b>Incorporated by Reference From Exhibit Number</b>	<b>Date Filed</b>
<a href="#">3.1</a>	Amended and Restated Certificate of Incorporation	8-K	3.1	December 21, 2022
<a href="#">3.2</a>	Amended and Restated Bylaws	8-K	3.2	December 21, 2022
<a href="#">4.1</a>	Form of Common Stock Certificate of Guidewire Software, Inc.	S-1/A	4.1	January 9, 2012
<a href="#">4.2</a>	Indenture between Guidewire Software, Inc. and U.S. Bank National Association, dated as of March 13, 2018	8-K	4.1	March 13, 2018
<a href="#">4.3</a>	First Supplemental Indenture between Guidewire Software, Inc. and U.S. Bank National Association, dated as of March 13, 2018	8-K	4.1	March 13, 2018
<a href="#">4.4</a>	Form of 1.25% Convertible Senior Note Due March 15, 2025	8-K	4.3	March 13, 2018
<a href="#">4.5</a>	Description of Guidewire Software, Inc.'s Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, as amended	Filed herewith	—	—
<a href="#">10.1#</a>	Guidewire Software, Inc. 2011 Stock Plan and Forms of Agreements thereunder	S-1/A	10.5	December 13, 2011
<a href="#">10.2#</a>	Guidewire Software, Inc. Form of Performance-Based Restricted Stock Unit Award Agreement under the 2011 Stock Plan	10-Q	10.9	December 2, 2015
<a href="#">10.3#</a>	Guidewire Software, Inc. Forms of Notice of Restricted Stock Unit Award and Restricted Stock Unit Award Agreement (Performance-Based) under the 2011 Stock Plan	10-Q	10.5	March 5, 2020
<a href="#">10.4#</a>	Guidewire Software, Inc. Form of Restricted Stock Unit Award Agreement (Global Time-Based) under the 2011 Stock Plan	10-Q	10.2	March 5, 2020
<a href="#">10.5#</a>	Guidewire Software, Inc. Form of Restricted Stock Unit Award Agreement (U.S. Time-Based) under the 2011 Stock Plan	10-Q	10.1	March 5, 2020
<a href="#">10.6#</a>	Guidewire Software, Inc. Form of Restricted Stock Unit Award Agreement (U.S. Time-Based, Executives) under the 2011 Stock Plan	10-Q	10.3	March 5, 2020
<a href="#">10.7#</a>	Guidewire Software, Inc. Long Term Incentive Plan and Form of Notice and Restricted Stock Unit Award Agreement thereunder	10-Q	10.4	March 5, 2020
<a href="#">10.8#</a>	Amended and Restated 2020 Stock Plan	10-Q	10.1	March 7, 2023
<a href="#">10.9#</a>	Form of Restricted Stock Unit Award Agreement for Company Employees under the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan	Filed herewith	—	—
<a href="#">10.10#</a>	Form of Global Restricted Stock Unit Award Agreement for Company Employees under the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan	Filed herewith	—	—
<a href="#">10.11#</a>	Form of Stock Option Agreement under the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan	Filed herewith	—	—

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<a href="#">10.12#</a>	Form of Global Stock Option Agreement under the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan	Filed herewith	—	—
<a href="#">10.13#</a>	Form of Restricted Stock Award Agreement under the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan	Filed herewith	—	—
<a href="#">10.14#</a>	Form of Performance-Based Restricted Stock Award Agreement under the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan	Filed herewith	—	—
10.15#	Guidewire Software, Inc. Senior Executive Incentive Bonus Plan	S-1/A	10.12	December 13, 2011
<a href="#">10.16#</a>	Guidewire Software, Inc. Form of Executive Agreement	Filed herewith	—	—
10.17#	Executive Agreement between Guidewire Software, Inc. and Michael Rosenbaum, dated as of August 3, 2019	8-K	10.1	August 5, 2019
10.18#	First Amendment to Executive Agreement between Guidewire Software, Inc. and Mike Rosenbaum, dated as of November 4, 2020	10-Q	10.1	December 9, 2020
10.19#	Executive Agreement between Guidewire Software, Inc. and John Mullen, dated as of February 3, 2022	10-Q	10.1	June 7, 2022
10.20#	Form of Indemnification Agreement for directors and executive officers	S-1/A	10.1	October 28, 2011
10.21	Guidewire Software, Inc. Form of Capped Call Confirmation	8-K	10.1	March 13, 2018
10.22	Lease Agreement between Bay Meadows Station 2 Investors, LLC and Guidewire Software, Inc. dated as of December 18, 2017	10-K	10.11	September 19, 2018
10.23	Assignment of Lease, dated as of February 11, 2023, by and between Guidewire Software, Inc. and Roblox Corporation	8-K	10.1	March 3, 2023
10.24	Sublease, dated as of February 11, 2023, by and between Roblox Corporation and Guidewire Software, Inc.	8-K	10.2	March 3, 2023
<a href="#">21.1</a>	Subsidiaries of the Registrant	Filed herewith	—	—
<a href="#">23.1</a>	Consent of KPMG LLP, Independent Registered Public Accounting Firm	Filed herewith	—	—
<a href="#">31.1</a>	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act	Filed herewith	—	—
<a href="#">31.2</a>	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act	Filed herewith	—	—
<a href="#">32.1*</a>	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act	Furnished herewith	—	—
101.INS	Inline XBRL Instance Document	Filed herewith	—	—
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith	—	—
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith	—	—
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith	—	—
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith	—	—

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101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith	—	—
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)	Filed herewith	—	—

# Indicates management contract or compensatory plan.

\* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

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## **EXHIBIT 4.5**

### **DESCRIPTION OF THE COMPANY'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

As of July 31, 2023, Guidewire Software, Inc. ("Guidewire," the "Company," "we," "us," and "our") had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock.

#### **DESCRIPTION OF COMMON STOCK**

Our authorized capital stock consists of 500,000,000 shares of common stock, \$0.0001 par value, and 25,000,000 shares of undesignated preferred stock, \$0.0001 par value. The following description of our common stock does not purport to be complete and is subject to, and qualified in its entirety by, our amended and restated certificate of incorporation and amended and restated bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K for the year ended July 31, 2023.

#### **Common Stock**

The holders of our common stock are entitled to one vote per share on all matters to be voted on by the stockholders. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of common stock are entitled to receive ratably such dividends as may be declared by the board of directors out of funds legally available therefore. In the event we liquidate, dissolve or wind up, holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preferences of any outstanding shares of preferred stock. Holders of common stock have no preemptive, conversion or subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are fully paid and nonassessable.

Our common stock is listed and traded on the New York Stock Exchange under the symbol "GWRE."

#### **Preferred Stock – Limitations on Rights of Holders of Common Stock**

Our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges and restrictions of up to an aggregate of 25,000,000 shares of preferred stock in one or more series and authorize their issuance. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock. Any issuance of our preferred stock could adversely affect the voting power of holders of our common stock and the likelihood that such holders would receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action.

#### **Transfer Agent**

The transfer agent for our common stock is Computershare Trust Company, N.A.

#### **Anti-Takeover Effects of Delaware Law and Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws**

Certain provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions, which are summarized below, may have the effect of discouraging coercive takeover practices

and inadequate takeover bids. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

*Limits on ability of stockholders to call a special meeting.* Our amended and restated bylaws provide that special meetings of the stockholders may be called only by a majority of the board of directors then in office. These restrictions may delay the ability of our stockholders to force consideration of a proposal or for holders controlling a majority of our capital stock to take any action, including the removal of directors.

*Requirements for advance notification of stockholder nominations and proposals.* Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive office not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting the preceding year. As a result, our amended and restated bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

*No cumulative voting.* The Delaware General Corporation Law provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless our amended and restated certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation and amended and restated bylaws do not expressly provide for cumulative voting.

*Board Composition and Filling Vacancies.* Prior to December 17, 2019, our amended and restated certificate of incorporation provided for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year. Our amended and restated certificate of incorporation currently in effect provides for a gradual declassification of our board of directors such that each director shall be elected to hold office for a one-year term expiring at the next annual meeting of stockholders, but no terms in effect prior to the filing of our amended and restated certificate on December 17, 2019 were shortened. Beginning with the 2021 annual meeting, the entire board of directors will stand for election annually for one-year terms. Our amended and restated certificate of incorporation also provides that directors may be removed only for cause. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum. The limitations on removal of directors and treatment of vacancies have the effect of making it more difficult for stockholders to change the composition of our board of directors.

*No Written Consent of Stockholders.* Our amended and restated certificate of incorporation provides that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting. This limit may lengthen the amount of time required to take stockholder actions and would prevent the amendment of our amended and restated bylaws or removal of directors by our stockholders without holding a meeting of stockholders.

*Amendment to Certificate of Incorporation and Bylaws.* Any amendment of our amended and restated certificate of incorporation must first be approved by a majority of our board of directors, and if required by law or our amended and restated certificate of incorporation, must thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment and a majority of the outstanding shares of each class entitled to vote thereon as a class, except that the amendment of the provisions relating to stockholder action, board composition, limitation of liability and the amendment of our amended and restated certificate of incorporation must be approved by not less than 66 2/3% of the outstanding shares entitled to vote on the amendment, and not less than 66 2/3% of the outstanding shares of each class entitled to vote thereon as a class. Our amended and restated bylaws may be amended by the affirmative vote of a majority of the directors then in office, subject to any limitations set forth in the bylaws; and

may also be amended by the affirmative vote of a majority of the outstanding shares entitled to vote on the amendment.

*Undesignated Preferred Stock.* Our amended and restated certificate of incorporation provides for 25,000,000 authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our amended and restated certificate of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

*Exclusive Forum.* Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any state law claim for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers and employees to us or our stockholders; (iii) any action asserting a claim arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or (iv) any action asserting a claim that is governed by the internal affairs doctrine (the “Delaware Forum Provision”). The Delaware Forum Provision will not apply to any causes of action arising under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act. Further, our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the United States District Court for the Northern District of California will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (the “Federal Forum Provision”). In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder. The Delaware Forum Provision and the Federal Forum Provision may impose additional costs on stockholders, may limit our stockholders’ ability to bring a claim in a forum they find favorable, and the designated courts may reach different judgments or results than other courts. In addition, there is uncertainty as to whether the Federal Forum Provision for Securities Act claims will be enforced, which may impose additional costs on us and our stockholders.

### **Section 203 of the Delaware General Corporation Law**

We are subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances, but not the outstanding voting stock owned by the interested stockholder; or
- at or after the time the stockholder became interested, the business combination was approved by the board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, lease, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

**RESTRICTED STOCK UNIT AWARD AGREEMENT  
FOR COMPANY EMPLOYEES  
UNDER THE GUIDEWIRE SOFTWARE, INC.  
AMENDED AND RESTATED 2020 STOCK PLAN**

Name of Grantee: \_\_\_\_

No. of Restricted Stock Units: \_\_\_\_

Grant Date: \_\_\_\_

Pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan as amended through the date hereof (the “Plan”), Guidewire Software, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed above (an “Award”) to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock (the “Stock”) of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. [Subject to any Company leave of absence policy in effect, t]<sup>1</sup> [T]he restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee continues to be employed with the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

<u>Incremental Number of Restricted Stock Units Vested</u>	<u>Vesting Date</u>
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

Notwithstanding anything in this Agreement to the contrary, in the case of a Sale Event, the Restricted Stock Units shall be treated as provided in Section 3(c) of the Plan[ provided; however that the Restricted Stock Units shall be subject to any executive agreement by and between the Grantee and the Company, as applicable (the “Executive Agreement”)]<sup>2</sup>.

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2 in circumstances involving the Grantee’s death or disability.

<sup>1</sup> Include if LOA policy is in effect.

<sup>2</sup> Include for execs with executive agreements.

3. Termination of Employment. If the Grantee's employment with the Company or a Subsidiary terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. Regardless of any action that the Company, the Grantee's actual employer or any parent, Subsidiary or affiliate to which the Grantee provides service if the Grantee is a Consultant (collectively, the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account, or other tax-related items related to the Grantee's participation in the Plan and legally applicable to him or her ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, without limitation, the grant, vesting, or settlement of the Restricted Stock Units, the issuance of shares of Stock upon settlement, the subsequent sale of shares of Stock acquired pursuant to such issuance, and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. The Grantee shall not make any claim against the Company or its Board, officers or employees related to Tax-Related Items arising from the Restricted Stock Units or the Grantee's other compensation. Furthermore, if the Grantee has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Grantee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) payment by the Grantee to the Company and/or Employer; or
- (b) withholding from the Grantee's wages or other cash compensation paid to him or her by the Company and/or the Employer; or

(c) withholding from proceeds of the sale of shares of Stock acquired upon vesting and settlement of the Restricted Stock Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization).

To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, the Grantee is deemed, for tax purposes, to have been issued the full number of shares subject to the vested Restricted Stock Units, notwithstanding that a number of the shares is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Grantee's participation in the Plan.

Finally, the Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items..

#### 7. Clawback Acknowledgements.

(a) The Grantee agrees that this Agreement and the Award hereunder are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or Administrator and as in effect from time to time, including, without limitation, the Company's Compensation Recovery Policy, as amended and/or restated from time to time (the "Clawback Policy") and the Company's Supplemental Recovery Policy, as amended and/or restated from time to time (the "Supplemental Clawback Policy"); and (ii) applicable law.

(b) In consideration of this Award, the Grantee further agrees that all Incentive-Based Compensation (as defined in the Clawback Policy and Supplemental Clawback Policy, as applicable) received by the Grantee after the Effective Date (as defined in the Clawback Policy and the Supplemental Clawback Policy, as applicable) is subject to recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable.

(c) The Grantee agrees that the Grantee is not entitled to indemnification for any recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable, and, to the extent any agreement or organizational document purports to provide otherwise, the Grantee hereby irrevocably agrees to forego such indemnification.

(d) The Grantee agrees to take all required action in a reasonably prompt manner, as applicable, to enable any reduction, cancellation, forfeiture or recoupment of this Award and any other Incentive-Based Compensation in order to enable the enforcement of the Clawback Policy, Supplemental Clawback Policy and applicable law.

(e) The Grantee has received and has had an opportunity to review the Plan, the Clawback Policy and the Supplemental Clawback Policy.

8. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

9. No Obligation to Continue Employment or Other Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee's employment or any other Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Grantee's employment or any other Service Relationship with the Company or a Subsidiary at any time.

10. Integration. This Agreement [and the Executive Agreement] constitute[s] the entire agreement[s] between the parties with respect to this Award and supersede[s] all prior agreements and discussions between the parties concerning such subject matter.

11. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. Notices. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation (or other overnight courier service approved by the Company), with shipping charges prepaid or (iv) the date on which an electronic notification is received. Notice shall be addressed to the Company at its principal executive office and to the Grantee at

the address that he or she most recently provided to the Company in accordance with this Paragraph .

**Guidewire Software, Inc.**

By: \_\_\_  
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: \_\_\_ \_\_\_

Grantee's Signature

Grantee's name and address:

\_\_\_  
\_\_\_  
\_\_\_

**GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT  
FOR COMPANY EMPLOYEES  
UNDER THE GUIDEWIRE SOFTWARE, INC.  
AMENDED AND RESTATED 2020 STOCK PLAN**

Name of Grantee: \_\_\_\_

No. of Restricted Stock Units: \_\_\_\_

Grant Date: \_\_\_\_

Pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan as amended through the date hereof (the "Plan"), Guidewire Software, Inc. (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above subject to the terms of this Global Restricted Stock Unit Award Agreement (the "RSU Agreement"), including any additional terms and conditions for the Grantee's country set forth in the appendix hereto (the "Appendix" and, together with the RSU Agreement, the "Agreement"). Each Restricted Stock Unit shall relate to one share of Common Stock (the "Stock") of the Company. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. [Subject to any Company leave of absence policy in effect, t]<sup>1</sup> [T]he restrictions and conditions of Paragraph 1 of this RSU Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee continues to be employed with the Company or an Affiliate on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

<u>Incremental Number of Restricted Stock Units Vested</u>	<u>Vesting Date</u>
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

Notwithstanding anything in this Agreement to the contrary, in the case of a Sale Event, the Restricted Stock Units shall be treated as provided in Section 3(c) of the Plan[ provided;

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<sup>1</sup> Include if LOA policy is in effect.

however that the Restricted Stock Units shall be subject to any executive agreement by and between the Grantee and the Company, as applicable (the “Executive Agreement”)]<sup>2</sup>.

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2 in circumstances involving the Grantee’s death or disability.

3. Termination of Employment. If the Grantee’s employment with the Company or an Affiliate terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units. For the avoidance of doubt, employment during only a period prior to a Vesting Date but where employment is terminated prior to the Vesting Date does not entitle the Grantee to vest in a pro-rata portion of the Award.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this RSU Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan.

6. Responsibility for Taxes. Regardless of any action that the Company or, if different, the Affiliate which employs the Grantee (the “Employer”) takes with respect to any or all income tax, social insurance, fringe benefits tax, payroll tax, payment on account, or other tax-related items related to the Grantee’s participation in the Plan and legally applicable or deemed applicable to him or her (“Tax-Related Items”), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee’s responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, without limitation, the grant, vesting, or settlement of the Restricted Stock Units, the issuance of shares of Stock upon settlement, the subsequent sale of shares of Stock acquired pursuant to such issuance, and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Grantee’s liability for Tax-Related Items or achieve any particular tax result. The Grantee shall not make any claim against the Company or its Board, officers or employees related to Tax-Related Items arising from this Award. Furthermore, if the Grantee has become subject to tax in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Grantee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

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<sup>2</sup> Include for execs with executive agreements.

- (a) requiring a cash payment by the Grantee to the Company and/or the Employer; or
- (b) withholding from the Grantee's wages or other cash compensation payable to him or her by the Company or any of its Affiliates; or
- (c) withholding from proceeds of the sale of shares of Stock acquired upon vesting and settlement of the Restricted Stock Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); or
- (d) withholding shares of Stock to be issued upon vesting and settlement of the Restricted Stock Units; or
- (e) any other withholding method determined by the Company to be in compliance with applicable laws and permitted under the Plan.

The Company may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other withholding rates, including maximum applicable rates in the Grantee's jurisdiction(s). In the event of over-withholding, the Grantee may receive a refund of any over-withheld amount in cash through the Employer's normal payroll processes (with no entitlement to the equivalent in shares of Stock) or if not refunded, the Grantee may seek a refund from the local tax authorities. In the event of under-withholding, the Grantee may be required to pay additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding shares of Stock, the Grantee is deemed, for tax purposes, to have been issued the full number of shares of Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Stock is held back solely for the purpose of paying the Tax-Related Items.

Finally, the Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.

#### 7. Clawback Acknowledgements.

(a) The Grantee agrees that this Agreement and the Award hereunder are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or Administrator and as in effect from time to time, including, without limitation, the Company's Compensation Recovery Policy, as amended and/or restated from time to time (the "Clawback Policy") and the Company's Supplemental Recovery Policy, as amended and/or restated from time to time (the "Supplemental Clawback Policy"); and (ii) applicable law.

(b) In consideration of this Award, the Grantee further agrees that all Incentive-Based Compensation (as defined in the Clawback Policy and Supplemental Clawback Policy, as applicable) received by the Grantee after the Effective Date (as defined in the Clawback Policy and the Supplemental Clawback Policy, as applicable) is subject to recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable.

(c) The Grantee agrees that the Grantee is not entitled to indemnification for any recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable, and, to the extent any agreement or organizational document purports to provide otherwise, the Grantee hereby irrevocably agrees to forego such indemnification.

(d) The Grantee agrees to take all required action in a reasonably prompt manner, as applicable, to enable any reduction, cancellation, forfeiture or recoupment of this Award and any other Incentive-Based Compensation in order to enable the enforcement of the Clawback Policy, Supplemental Clawback Policy and applicable law.

(e) The Grantee has received and has had an opportunity to review the Plan, the Clawback Policy and the Supplemental Clawback Policy.

8. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.

9. Nature of Award. In accepting this Award, the Grantee acknowledges, understands, and agrees that:

(i) Neither the Company nor any Affiliate is obligated by or as a result of the Plan or this Agreement to continue the Grantee’s employment or any other Service Relationship with the Company or an Affiliate and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Affiliate to terminate the Grantee’s employment or any other Service Relationship with the Company or an Affiliate at any time.

(ii) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan;

(iii) the grant of this Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu of Awards, even if such grants have been made in the past;

(iv) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company;

(v) the Grantee’s participation in the Plan is voluntary;

(vi) this Award and the shares of Stock subject to this Award, and the income from and value of the same, are not intended to replace any pension rights or compensation;

(vii) this Award and the shares of Stock subject to this Award, and the income from and value of same, are not part of normal or expected compensation or salary for purposes of, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(viii) the future value of the shares of Stock subject to this Award is unknown, indeterminable and cannot be predicted with certainty;

(ix) if the Grantee is issued shares of Stock in settlement of this Award, the value of the shares of Stock acquired may increase or decrease in value;

(x) no claim or entitlement to compensation or damages shall arise from forfeiture of any portion of this Award resulting from termination of the Grantee's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee renders service or the terms of the Grantee's employment agreement, if any);

(xi) for purposes of the Award, the Grantee's employment will be considered terminated as of the date the Grantee is no longer actively providing services (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee renders service or the terms of the Grantee's employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Company, the Grantee's right to continue to vest in the Restricted Stock Units, if any, will terminate effective as of such date and will not be extended by any notice period (*e.g.*, active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Grantee renders service or the terms of the Grantee's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Grantee's active employment is terminated for purposes of this Award (including whether the Grantee may still be considered to actively be providing services while on a leave of absence);

(xii) unless otherwise agreed with the Company in writing, the Restricted Stock Units and the shares of Stock subject to this Award, and the income from and value of the same, are not granted as consideration for, or in connection with, the service the Grantee may provide as a director of an Affiliate;

(xiii) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock; and

(xiv) the following provisions apply only if the Grantee is providing services outside the United States:

(A) the Restricted Stock Units and the shares of Stock subject to the Award and the income from and value of the same, are not part of normal or expected compensation or salary for any purpose;

(B) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the U.S. Dollar that may affect the value of the Restricted Stock Units or of any amounts due to the Grantee pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any shares of Stock acquired upon settlement.

10. Integration. This Agreement [and the Executive Agreement] constitute[s] the entire agreement[s] between the parties with respect to this Award and supersede[s] all prior agreements and discussions between the parties concerning such subject matter.

11. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its Affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. Notices. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service or comparable non-US postal service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation (or other overnight courier service approved by the Company), with shipping charges prepaid or (iv) the date on which an electronic notification is received. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided to the Company in accordance with this Paragraph.

13. Miscellaneous Provisions.

(a) Governing Law; Choice of Venue. The Award and the provisions of this Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by the Award or this Agreement and/or the Plan, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of the County of San Mateo, California, or the United States federal courts for the Northern District of California, and no other courts, where the grant of the Award is made and/or to be performed.

(b) Language. The Grantee acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Grantee to understand the terms and conditions of this Agreement. If the Grantee receives the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(c) Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions nevertheless shall be binding and enforceable.

(d) Appendix. Notwithstanding any provisions in this RSU Agreement, this Award shall be subject to any additional terms and conditions set forth in any Appendix to this

Agreement for the Grantee's country. Moreover, if the Grantee relocates to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to the Grantee, to the extent that the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

(e) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on this Award and on any shares of Stock acquired under the Plan, to the extent that the Company determines that it is necessary or advisable for legal or administrative reasons, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(f) Waiver. The Grantee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

(g) No Advice Regarding Award. The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan, or his or her acquisition or sale of the shares of Stock subject to this Award. The Grantee is solely responsible for taking all appropriate legal advice, notably concerning U.S. and local country tax and social insurance regulations, when signing this Agreement, or selling the shares of Stock acquired upon settlement of the Award, or more generally when making any decision in relation with this Award, this Agreement or otherwise under the Plan. The Company does not represent or guarantee that the Grantee may benefit from specific provisions under said regulations and the Grantee shall on his or her own efforts receive proper information in this respect. The Grantee understands and agrees that he or she should consult with his or her personal tax, legal, and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

(h) Electronic Delivery of Documents. The Grantee agrees that the Company may decide, in its sole discretion, to deliver by email or other electronic means any documents relating to the Plan or this Award (including, without limitation, a copy of the Plan) and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the U.S. Securities and Exchange Commission). The Grantee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Grantee by email.

(i) Insider-Trading/Market-Abuse Laws. The Grantee acknowledges that, depending on his or her country, he or she may be subject to insider-trading restrictions and/or market-abuse laws, which may affect the Grantee's ability to purchase or sell shares of Stock acquired under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the Grantee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider-trading policy. The Grantee is responsible for complying with any applicable restrictions and is advised to speak to his or her personal legal advisor for further details regarding any applicable insider-trading and/or market-abuse laws in the Grantee's country.

(j) Foreign Asset/Account Reporting Requirements; Exchange Controls. The Grantee acknowledges that his or her country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect his or her ability to acquire or hold shares of Stock acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on shares of Stock acquired under the Plan) in a

brokerage or bank account outside his or her country. The Grantee may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Grantee also may be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker within a certain time after receipt. The Grantee acknowledges that it is his or her responsibility to be compliant with such regulations and is encouraged to consult his or her personal legal advisor for any details.

**Guidewire Software, Inc.**

By: \_\_\_  
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: \_\_\_ \_\_\_

Grantee's Signature

Grantee's name and address:

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**APPENDIX TO  
GLOBAL RESTRICTED STOCK UNIT AWARD AGREEMENT  
UNDER THE  
GUIDEWIRE SOFTWARE, INC. AMENDED AND RESTATED 2020 STOCK PLAN**

Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Global Restricted Stock Unit Award Agreement (the “RSU Agreement”) or, if not defined therein, the Plan.

***TERMS AND CONDITIONS***

This Appendix, which is part of the Agreement, includes additional terms and conditions that govern the Restricted Stock Units and that will apply to the Grantee if he or she resides and/or works in one of the countries listed below. If the Grantee is a citizen or resident of a country other than the one in which the Grantee resides and/or works, is considered a resident of another country for local law purposes or transfers employment and/or residency between countries after the Grant Date, the Company, in its discretion, will determine to what extent terms and conditions contained herein shall be applicable to the Grantee.

***NOTIFICATIONS***

This Appendix also includes information regarding securities, exchange control and certain other issues of which the Grantee should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of **June 2022**. Such laws are often complex and change frequently. As a result, the Grantee should not rely on the information in this Appendix as the only source of information relating to the consequences of his or her participation in the Plan because such information may be outdated when the Restricted Stock Units become vested and/or when any shares of Stock acquired upon vesting and settlement are sold.

In addition, the information contained herein is general in nature and may not apply to the Grantee’s particular situation. As a result, the Company is not in a position to assure the Grantee of any particular result. The Grantee therefore should to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her particular situation.

Finally, if the Grantee is a citizen or resident of a country other than the one in which the Grantee resides and/or works, is considered a resident of another country for local law purposes or transfers employment and/or residency between countries after the Grant Date, then the notifications contained herein may not apply to him or her in the same manner.

## **ALL NON-U.S. JURISDICTIONS**

Data Privacy Consent. The following provision replaces Paragraph 10 of the RSU Agreement:

***Consent to Personal Data Processing and Transfer.*** By accepting the Award via the Company's acceptance procedure, the Grantee is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Personal Data (as defined below) by the Company and the transfer of Personal Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other) data protection law perspective, for the purposes described herein.

(a) ***Declaration of Consent.*** The Grantee understands that the Grantee must review the following information about the processing of the Grantee's personal data by or on behalf of the Company and its Affiliates as described in this Agreement and any materials related to the Award (the "Personal Data") and declare his or her consent. As regards the processing of the Grantee's Personal Data in connection with the Plan and this Agreement, the Grantee understands that the Company is the controller of the Grantee's Personal Data.

(b) ***Data Processing and Legal Basis.*** The Company collects, uses and otherwise processes Personal Data about the Grantee for purposes of allocating shares of Stock and implementing, administering and managing the Plan. The Personal Data processed by the Company includes, without limitation, the Grantee's name, home address and telephone number, email address, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company or its Affiliates, details of all Awards or any other entitlement to shares of stock or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor. The legal basis for the processing of the Grantee's Personal Data, where required, is the Grantee's consent.

(c) ***Stock Plan Administration Service Providers.*** The Grantee understands that the Company transfers the Grantee's Personal Data, or parts thereof, to (i) E\*Trade Corporate Financial Services, Inc. and its affiliated companies ("E\*Trade"), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select different service providers and share the Grantee's Personal Data with such different service providers that serve the Company in a similar manner. The Company's service providers will open an account for the Grantee to receive and trade shares of Stock acquired under the Plan and the Grantee will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of the Grantee's ability to participate in the Plan.

(d) ***International Data Transfers.*** The Company and, as of the date hereof, any third parties assisting in the implementation, administration and management of the Plan, such as E\*Trade, are based in the United States. If the Grantee is located outside the United States, the Grantee's country may have enacted data privacy laws that are different from the laws of the United States. The Company's legal basis for the transfer of the Grantee's Personal Data is the Grantee's consent.

(e) ***Data Retention.*** The Company will process the Grantee's Personal Data only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan, or to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws. This period may extend beyond the Grantee's end of Service Relationship. In the latter case, the Grantee understands and acknowledges that the

Company's legal basis for the processing of the Grantee's Personal Data would be compliance with the relevant laws or regulations. When the Company no longer needs the Grantee's Personal Data for any of the above purposes, the Grantee understands the Company will remove it from its systems.

(f) **Voluntariness and Consequences of Denial/Withdrawal of Consent.** The Grantee understands that any participation in the Plan and his or her consent are purely voluntary. The Grantee may deny or later withdraw his or her consent at any time, with future effect and for any or no reason. If the Grantee denies or later withdraws his or her consent, the Company can no longer offer participation in the Plan or grant equity awards to the Grantee or administer or maintain such awards, and the Grantee will no longer be eligible to participate in the Plan. The Grantee further understands that denial or withdrawal of his or her consent would not affect his or her status or salary as an employee or his or her career and that the Grantee would merely forfeit the opportunities associated with the Plan.

(g) **Data Subject Rights.** The data subject rights regarding the processing of personal data vary depending on the applicable law and that, depending on where the Grantee is based and subject to the conditions set out in the applicable law, the Grantee may have, without limitation, the rights to (i) inquire whether and what kind of Personal Data the Company holds about the Grantee and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data about the Grantee that is inaccurate, incomplete or out- of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing, (iv) request the Company to restrict the processing of the Grantee's Personal Data in certain situations where the Grantee feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of the Grantee's Personal Data that the Grantee has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Personal Data is based on consent or the Grantee's employment and is carried out by automated means. In case of concerns, the Grantee may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, the Grantee's rights the Grantee should contact the Grantee's local human resources representative.

## **AUSTRALIA**

### **Notifications**

**Tax Consideration.** The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions of the Act).

**Exchange Control Information.** Exchange control reporting is required for cash transactions exceeding a certain threshold and international fund transfers. The Australian bank assisting with the transaction may file the report on the Grantee's behalf. If there is no Australian bank involved in the transfer, the Grantee will be required to file the report. The Grantee should consult with his or her personal advisor to ensure proper compliance with applicable reporting requirements in Australia.

**Securities Law Notification.** This offer is being made under Division 1A, Part 7.12 of the Corporations Act 2001 (Cth).

Please note that if the Grantee offers shares of Stock for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. The Grantee should obtain legal advice on the Grantee's disclosure obligations prior to making any such offer.

## **AUSTRIA**

### **Notifications**

**Exchange Control Information.** If the Grantee holds shares of Stock acquired under the Plan outside Austria (even if held outside of Austria with an Austrian bank), the Grantee may need to submit an annual report to the Austrian National Bank using the form “*Standmeldung/Wertpapiere*.” Exemptions apply if the value of the shares of Stock held outside Austria as of December 31 does not exceed certain thresholds. If the thresholds are exceeded, annual or quarterly reporting obligations are imposed. If applicable, the deadline for filing the annual report is January 31 of the following year and the deadline for the quarterly report is the 15th of the month following the end of the respective quarter.

When shares of Stock are sold or dividends are paid on such shares, there may be exchange control obligations if the cash received is held outside Austria, as a separate reporting requirement applies to any non-Austrian cash accounts. If the transaction volume of all of the Grantee's cash accounts abroad exceeds a certain threshold, the movements and the balance of all accounts must be reported monthly, as of the last day of the month, on or before the 15th day of the following month, using the form “*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*.”

## **CANADA**

### **Terms and Conditions**

**Restricted Stock Units Payable in Shares of Stock Only.** Notwithstanding any discretion in Section 8(a) of the Plan or anything contrary in the Agreement, the Award does not provide any right for the Grantee to receive a cash payment, and the Restricted Stock Units are payable in shares of Stock only.

**Termination of Employment.** The following provision replaces Paragraph 8(a)(xii) of the RSU Agreement:

For purposes of the Award, the Grantee's Service Relationship will be considered terminated as of the date that is the earliest of (a) the date the Grantee's employment is terminated; (b) the date the Grantee receives notice of termination of employment; or (c) the date the Grantee is no longer providing services to the Company or any Affiliate (in all cases regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee renders service or the terms of the Grantee's employment agreement, if any). Unless otherwise expressly provided in this Agreement or determined by the Company, the Grantee's right to continue to vest in the Restricted Stock Units, if any, will terminate effective as of such date and will not be extended any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under local law. The Committee shall have the exclusive discretion to determine when the Grantee's employment is terminated for purposes of this Award (including whether the Grantee may still be considered providing services while on a leave of absence).

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, the Grantee's right to vest in the Award under the Plan, if any, will terminate effective as of the last day of the Grantee's minimum statutory notice period, but the Grantee will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the Grantee's statutory notice period, nor will the Grantee be entitled to any compensation for lost vesting

***The following provisions apply to the Award if the Grantee is a resident of Quebec:***

**Personal Data Authorization.** The following provision supplements the Data Privacy Consent, set forth above in this Appendix:

The Grantee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or non-professional, involved in the administration and operation of the Plan. The Grantee further authorizes the Company, the Employer and its other Affiliates to disclose and discuss with their advisors the Grantee's participation in the Plan. The Grantee also authorizes the Company, the Employer and its other Affiliates to record such information and to keep it in his or her employment file. If the Grantee is resident in Quebec, the Grantee acknowledges and agrees that his or her personal information, including sensitive personal information, may be transferred or disclosed outside of the province of Quebec, including to the United States. The Grantee acknowledges and authorizes the Company and other parties involved in the administration of the Plan to use technology for profiling purposes and to make automated decisions that may have an impact on the Grantee or the administration of the Plan.

**French Language Documents.** A French translation of this document and certain other documents related to the Restricted Stock Units will be made available to the Grantee concurrently or as soon as reasonably practicable. The Grantee understands that, from time to time, additional information related to the Restricted Stock Units may be provided in English and such information may not be immediately available in French. However, upon request, the Company will provide a translation of such information into French as soon as reasonably practicable. Notwithstanding anything to the contrary in the Agreement, and unless the Grantee indicates otherwise, the French translation of this document and certain other documents related to the Restricted Stock Units will govern the Grantee's participation in the Plan.

**Documents en Langue Française.** Une traduction française du présent document et de certains autres documents relatifs aux droits sur des actions assujettis à des restrictions (« RSUs ») sera mise à la disposition du Bénéficiaire en même temps que le présent document ou dès que raisonnablement possible. Le Bénéficiaire comprend que, de temps à autre, des informations supplémentaires relatives aux RSUs peuvent être fournies en anglais et que ces informations peuvent ne pas être immédiatement disponibles en français. Toutefois, sur demande, la Société fournira une traduction de ces informations en français dès que cela sera raisonnablement possible. Nonobstant toute disposition contraire dans le Contrat, et à moins que le Bénéficiaire n'indique le contraire, la traduction française du présent document et de certains autres documents relatifs aux RSUs régira la participation du Bénéficiaire au Plan.

***Notifications***

**Securities Law Information.** The Grantee is permitted to sell shares of Stock acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares of Stock acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the shares of Stock are listed. The shares of Stock are currently listed on the New York Stock Exchange.

**Foreign Account/Asset Reporting Information.** If the Grantee is a Canadian resident, the Grantee is required to report annually on Form T1135 (Foreign Income Verification Statement) the foreign specified property (including shares of Stock acquired under the Plan) he or she holds if the total cost of such foreign specified property exceeds C\$100,000 at any time during the year. Unvested Restricted Stock Units also must be reported (generally at nil cost) on Form T1135 if the C\$100,000 threshold is exceeded due to other foreign property the Grantee holds. If shares of Stock are acquired, their cost generally is the adjusted cost base ("ACB") of the shares

of Stock. The ACB would normally equal the fair market value of the shares of Stock at vesting, but if the Grantee owns other shares, this ACB may have to be averaged with the ACB of the other shares. The Form T1135 must be filed at the same time the Grantee files his or her annual tax return. The Grantee is advised to consult with a personal advisor to ensure he or she complies with the applicable reporting obligations.

## **FRANCE**

### ***Terms and Conditions***

**Restricted Stock Units Not Tax-Qualified.** The Grantee understands that the Restricted Stock Units are not intended to qualify for the special tax and social security treatment in France under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended.

**Consent to Receive Information in English.** By accepting the Agreement, the Grantee confirms having read and understood the documents relating to the Award (the Plan and the Agreement), which were provided in the English language. The Grantee accepts the terms of those documents accordingly.

*En acceptant le Contrat d'Attribution décrivant les termes et conditions de l'attribution, le Bénéficiaire confirme ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan et ce Contrat d'Attribution) qui ont été communiqués en langue anglaise. Le Bénéficiaire accepte les termes en connaissance de cause.*

### ***Notifications***

**Foreign Account/Asset Reporting Information.** French residents must report all foreign bank and brokerage accounts on an annual basis (including accounts opened or closed during the tax year) on a specific form together with the income tax return. Failure to comply could trigger significant penalties.

## **GERMANY**

### ***Notifications***

**Exchange Control Information.** Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Grantee receives cross-border payments in excess of €12,500 in connection with the sale of securities (including shares of Stock acquired under the Plan) or the receipt of dividends paid on such shares of Stock, the Grantee must report by the fifth day of the month following the month in which the payment was received. The report must be filed electronically. The form of report can be accessed via the German Federal Bank's website at [www.bundesbank.de](http://www.bundesbank.de) and is available in both German and English. In addition, the Grantee may be required to report the acquisition of securities if the value of the securities acquired exceeds €12,500 to the Bundesbank via email or telephone. The Grantee is advised to consult a personal legal advisor to ensure compliance with applicable reporting obligations.

**Foreign Asset/Account Reporting Information.** If the acquisition of shares of Stock under the Plan leads to a "qualified participation" at any point during the calendar year, Grantee understands that Grantee will need to report the acquisition when Grantee files his or her tax return for the relevant year. A qualified participation is attained only if (a) the value of the shares of Stock acquired exceeds €150,000 and the Grantee holds 1% or more of the total shares of Stock, or (b) the Grantee holds shares of Stock exceeding 10% of the Company's total Stock. Grantee should contact his or her personal advisor for further information regarding whether Grantee's acquisition of Stock under the Plan will result in a qualified participation.

## **HONG KONG**

### ***Terms and Conditions***

**Lapse of Restrictions.** If, for any reason, shares of Stock are issued to the Grantee within six (6) months of the Grant Date, the Grantee agrees that he or she will not sell or otherwise dispose of any such shares of Stock prior to the six-month anniversary of the Grant Date.

**Restricted Stock Units Payable in Shares of Stock Only.** Notwithstanding any discretion in Section 8(a) of the Plan or anything contrary in the Agreement, the Award does not provide any right for the Grantee to receive a cash payment, and the Restricted Stock Units are payable in shares of Stock only.

### ***Notifications***

**Securities Law Information.** *Warning: The contents of the Agreement, including this Appendix, the Plan, and all other materials pertaining to the Restricted Stock Units and/or the Plan have not been reviewed by any regulatory authority in Hong Kong. The Grantee is hereby advised to exercise caution in relation to the offer thereunder. If the Grantee has any doubts about any of the contents of the aforesaid materials, the Grantee should obtain independent professional advice.*

## **INDIA**

### ***Notifications***

**Exchange Control Information.** Exchange control laws and regulations in India require that all proceeds resulting from the sale of shares of Stock and any dividends received in relation to the shares of Stock be repatriated to India within such time as prescribed under applicable Indian exchange control laws, as may be amended from time to time. Indian residents must obtain a foreign inward remittance certificate (“FIRC”) from the bank into which foreign currency is deposited and retain the FIRC as evidence of repatriation of funds in the event that the Reserve Bank of India or the Employer requests proof of repatriation.

**Foreign Asset/Account Reporting Information.** Foreign bank accounts and any foreign financial assets (including shares of Stock held outside India) must be reported in the annual Indian personal tax return. It is the Grantee’s responsibility to comply with this reporting obligation and the Grantee should consult with his or her personal advisor in this regard.

## **IRELAND**

No country-specific provisions.

## **ITALY**

### ***Terms and Conditions***

**Grantee Acknowledgement.** This provision supplements Paragraph 8 of the RSU Agreement:

The Grantee acknowledges that the Grantee has read and specifically and expressly approves the following paragraphs of the RSU Agreement: (a) Responsibility for Taxes (Paragraph 6), (b) the Nature of the Grant (Paragraph 8); (d) Governing Law; Choice of Venue (Paragraph 12(a)), (e) Language (Paragraph 12(b)), (f) Appendix (Paragraph 12(d)) (g) the Imposition of Other

Requirements (Paragraph 12(e)), and (h) the Data Privacy Consent, set forth above in this Appendix.

### **Notifications**

**Foreign Asset/Account Reporting Information.** Italian residents who, at any time during the fiscal year, hold foreign financial assets (such as cash, shares of Stock or Restricted Stock Units) which may generate income taxable in Italy are required to report such assets on their annual tax returns or on a special form if no tax return is due. The same reporting duties apply to Italian residents who are beneficial owners of the foreign financial assets pursuant to Italian money laundering provisions, even if they do not directly hold the foreign asset abroad. The Grantee should consult a personal legal advisor to ensure compliance with applicable reporting requirements.

**Foreign Asset Tax Information.** The value of the financial assets held outside of Italy (including shares of Stock) by Italian residents is subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (*e.g.*, shares of Stock acquired under the Plan) assessed at the end of the calendar year.

### **JAPAN**

#### **Notifications**

**Foreign Asset/Account Reporting Information.** The Grantee will be required to report to the Japanese tax authorities details of any assets held outside of Japan as of December 31<sup>st</sup> (including any shares of Stock acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th each year. The Grantee should consult with his or her personal tax advisor as to whether the reporting obligation applies to the Grantee and whether the Grantee will be required to report details of his or her outstanding Restricted Stock Units, as well as shares of Stock, in the report.

### **MALAYSIA**

#### **Notifications**

**Director Notification Obligation.** If the Grantee is a director of a Malaysian Affiliate, the Grantee is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Grantee receives or disposes of an interest (*e.g.*, Restricted Stock Units, shares of Stock, etc.) in the Company or any related company. This notification must be made within 14 days of receiving or disposing of any interest in the Company or any related company.

### **NETHERLANDS**

No country-specific provisions.

### **NORWAY**

No country-specific provisions.

### **POLAND**

#### **Notifications**

**Exchange Control Information.** If the Grantee holds foreign securities (including shares of Stock) and maintains accounts abroad, the Grantee may be required to file certain reports with the National Bank of Poland on the transactions and balances of the securities and cash deposited in such accounts if the value of such transactions or balances exceeds PLN 7,000,000 in the aggregate. If required, the Grantee must file reports on the transactions and balances of the accounts on a quarterly basis on special forms available on the website of the National Bank of Poland.

Further, if the Grantee transfers funds in excess of €15,000 into Poland in connection with the sale of shares of Stock under the Plan, the funds must be transferred via a bank account held at a bank in Poland. The Grantee is required to maintain all documents related to foreign exchange transactions for a period of five years, in case of a request for their production from the Bank of Poland.

## **SPAIN**

### ***Terms and Conditions***

**No Entitlement for Claims or Compensation.** By accepting the Restricted Stock Units, the Grantee acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan. The Grantee understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Restricted Stock Units under the Plan to individuals who may be employees of the Employer, the Company or its other Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any Restricted Stock Units will not economically or otherwise bind the Employer, the Company or its other Affiliates on an ongoing basis. Consequently, the Grantee understands that the Restricted Stock Units are granted on the assumption and condition that the Restricted Stock Units and the shares of Stock acquired upon settlement shall not become a part of any employment contract (either with the Employer, the Company or any of its other Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Grantee understands that grant of Restricted Stock Units would not be made to the Grantee but for the assumptions and conditions referred to above; thus, the Grantee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of Restricted Stock Units shall be null and void.

Further, the vesting of the Restricted Stock Units is expressly conditioned on the Grantee's continued employment, such that if the Grantee's status as an employee terminates for any reason whatsoever, the Restricted Stock Units may cease vesting immediately, in whole or in part, effective on the date of the Grantee ceases to be an employee. This will be the case, for example, even if (a) the Grantee is considered to be unfairly dismissed without good cause; (b) the Grantee is dismissed for disciplinary or objective reasons or due to a collective dismissal; (c) the Grantee ceases to be an employee due to a change of work location, duties or any other employment or contractual condition; (d) the Grantee ceases to be an employee due to a unilateral breach of contract by the Employer, the Company or its other Affiliates; or (e) the Grantee ceases to be an employee for any other reason whatsoever. Consequently, once the Grantee ceases to be an employee any of the above reasons, the Grantee may automatically lose any rights to Restricted Stock Units that were not vested on the date of the Grantee's termination of employment, as described in the Plan and the Agreement.

The Grantee acknowledges that he or she has read and specifically accepts the conditions referred to in Paragraph 11 of the RSU Agreement.

### ***Notifications***

**Securities Law Information.** No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of the Restricted Stock Units. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

## **SWITZERLAND**

### **Notifications**

**Securities Law Information.** Neither the Agreement nor any other materials relating to the Restricted Stock Units (1) constitute a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“FinSA”), (2) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company or (3) have been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

## **UNITED KINGDOM**

### **Terms and Conditions**

**Restricted Stock Units Payable in Shares of Stock Only.** Notwithstanding any discretion in Section 8(a) of the Plan or anything contrary in the Agreement, the Award does not provide any right for the Grantee to receive a cash payment, and the Restricted Stock Units are payable in shares of Stock only.

**Joint Election for Transfer of Liability for Employer National Insurance Contributions.** As a condition of participation in the Plan and settlement of any Award vesting, the Grantee hereby irrevocably agrees to accept any liability for secondary Class 1 National Insurance contributions and, to the extent permissible, the employer portion of the Health and Social Care Levy (the “Employer NICs”) that may be payable by the Company or the Employer (and any successor to the Company and/or the Employer) in connection with the Award and any event giving rise to Tax-Related Items. Without prejudice to the foregoing, the Grantee agrees to execute a joint election with the Company and/or the Employer in such form as the Company may determine (the “Joint Election”), and any other required consent or election requested by the Company. The Grantee further agrees to execute such other joint elections as may be required between the Grantee and any successor to the Company or the Employer. The Grantee further agrees that the Company and the Employer (and any successor to the Company and/or the Employer) may collect the Employer NICs from the Grantee by any of the means set forth in Paragraph 6 of the RSU Agreement.

If the Grantee does not enter into a Joint Election prior to exercise of the Award, the Award shall not be settled unless and until he or she enters into a Joint Election, and no shares of Stock will be issued to the Grantee under the Plan, without any liability to the Company, the Employer, or any other Affiliate.

**Tax Withholding.** The following provision supplements Paragraph 6 of the RSU Agreement:

Without limitation to Paragraph 6 of the RSU Agreement, the Grantee agrees that he or she is liable for all Tax-Related Items, including, to the extent permissible, the Employer’s portion of the Health and Social Care levy, and hereby covenants to pay all such Tax-Related Items as and when requested by the Company, the Employer or by HM Revenue & Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Grantee also agrees to indemnify and keep indemnified the Company and the Employer (and any successor to the Company and/or

the Employer) against any Tax-Related Items that they are required to pay or withhold on or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Grantee's behalf. For the purposes of the RSU Agreement, Tax-Related Items include (without limitation) employment income tax, employee National Insurance contributions and the employee portion of the Health and Social Care levy.

Notwithstanding the foregoing, if the Grantee is an executive officer or director (within the meaning of Section 13(k) of the Exchange Act), the Grantee acknowledges that may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by the Grantee, as it may be considered a loan. In such case, if the amount of any income tax due is not collected from or paid by the Grantee within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute an additional benefit to the Grantee on which additional income tax and National Insurance contributions ("NICs") may be payable. The Grantee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company and/or the Employer (and any successor to the Company and/or the Employer) the value of any employee NICs due on this additional benefit, which the Company and/or the Employer may recover at any time thereafter by any of the means referred to in Paragraph 6 of the RSU Agreement.

**NICs JOINT ELECTION FOR UK PARTICIPANTS FOR THE GUIDEWIRE SOFTWARE, INC. AMENDED AND  
RESTATED 2020 STOCK PLAN**

**(the “Election”)**

**Important Note on the Election to Transfer Employer’s NICs**

As a condition of your participation in the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan, you are required to enter into the Election to transfer to you any liability for employer National Insurance contributions (“Employer NICs”) that may arise in connection with your participation in the Plan.

By accepting your award (the “Award”) (whether by signing the applicable award or by clicking on the “ACCEPT” box as part of the Company’s online acceptance procedures) or by separately accepting the Election (whether in hard copy or by clicking on the “ACCEPT” box), you indicate your acceptance to transfer Employer’s NICs and to be bound by the terms of the Election. You should read this important note and the Election in their entirety before accepting the applicable award agreement and the Election. Please print and keep a copy of the Election for your records.

By entering into the Election:

- you agree that any Employer’s NICs liability that may arise in connection with your participation in the Plan will be transferred to you;
- you authorise your employer to recover an amount sufficient to cover this liability by such methods as set forth in Paragraph 6 of the RSU Agreement including, but not limited to, deductions from your salary or other payments due or the sale of sufficient shares acquired pursuant to your Awards; and
- you acknowledge that the Company or your employer may require you to sign a paper copy of this Election (or a substantially similar form) if the Company determines such is necessary to give effect to the Election even if you have accepted the applicable award agreement or the Election through the Company’s electronic acceptance procedure.

## Joint Election for Transfer of Liability for

### Employer National Insurance Contributions to Employee

#### Election To Transfer the Employer's National Insurance Liability to the Employee

This Election is between:

- A. The individual who has obtained authorised access to this Election (the “**Employee**”), who is employed by one of the employing companies listed in the attached schedule (the “**Employer**”) and who is eligible to receive stock options and/or restricted stock units (the “**Awards**”) pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan (the “**Plan**”), and
- B. Guidewire Software, Inc., a Delaware corporation, with registered offices at 2850 S. Delaware Street, Suite 100, San Mateo, CA 94403, U.S.A. (the “**Company**”), which may grant Awards under the Plan and is entering into this Election on behalf of the Employer.

#### 1. Introduction

1.1 This Election relates to all Awards granted to the Employee under the Plan up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

- (a) “**Chargeable Event**” means any event giving rise to Relevant Employment Income.
- (b) “**ITEPA**” means the Income Tax (Earnings and Pensions) Act 2003.
- (c) “**Relevant Employment Income**” from Awards on which Employer's National Insurance Contributions becomes due is defined as:
  - (i) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);
  - (ii) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or
  - (iii) any gain that is treated as remuneration derived from the earner's employment by virtue of section 4(4)(a) SSCBA, including without limitation:
    - (A) the acquisition of securities pursuant to the Awards (within the meaning of section 477(3)(a) of ITEPA);
    - (B) the assignment (if applicable) or release of the Awards in return for consideration (within the meaning of section 477(3)(b) of ITEPA);
    - (C) the receipt of a benefit in connection with the Awards, other than a benefit within (i) or (ii) above (within the meaning of section 477(3)(c) of ITEPA).

(d) “**SSCBA**” means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the Employer's secondary Class 1 National Insurance Contributions (the “**Employer's Liability**”) which may arise in respect of Relevant

Employment Income in respect of the Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

- 1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
- 1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

## 2. **The Election**

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability that arises on any Relevant Employment Income is hereby transferred to the Employee. The Employee understands that, by signing this Election (including by electronic signature process) or by accepting the Awards (including by electronic signature process if made available by the Company), as applicable, he or she will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

## 3. **Payment of the Employer's Liability**

- 1.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability in respect of any Relevant Employment Income from the Employee at any time after the Chargeable Event:
  - (a) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
  - (b) directly from the Employee by payment in cash or cleared funds; and/or
  - (c) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Awards, the proceeds from which must be delivered to the Employer in sufficient time for payment to be made to Her Majesty's Revenue & Customs ("HMRC") by the due date; and/or
  - (d) by any other means specified in the applicable Restricted Stock Unit agreement entered into between the Employee and the Company.
- 1.1 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Awards until full payment of the Employer's Liability is received.
- 1.2 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HMRC on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs if payments are made electronically).

## 4. **Duration of Election**

- 4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.
- 4.2 Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Awards in circumstances where section 483 of ITEPA applies.
- 4.3 This Election will continue in effect until the earliest of the following:
  - (a) the date on which the Employee and the Company agree in writing that it should cease to have effect;
  - (b) the date on which the Company serves written notice on the Employee terminating its effect;
  - (c) the date on which HMRC withdraws approval of this Election; or
  - (d) the date on which, after due payment of the Employer's Liability in respect of the entirety of the Awards to which this Election relates or could relate, the Election ceases to have effect in accordance with its own terms.
- 4.4 This Election will continue in force regardless of whether the Employee ceases to be an employee of the Employer.

**Acceptance by the Employee**

**The Employee acknowledges that, by signing this Election (including by electronic signature process) or by accepting the Awards (including by electronic signature process if made available by the Company), the Employee agrees to be bound by the terms of this Election.**

...../...../.....  
 Signature (Employee) Date

**Acceptance by the Company**

**The Company acknowledges that, by signing this Election (including by electronic signature process) or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.**

Signature for and on  
 behalf of the Company \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_\_

### Schedule of Employer Companies

The employing companies to which this Election relates include:

Name	<b>Guidewire Software (UK) Ltd.</b>
Registered Office:	4th Floor, 9 Cloak Lane London EC4R 2RU, U.K.
Company Registration Number:	05427894
Corporation Tax Reference:	18293 29999
PAYE Reference:	951 / BZ75816

**STOCK OPTION AGREEMENT  
UNDER THE GUIDEWIRE SOFTWARE, INC.  
AMENDED AND RESTATED 2020 STOCK PLAN**

Name of Optionee: \_\_\_

No. of Option Shares: \_\_\_

Option Exercise Price per Share: \$\_\_\_  
[FMV on Grant Date]

Grant Date: \_\_\_

Expiration Date: \_\_\_

Option Type:            Incentive Stock Option\*/Non-Qualified Stock Option\*

[\* This Stock Option is intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”).]<sup>1</sup>

[\* This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”).]<sup>2</sup>

Pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan as amended through the date hereof (the “Plan”), Guidewire Software, Inc. (the “Company”) hereby grants to the Optionee named above an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock (the “Stock”) of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder in circumstances involving the Optionee’s death or disability [and to any Company leave of absence policy in effect], this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee continues to be employed with the Company or a Subsidiary on such dates:

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<sup>1</sup> For ISOs

<sup>2</sup> For NQSOs

Incremental Number of  
Option Shares Exercisable[\*]<sup>3</sup>

\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)

Exercisability Date

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[\* Max. of \$100,000 per year.]<sup>4</sup>

Notwithstanding anything in this Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Option Shares shall be treated as provided in Section 3(c) of the Plan[ provided; however that the Stock Option and the Option Shares shall be subject to any executive agreement by and between the Optionee and the Company, as applicable (the “Executive Agreement”)].

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure or (iv a combination of (i), (ii), and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and

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<sup>3</sup> For ISOs

<sup>4</sup> For ISOs.

(iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment with the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment with the Company or a Subsidiary terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment with the Company or a Subsidiary terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment with the Company or a Subsidiary terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment or other service agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company.

(d) Other Termination. If the Optionee's employment with the Company or a Subsidiary terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's employment with the Company or a Subsidiary shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Tax Withholding. Regardless of any action that the Company, the Optionee's actual employer or any parent, Subsidiary or affiliate to which the Optionee provides service if the Optionee is a Consultant (collectively, the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account, or other tax-related items related to the Optionee's participation in the Plan and legally applicable to him or her ("Tax-Related Items"), the Optionee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Optionee further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Option, including, without limitation, the grant, vesting, or exercise of the Stock Option, the issuance of Stock upon exercise, the subsequent sale of Stock acquired pursuant to such issuance, and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Stock Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. The Optionee shall not make any claim against the Company or its Board, officers or employees related to Tax-Related Items arising from this Stock Option or the Optionee's other compensation. Furthermore, if the Optionee has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Optionee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) payment by the Optionee to the Company and/or Employer; or

(b) withholding from the Optionee's wages or other cash compensation paid to him or her by the Company and/or the Employer; or

(c) withholding from proceeds of the sale of Stock acquired upon vesting and exercise of the Stock Options, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization).

To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Stock, the Optionee is deemed, for tax purposes, to have been issued the full number of share of Stock subject to the Stock Option, notwithstanding that a number of the shares of Stock is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Optionee's participation in the Plan.

Finally, the Optionee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Optionee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock if the Optionee fails to comply with his or her obligations in connection with the Tax-Related Items.

#### 7. Clawback Acknowledgements.

(a) The Optionee agrees that this Agreement and the Stock Option hereunder are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or Administrator and as in effect from time to time, including, without limitation, the Company's Compensation Recovery Policy, as amended and/or restated from time to time (the "Clawback Policy") and the Company's Supplemental Recovery Policy, as amended and/or restated from time to time (the "Supplemental Clawback Policy"); and (ii) applicable law.

(b) In consideration of this Stock Option, the Optionee further agrees that all Incentive-Based Compensation (as defined in the Clawback Policy and Supplemental Clawback Policy, as applicable) received by the Optionee after the Effective Date (as defined in the Clawback Policy and the Supplemental Clawback Policy, as applicable) is subject to recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable.

(c) The Optionee agrees that the Optionee is not entitled to indemnification for any recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable, and, to the extent any agreement or organizational document purports to provide otherwise, the Optionee hereby irrevocably agrees to forego such indemnification.

(d) The Optionee agrees to take all required action in a reasonably prompt manner, as applicable, to enable any reduction, cancellation, forfeiture or recoupment of this Stock Option and any other Incentive-Based Compensation in order to enable the enforcement of the Clawback Policy, Supplemental Clawback Policy and applicable law.

(e) The Optionee has received and has had an opportunity to review the Plan, the Clawback Policy and the Supplemental Clawback Policy.

8. No Obligation to Continue Employment or Other Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in an employment or any other Service Relationship with the Company or

a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Optionee's employment or any other Service Relationship with the Company or a Subsidiary at any time.

9. **Integration.** This Agreement [and the Executive Agreement] constitute[s] the entire agreement[s] between the parties with respect to this Stock Option and supersede[s] all prior agreements and discussions between the parties concerning such subject matter.

10. **Data Privacy Consent.** In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. **Notices.** Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation (or other overnight courier service approved by the Company), with shipping charges prepaid or (iv) the date on which an electronic notification is received. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Paragraph.

12. **[Status of the Stock Option.** This Stock Option is intended to qualify as an "incentive stock option" under Section 422 of the Code, but the Company does not represent or warrant that this Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of this Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements and that ***this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an "incentive stock option."*** To the extent any portion of this Stock Option does not so qualify as an "incentive stock option," such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day

after the grant of this Stock Option, he or she will so notify the Company within 30 days after such disposition.]<sup>5</sup>

**Guidewire Software, Inc.**

By: \_\_\_  
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: \_\_\_ \_\_\_

Optionee's Signature

Optionee's name and address:

\_\_\_  
\_\_\_  
\_\_\_

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<sup>5</sup> For ISOs.

**GLOBAL STOCK OPTION AGREEMENT  
UNDER THE GUIDEWIRE SOFTWARE, INC.  
AMENDED AND RESTATED 2020 STOCK PLAN**

Name of Optionee: \_\_\_

No. of Option Shares: \_\_\_

Option Exercise Price per Share: \$\_\_\_  
[FMV on Grant Date]

Grant Date: \_\_\_

Expiration Date: \_\_\_

Option Type:            Non-Qualified Stock Option

This Stock Option is not intended to be an “incentive stock option” under Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”).

Pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan as amended through the date hereof (the “Plan”), Guidewire Software, Inc. (the “Company”) hereby grants to the Optionee named above an option (the “Stock Option”) to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock (the “Stock”) of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth in this Global Stock Option Agreement (the “Option Agreement”), including any additional terms and conditions for the Optionee’s country set forth in the appendix attached hereto (the “Appendix” and, together with the Option Agreement, the “Agreement”) and in the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder in circumstances involving the Optionee’s death or disability [and to any Company leave of absence policy in effect], this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee continues to be employed with the Company or an Affiliate on such dates:

Incremental Number of  
Option Shares Exercisable[\*]

\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)

Exercisability Date

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notwithstanding anything in this Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Option Shares shall be treated as provided in Section 3(c) of the Plan[ provided; however that the Stock Option and the Option Shares shall be subject to any executive agreement by and between the Optionee and the Company, as applicable (the “Executive Agreement”)].

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan. For the avoidance of doubt, being employed with the Company or an Affiliate for only a portion of the vesting period, but where the Optionee’s employment has terminated prior to a vesting date, will not entitle the Optionee to vest in and exercise a pro-rata portion of this Stock Option on such vesting date or any future vesting date.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator (or such other person or entity as the Administrator may designate) of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) if permitted by the Administrator through the delivery (or attestation of ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company (or such person or entity as the Company may designate) a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure or (iv) a combination of (i), (ii), and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company’s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and

(iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses (and the Administrator permits) to pay the purchase price by previously owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment with the Company or an Affiliate (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate).

(a) Termination Due to Death. If the Optionee's employment with the Company or an Affiliate terminates by reason of the Optionee's death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of twelve (12) months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment with the Company or an Affiliate terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such termination, may thereafter be exercised by the Optionee for a period of twelve (12) months from the date of termination due to disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination due to disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment with the Company or an Affiliate terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment or other service agreement between the Optionee and the Company or an Affiliate, as applicable, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company or any Affiliate.

(d) Other Termination. If the Optionee's employment with the Company or an Affiliate terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

For purposes of this Stock Option, the Optionee's employment with the Company or an Affiliate will be considered terminated and termination date shall be deemed to occur as of the date the Optionee is no longer actively providing services to the Company or any of its Subsidiaries or Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of labor laws in the jurisdiction where the Optionee is employed or otherwise providing services or the terms of the Optionee's employment or other service agreement, if any). Unless otherwise determined by the Company, the Optionee's right to vest in the Stock Option, if any, will terminate and the Optionee's right to exercise any vested Stock Option will be measured as of such date and, in either case, will not be extended by any notice period (e.g., the Optionee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under labor laws in the jurisdiction where the Optionee is employed or otherwise providing services or the terms of the Optionee's employment or other service agreement, if any). The Administrator shall have the exclusive discretion to determine when the Optionee is no longer actively providing services for purposes of this Stock Option (including whether the Optionee may still be considered to be providing services while on a leave of absence).

The Administrator's determination of the reason for termination of the Optionee's employment with the Company or an Affiliate shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.

6. Tax Withholding. Regardless of any action that the Company, or if different, an Affiliate to which the Optionee provides service (collectively, the "Employer") takes with respect to any or all income tax, social insurance, fringe benefits tax, payroll tax, payment on account, or other tax-related items related to the Optionee's participation in the Plan and legally applicable or deemed applicable to him or her ("Tax-Related Items"), the Optionee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Optionee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Option, including, without limitation, the grant, vesting, or exercise of the Stock Option, the issuance of Stock upon exercise, the subsequent sale of Stock acquired pursuant to such issuance, and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Stock Option to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. The Optionee shall not make any claim against the Company or its Board, officers or employees

related to Tax-Related Items arising from this Stock Option. Furthermore, if the Optionee has become subject to tax in more than one jurisdiction, the Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Optionee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) requiring a cash payment by the Optionee to the Company and/or the Employer; or

(b) withholding from the Optionee's wages or other cash compensation payable to him or her by the Company and/or the Employer; or

(c) withholding from proceeds of the sale of Stock acquired upon exercise of the Stock Options, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization without further consent); or

(d) any other withholding method determined by the Company to be in compliance with applicable laws and permitted under the Plan.

The Company may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum rates applicable in the Optionee's jurisdiction(s). In the event of over-withholding, the Optionee may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in shares of Stock, or if not refunded, the Optionee may seek a refund from the applicable tax authorities. In the event of under-withholding, the Optionee may be required to pay additional Tax-Related Items directly to the applicable tax authorities or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Optionee is deemed to have been issued the full number of Option Shares subject to the exercised Stock Option, notwithstanding that a number of the Option Shares is held back solely for the purpose of paying the Tax-Related Items..

The Optionee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Optionee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Option Shares or the proceeds of the sale of the Option Shares acquired upon the exercise of this Stock Option, if the Optionee fails to comply with his or her obligations in connection with the Tax-Related Items.

#### 7. Clawback Acknowledgements.

(a) The Optionee agrees that this Option Agreement and the Stock Option hereunder are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or Administrator and as in effect from time to time, including, without limitation, the Company's Compensation Recovery Policy, as amended and/or restated from time to time (the "Clawback Policy") and the Company's Supplemental Recovery Policy, as amended and/or restated from time to time (the "Supplemental Clawback Policy"); and (ii) applicable law.

(b) In consideration of this Stock Option, the Optionee further agrees that all Incentive-Based Compensation (as defined in the Clawback Policy and Supplemental Clawback Policy, as applicable) received by the Optionee after the Effective Date (as defined in the Clawback Policy and the Supplemental Clawback Policy, as applicable) is subject to recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable.

(c) The Optionee agrees that the Optionee is not entitled to indemnification for any recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable, and, to the extent any agreement or organizational document purports to provide otherwise, the Optionee hereby irrevocably agrees to forego such indemnification.

(d) The Optionee agrees to take all required action in a reasonably prompt manner, as applicable, to enable any reduction, cancellation, forfeiture or recoupment of this Stock Option and any other Incentive-Based Compensation in order to enable the enforcement of the Clawback Policy, Supplemental Clawback Policy and applicable law.

(e) The Optionee has received and has had an opportunity to review the Plan, the Clawback Policy and the Supplemental Clawback Policy.

8. Nature of Award. In accepting this Stock Option, the Optionee acknowledges, understands, and agrees that:

(a) Neither the Company nor any Affiliate is obligated by or as a result of the Plan or this Agreement to continue the Optionee's employment or any other Service Relationship with the Company or an Affiliate, and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Affiliate to terminate the Optionee's employment or any other Service Relationship with the Company or an Affiliate at any time.

(b) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan;

(c) the grant of this Stock Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future stock options, or benefits in lieu of stock options, even if such grants have been made in the past;

(d) all decisions with respect to future Stock Options, if any, will be at the sole discretion of the Company;

(e) the Optionee's participation in the Plan is voluntary;

(f) this Award and the shares of Stock subject to this Stock Option, and the income from and value of the same, are not intended to replace any pension rights or compensation;

(g) this Stock Option and the shares of Stock subject to this Award, and the income from and value of same, are not part of normal or expected compensation or salary for purposes of, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(h) the future value of the shares of Stock subject to this Stock Option is unknown, indeterminable and cannot be predicted with certainty;

(i) if the underlying shares of Stock subject to the Stock Option do not increase in value, the Stock Option will have no value;

(j) if Optionee exercises the Stock Option and acquires shares of Stock, the value of such shares of Stock may increase or decrease, even below the Option Exercise Price per Share;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of any portion of this Stock Option resulting from termination of the Optionee's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Optionee renders service or the terms of the Optionee's employment agreement, if any);

(l) for purposes of the Stock Option, the Optionee's employment will be considered terminated as of the date the Optionee is no longer actively providing services (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Optionee renders service or the terms of the Optionee's employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Company, the Optionee's right to continue to vest in the Stock Option, if any, will terminate effective as of such date and will not be extended by any notice period (*e.g.*, active employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Optionee renders service or the terms of the Optionee's employment agreement, if any); the Administrator shall have the exclusive discretion to determine when the Optionee's active employment is terminated for purposes of this Stock Option (including whether the Optionee may still be considered to actively be providing services while on a leave of absence);

(m) unless otherwise agreed with the Company in writing, the Stock Option and the shares of Stock subject to this Stock Option, and the income from and value of the same, are not granted as consideration for, or in connection with, the service the Optionee may provide as a director of an Affiliate;

(n) unless otherwise provided in the Plan or by the Company in its discretion, the Stock Option and the benefits evidenced by this Agreement do not create any entitlement to have the Stock Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock; and

(o) the following provisions apply only if the Optionee is providing services outside the United States:

(i) the Stock Option and the shares of Stock subject to the Stock Option and the income from and value of the same, are not part of normal or expected compensation or salary for any purpose;

(ii) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the U.S. Dollar that may affect the value of the Stock Option or of any amounts due to the Optionee pursuant to the settlement of the Stock Option or the subsequent sale of any shares of Stock acquired upon settlement.

9. Integration. This Agreement [and the Executive Agreement] constitute[s] the entire agreement[s] between the parties with respect to this Stock Option and supersede[s] all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its Subsidiaries and Affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service or comparable non-US postal service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation (or other overnight courier service approved by the Company), with shipping charges prepaid or (iv) the date on which an electronic notification is received. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Paragraph.

12. Miscellaneous Provisions.

(a) Governing Law; Choice of Venue. The Stock Option and the provisions of this Agreement shall be governed by and constructed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by the Stock Option or this Agreement and/or the Plan, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of the County of San Mateo, California, or the United States federal courts for the Northern District of California, and no other courts, where the grant of the Stock Option is made and/or to be performed.

(b) Language. The Optionee acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Optionee to understand the terms and conditions of this Agreement. If the Optionee receives the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

(c) Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions nevertheless shall be binding and enforceable.

(d) Appendix. Notwithstanding any provisions in this Option Agreement, this Stock Option shall be subject to any additional terms and conditions set forth in any Appendix to this Agreement for the Optionee’s country. Moreover, if the Optionee relocates to one of the countries included in the Appendix, the additional terms and conditions for such country will

apply to the Optionee, to the extent that the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

(e) Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Optionee's participation in the Plan, on this Stock Option and on any shares of Stock acquired under the Plan, to the extent that the Company determines that it is necessary or advisable for legal or administrative reasons, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(f) Waiver. The Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

(g) No Advice Regarding Award. The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or his or her acquisition or sale of the shares of Stock subject to this Stock Option. The Optionee is solely responsible for taking all appropriate legal advice, notably concerning U.S. and local country tax and social insurance regulations, when signing this Agreement, or selling the shares of Stock acquired upon settlement of the Stock Option, or more generally when making any decision in relation with this Stock Option, this Agreement or otherwise under the Plan. The Company does not represent or guarantee that the Optionee may benefit from specific provisions under said regulations and the Optionee shall on his or her own efforts receive proper information in this respect. The Optionee understands and agrees that he or she should consult with his or her personal tax, legal, and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

(h) Electronic Delivery of Documents. The Optionee agrees that the Company may decide, in its sole discretion, to deliver by email or other electronic means any documents relating to the Plan or this Stock Option (including, without limitation, a copy of the Plan) and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the U.S. Securities and Exchange Commission). The Optionee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Optionee by email.

(i) Insider-Trading/Market-Abuse Laws. The Optionee acknowledges that, depending on his or her country, he or she may be subject to insider-trading restrictions and/or market-abuse laws, which may affect the Optionee's ability to purchase or sell shares of Stock acquired under the Plan during such times as the Optionee is considered to have "inside information" regarding the Company (as defined by the laws in the Optionee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider-trading policy. The Optionee is responsible for complying with any applicable restrictions and is advised to speak to his or her personal legal advisor for further details regarding any applicable insider-trading and/or market-abuse laws in the Optionee's country.

(j) Foreign Asset/Account Reporting Requirements; Exchange Controls. The Optionee acknowledges that his or her country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect his or her ability to acquire or hold shares of Stock acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on shares of Stock acquired under the Plan) in a brokerage or bank account outside his or her country. The Optionee may be required to report

such accounts, assets or transactions to the tax or other authorities in his or her country. The Optionee also may be required to repatriate sale proceeds or other funds received as a result of his or her participation in the Plan to his or her country through a designated bank or broker within a certain time after receipt. The Optionee acknowledges that it is his or her responsibility to be compliant with such regulations and is encouraged to consult his or her personal legal advisor for any details.

**Guidewire Software, Inc.**

By: \_\_\_  
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: \_\_\_ \_\_\_

Optionee's Signature

Optionee's name and address:

\_\_\_  
\_\_\_  
\_\_\_

**APPENDIX TO  
GLOBAL STOCK OPTION AGREEMENT  
UNDER THE  
GUIDEWIRE SOFTWARE, INC.  
AMENDED AND RESTATED 2020 STOCK PLAN**

Certain capitalized terms used but not defined in this Appendix have the meanings set forth in the Global Stock Option Agreement (the “Option Agreement”) or, if not defined therein, the Plan.

***TERMS AND CONDITIONS***

This Appendix, which is part of the Agreement, includes additional terms and conditions that govern the Stock Option and that will apply to the Optionee if he or she resides and/or works in one of the countries listed below. If the Optionee is a citizen or resident of a country other than the one in which the Optionee resides and/or works, is considered a resident of another country for local law purposes or transfers employment and/or residency between countries after the Grant Date, the Company, in its discretion, will determine to what extent terms and conditions contained herein shall be applicable to the Optionee.

***NOTIFICATIONS***

This Appendix also includes information regarding securities, exchange control and certain other issues of which the Optionee should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of **May 2022**. Such laws are often complex and change frequently. As a result, the Optionee should not rely on the information in this Appendix as the only source of information relating to the consequences of his or her participation in the Plan because such information may be outdated when the Stock Option become vested, exercised and/or when any shares of Stock acquired upon exercise are sold.

In addition, the information contained herein is general in nature and may not apply to the Optionee’s particular situation. As a result, the Company is not in a position to assure the Optionee of any particular result. The Optionee therefore should to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her particular situation.

Finally, if the Optionee is a citizen or resident of a country other than the one in which the Optionee resides and/or works, is considered a resident of another country for local law purposes or transfers employment and/or residency between countries after the Grant Date,, then the notifications contained herein may not apply to him or her in the same manner.

## **ALL NON-U.S. JURISDICTIONS**

Data Privacy Consent. The following provision replaces Paragraph 10 of the Option Agreement:

***Consent to Personal Data Processing and Transfer.*** By accepting the Stock Option via the Company's acceptance procedure, the Optionee is declaring that he or she agrees with the data processing practices described herein and consents to the collection, processing and use of Personal Data (as defined below) by the Company and the transfer of Personal Data to the recipients mentioned herein, including recipients located in countries which do not adduce an adequate level of protection from a European (or other) data protection law perspective, for the purposes described herein.

(a) ***Declaration of Consent.*** The Optionee understands that the Optionee must review the following information about the processing of the Optionee's personal data by or on behalf of the Company and its Subsidiaries and Affiliates as described in this Agreement and any materials related to the Stock Option (the "Personal Data") and declare his or her consent. As regards the processing of the Optionee's Personal Data in connection with the Plan and this Agreement, the Optionee understands that the Company is the controller of the Optionee's Personal Data.

(b) ***Data Processing and Legal Basis.*** The Company collects, uses and otherwise processes Personal Data about the Optionee for purposes of allocating shares of Stock and implementing, administering and managing the Plan. The Personal Data processed by the Company includes, without limitation, the Optionee's name, home address and telephone number, email address, date of birth, social insurance number, passport number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company or its Affiliates, details of all Awards or any other entitlement to shares of stock or equivalent benefits awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor. The legal basis for the processing of the Optionee's Personal Data, where required, is the Optionee's consent.

(c) ***Stock Plan Administration Service Providers.*** The Optionee understands that the Company transfers the Optionee's Personal Data, or parts thereof, to (i) E\*Trade Corporate Financial Services, Inc. and its affiliated companies ("E\*Trade"), an independent service provider based in the United States which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select different service providers and share the Optionee's Personal Data with such different service providers that serve the Company in a similar manner. The Company's service providers will open an account for the Optionee to receive and trade shares of Stock acquired under the Plan and the Optionee will be asked to agree on separate terms and data processing practices with the service provider, which is a condition of the Optionee's ability to participate in the Plan.

(d) ***International Data Transfers.*** The Company and, as of the date hereof, any third parties assisting in the implementation, administration and management of the Plan, such as E\*Trade, are based in the United States. If the Optionee is located outside the United States, the Optionee's country may have enacted data privacy laws that are different from the laws of the United States. The Company's legal basis for the transfer of the Optionee's Personal Data is the Optionee's consent.

(e) ***Data Retention.*** The Company will process the Optionee's Personal Data only as long as is necessary to implement, administer and manage the Optionee's participation in

the Plan, or to comply with legal or regulatory obligations, including under tax, exchange control, labor and securities laws. This period may extend beyond Optionee's end of Service Relationship. In the latter case, the Optionee understands and acknowledges that the Company's legal basis for the processing of the Optionee's Personal Data would be compliance with the relevant laws or regulations. When the Company no longer needs the Optionee's Personal Data for any of the above purposes, the Optionee understands the Company will remove it from its systems.

(f) **Voluntariness and Consequences of Denial/Withdrawal of Consent.** The Optionee understands that any participation in the Plan and his or her consent are purely voluntary. The Optionee may deny or later withdraw his or her consent at any time, with future effect and for any or no reason. If the Optionee denies or later withdraws his or her consent, the Company can no longer offer participation in the Plan or grant equity awards to the Optionee or administer or maintain such awards, and the Optionee will no longer be eligible to participate in the Plan. The Optionee further understands that denial or withdrawal of his or her consent would not affect his or her status or salary as an employee or his or her career and that the Optionee would merely forfeit the opportunities associated with the Plan.

(g) **Data Subject Rights.** The data subject rights regarding the processing of personal data vary depending on the applicable law and that, depending on where the Optionee is based and subject to the conditions set out in the applicable law, the Optionee may have, without limitation, the rights to (i) inquire whether and what kind of Personal Data the Company holds about the Optionee and how it is processed, and to access or request copies of such Personal Data, (ii) request the correction or supplementation of Personal Data about the Optionee that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Personal Data no longer necessary for the purposes underlying the processing, (iv) request the Company to restrict the processing of the Optionee's Personal Data in certain situations where the Optionee feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Personal Data for legitimate interests, and to (vi) request portability of the Optionee's Personal Data that the Optionee has actively or passively provided to the Company (which does not include data derived or inferred from the collected data), where the processing of such Personal Data is based on consent or the Optionee's employment and is carried out by automated means. In case of concerns, the Optionee may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, the Optionee's rights the Optionee should contact the Optionee's local human resources representative.

## **AUSTRALIA**

### **Notifications**

**Securities Law Information.** If Optionee offers any shares of Stock for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law (in addition to any requirements under the Plan and this Agreement). Optionee should consult his or her personal legal advisor prior to making any such offer to ensure compliance with the applicable requirements.

**Tax Consideration.** The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions of the Act).

**Exchange Control Information.** Exchange control reporting is required for cash transactions exceeding a certain threshold and international fund transfers. The Australian bank assisting with the transaction may file the report on the Optionee's behalf. If there is no Australian bank

involved in the transfer, the Optionee will be required to file the report. The Optionee should consult with his or her personal advisor to ensure proper compliance with applicable reporting requirements in Australia.

## **CANADA**

### ***Terms and Conditions***

**Non-Qualified Securities.** All or a portion of the shares of Common Stock subject to the Option may be "non-qualified securities" within the meaning of the *Income Tax Act* (Canada). The Company will provide the Optionee with additional information and/or appropriate notification regarding the characterization of the Stock Option for Canadian income tax purposes as may be required by the *Income Tax Act* (Canada) and the regulations thereunder.

**Manner of Exercise.** The following provision supplements Paragraph 2 of the Option Agreement:

Notwithstanding anything in the Plan to the contrary, the Optionee is prohibited from surrendering shares of Stock the Optionee already owns or attesting to the ownership of shares of Stock to pay the Option Exercise Price per Share or any Tax-Related Items in connection with the Stock Option.

**Termination of Employment.** The following provision replaces Paragraph 8(l) of the Option Agreement:

For purposes of the Stock Option, unless otherwise provided for in the Option Agreement, the Optionee's Service Relationship will be considered terminated as of the date that is the earliest of (a) the date the Optionee's employment is terminated; (b) the date the Optionee receives notice of termination of employment; or (c) the date the Optionee is no longer providing services to the Company or any Affiliate (in all cases regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Optionee renders service or the terms of the Optionee's employment agreement, if any). Unless otherwise expressly provided in this Agreement or determined by the Company, the Optionee's right to continue to vest in the Stock Option, if any, will terminate effective as of such date and will not be extended any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under local law. The Administrator shall have the exclusive discretion to determine when the Optionee's employment is terminated for purposes of this Stock Option (including whether the Optionee may still be considered providing services while on a leave of absence).

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, the Optionee's right to vest in the Stock Option under the Plan, if any, will terminate effective as of the last day of the Optionee's minimum statutory notice period, but the Optionee will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the Optionee's statutory notice period, nor will the Optionee be entitled to any compensation for lost vesting.

***The following provisions apply to the Stock Option if the Optionee is a resident of Quebec:***

**Language Consent.** The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given, or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

**Personal Data Authorization.** The following provision supplements the Data Privacy Consent, set forth above in this Appendix:

The Optionee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or non-professional, involved in the administration and operation of the Plan. The Optionee further authorizes the Company, the Employer and its other Affiliates to disclose and discuss with their advisors the Optionee's participation in the Plan. The Optionee also authorizes the Company, the Employer and its other Affiliates to record such information and to keep it in his or her employment file. If the Optionee is resident in Quebec, the Optionee acknowledges and agrees that his or her personal information, including sensitive personal information, may be transferred or disclosed outside of the province of Quebec, including to the United States. The Optionee acknowledges and authorizes the Company and other parties involved in the administration of the Plan to use technology for profiling purposes and to make automated decisions that may have an impact on the Optionee or the administration of the Plan.

### **Notifications**

**Securities Law Information.** The Optionee is permitted to sell shares of Stock acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of shares of Stock acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the shares of Stock are listed. The shares of Stock are currently listed on the New York Stock Exchange.

**Foreign Account/Asset Reporting Information.** If the Optionee is a Canadian resident, the Optionee is required to report annually on Form T1135 (Foreign Income Verification Statement) the foreign specified property (including shares of Stock acquired under the Plan) he or she holds if the total cost of such foreign specified property exceeds C\$100,000 at any time during the year. Unvested Stock Options also must be reported (generally at nil cost) on Form T1135 if the C\$100,000 threshold is exceeded due to other foreign property the Optionee holds. If shares of Stock are acquired, their cost generally is the adjusted cost base ("ACB") of the shares of Stock. The ACB would normally equal the fair market value of the shares of Stock at vesting, but if the Optionee owns other shares, this ACB may have to be averaged with the ACB of the other shares. The Form T1135 must be filed at the same time the Optionee files his or her annual tax return. The Optionee is advised to consult with a personal advisor to ensure he or she complies with the applicable reporting obligations.

## **FRANCE**

### **Terms and Conditions**

**Language Consent.** In accepting this Stock Option, the Optionee confirms having read and understood the Plan and the Agreement which were provided in the English language. The Optionee accepts the terms of those documents accordingly.

**Consentement Relatif à la Langue Utilisée.** *En acceptant l'attribution, le Bénéficiaire de l'Option confirme avoir lu et compris le Plan et le Contrat, qui ont été communiqués en langue anglaise. le Bénéficiaire de l'Option accepte les termes de ces documents en connaissance de cause.*

## ***Notifications***

**Nature of Grant.** This Stock Option is not intended to qualify for special tax and social security treatment applicable to stock options granted under Section L. 225-177 to L. 225-186-1 of the French Commercial Code, as amended.

**Foreign Asset/Account Reporting Information.** If the Optionee is a French resident, the Optionee must declare all of the Optionee's foreign bank and brokerage accounts in which he or she holds cash or securities, including the accounts that were opened and/or closed during the tax year, on an annual basis on a special form N° 3916, together with the Optionee's income tax return

**Exchange Control Information.** The Optionee must report the value of any cash or securities that the Optionee brings into France or sends out of France without the use of a financial institution to the French Customs and Excise Authorities when the value of such cash or securities reaches or exceeds the threshold amount.

## **GERMANY**

### ***Notifications***

**Exchange Control Information.** Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Optionee receives cross-border payments in excess of €12,500 in connection with the sale of securities (including shares of Stock acquired under the Plan) or the receipt of dividends paid on such shares of Stock, the Optionee must report by the fifth day of the month following the month in which the payment was received. The report must be filed electronically. The form of report can be accessed via the German Federal Bank's website at [www.bundesbank.de](http://www.bundesbank.de) and is available in both German and English. The Optionee is advised to consult a personal legal advisor to ensure compliance with applicable reporting obligations.

**Foreign Asset/Account Reporting Information.** If the acquisition of shares of Stock under the Plan leads to a "qualified participation" at any point during the calendar year, Optionee understands that Optionee will need to report the acquisition when Optionee files his or her tax return for the relevant year. A qualified participation is attained only if (a) the value of the shares of Stock acquired exceeds €150,000 and the Optionee holds 1% or more of the total shares of Stock, or (b) the Optionee holds shares of Stock exceeding 10% of the Company's total Stock. Optionee should contact his or her personal advisor for further information regarding whether Optionee's acquisition of Stock under the Plan will result in a qualified participation.

## **IRELAND**

No country-specific provisions.

## **INDIA**

### ***Terms and Conditions***

**Manner of Exercise.** The following provision supplements Paragraph 2 of the Option Agreement:

Due to legal considerations in India, the Optionee will not be permitted to pay the Exercise Price per Share by a broker-assisted cashless exercise in which the Optionee irrevocably instruct a

broker to sell a portion of the shares of Stock for which the Stock Option is being exercised and deliver the proceeds of the sale to the Company in payment of the Exercise Price per Share of such shares of Stock and, if applicable, in payment of Tax-Related Items. The Optionee may, however, pay the Exercise Price per Share by a broker-assisted cashless exercise in which the Optionee irrevocably instructs a broker to sell all of the shares of Stock for which the Stock Option is being exercised and deliver the proceeds of the sale to the Company in payment of the Exercise Price per Share of such shares of Stock and, if applicable, in payment of Tax-Related Items. The Company reserves the right to allow additional methods of payment depending on the development of local law.

### ***Notifications***

**Exchange Control Information.** Exchange control laws and regulations in India require that all proceeds resulting from the sale of shares of Stock and any dividends received in relation to the shares of Stock be repatriated to India within such time as prescribed under applicable Indian exchange control laws, as may be amended from time to time. Indian residents must obtain a foreign inward remittance certificate (“FIRC”) from the bank into which foreign currency is deposited and retain the FIRC as evidence of repatriation of funds in the event that the Reserve Bank of India or the Service Recipient requests proof of repatriation.

**Foreign Asset/Account Reporting Information.** Foreign bank accounts and any foreign financial assets (including shares of Stock held outside India) must be reported in the annual Indian personal tax return. It is the Optionee’s responsibility to comply with this reporting obligation and the Optionee should consult with his or her personal advisor in this regard.

## **POLAND**

### ***Notifications***

**Exchange Control Information.** If the Optionee holds foreign securities (including shares of Stock) and maintains accounts abroad, the Optionee may be required to file certain reports with the National Bank of Poland on the transactions and balances of the securities and cash deposited in such accounts if the value of such transactions or balances exceeds PLN 7,000,000 in the aggregate. If required, the Optionee must file reports on the transactions and balances of the accounts on a quarterly basis on special forms available on the website of the National Bank of Poland.

Further, if the Optionee transfers funds in excess of €15,000 into Poland in connection with the sale of shares of Stock under the Plan, the funds must be transferred via a bank account held at a bank in Poland. The Optionee is required to maintain all documents related to foreign exchange transactions for a period of five years, in case of a request for their production from the Bank of Poland.

## **SPAIN**

### ***Terms and Conditions***

**No Entitlement for Claims or Compensation.** By accepting the Stock Option, the Optionee acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan. The Optionee understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant Stock Options under the Plan to individuals who may be employees of the Employer, the Company or its other Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any Stock Option will not economically or otherwise bind the Employer, the Company or its other

Affiliates on an ongoing basis. Consequently, the Optionee understands that the Stock Options are granted on the assumption and condition that the Stock Option and the shares of Stock acquired upon settlement shall not become a part of any employment contract (either with the Employer, the Company or any of its other Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Optionee understands that grant of Stock Option would not be made to the Optionee but for the assumptions and conditions referred to above; thus, the Optionee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of Stock Options shall be null and void.

Further, the vesting of the Stock Options is expressly conditioned on the Optionee's continued employment, such that if the Optionee's status as an employee terminates for any reason whatsoever, the Stock Options may, subject to the terms of the Option Agreement, cease vesting immediately, in whole or in part, effective on the date of the Optionee ceases to be an employee. This will be the case, for example, unless otherwise provided for in the Option Agreement, even if (a) the Optionee is considered to be unfairly dismissed without good cause; (b) the Optionee is dismissed for disciplinary or objective reasons or due to a collective dismissal; (c) the Optionee ceases to be an employee due to a change of work location, duties or any other employment or contractual condition; (d) the Optionee ceases to be an employee due to a unilateral breach of contract by the Employer, the Company or its other Affiliates; or (e) the Optionee ceases to be an employee for any other reason whatsoever. Consequently, once the Optionee ceases to be an employee any of the above reasons, the Optionee may automatically lose any rights to Stock Options that were not vested on the date of the Optionee's termination of employment, as described in the Plan and the Agreement.

The Optionee acknowledges that he or she has read and specifically accepts the conditions referred to in Paragraphs 3 and 8 of the Option Agreement.

### ***Notifications***

**Securities Law Information.** No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of the Stock Option. The Agreement has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

## **SWITZERLAND**

### ***Notifications***

**Securities Law Notification.** The Option Agreement, this Appendix and any other materials relating to the Stock Option (a) do not constitute a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (b) may not be publicly distributed or otherwise made publicly available in Switzerland to any person other than an employee of the Company, or (c) has not been and will not be filed with, approved or supervised by any Swiss reviewing body according to article 51 FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

## **UNITED KINGDOM**

### ***Terms and Conditions***

**Joint Election for Transfer of Liability for Employer National Insurance Contributions.** As a condition of participation in the Plan and settlement of any Stock Option upon vesting, the Optionee hereby irrevocably agrees to accept any liability for secondary Class 1 National Insurance contributions and, to the extent permissible, the employer portion of the Health and Social Care Levy (the “Employer NICs”) that may be payable by the Company or the Employer (and any successor to the Company and/or the Employer) in connection with the Stock Options and any event giving rise to Tax-Related Items. Without prejudice to the foregoing, the Optionee agrees to execute a joint election with the Company and/or the Employer in such form as the Company may determine (the “Joint Election”), and any other required consent or election requested by the Company. The Optionee further agrees to execute such other joint elections as may be required between the Optionee and any successor to the Company or the Employer. The Optionee further agrees that the Company and the Employer (and any successor to the Company and/or the Employer) may collect the Employer NICs from the Optionee by any of the means set forth in Paragraph 6 of the Option Agreement.

If the Optionee does not enter into a Joint Election prior to exercise of the Stock Option, the Stock Option shall not be settled unless and until he or she enters into a Joint Election, and no shares of Stock will be issued to the Optionee under the Plan, without any liability to the Company, the Employer, or any other Affiliate.

**Tax Withholding.** The following provision supplements Paragraph 6 of the Option Agreement:

Without limitation to Paragraph 6 of the Option Agreement, the Optionee agrees that he or she is liable for all Tax-Related Items, including, to the extent permissible, the Employer’s portion of the Health and Social Care levy, and hereby covenants to pay all such Tax-Related Items as and when requested by the Company, the Employer or by HM Revenue & Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Optionee also agrees to indemnify and keep indemnified the Company and the Employer (and any successor to the Company and/or the Employer) against any Tax-Related Items that they are required to pay or withhold on or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Optionee’s behalf. For the purposes of the Option Agreement, Tax-Related Items include (without limitation) employment income tax, employee National Insurance contributions and the employee portion of the Health and Social Care levy.

Notwithstanding the foregoing, if the Optionee is an executive officer or director (within the meaning of Section 13(k) of the Exchange Act), the Optionee acknowledges that may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by the Optionee, as it may be considered a loan. In such case, if the amount of any income tax due is not collected from or paid by the Optionee within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute an additional benefit to the Optionee on which additional income tax and National Insurance contributions (“NICs”) may be payable. The Optionee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company and/or the Employer (and any successor to the Company and/or the Employer) the value of any employee NICs due on this additional benefit, which the Company and/or the Employer may recover at any time thereafter by any of the means referred to in Paragraph 6 of the Option Agreement.

**NICs JOINT ELECTION FOR UK PARTICIPANTS FOR THE GUIDEWIRE SOFTWARE, INC. AMENDED AND  
RESTATED 2020 STOCK PLAN**

**(the “Election”)**

**Important Note on the Election to Transfer Employer’s NICs**

As a condition of your participation in the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan, you are required to enter into the Election to transfer to you any liability for employer National Insurance contributions (“Employer NICs”) that may arise in connection with your participation in the Plan.

By accepting your stock option award (the “Award”) (whether by signing the applicable award or by clicking on the “ACCEPT” box as part of the Company’s online acceptance procedures) or by separately accepting the Election (whether in hard copy or by clicking on the “ACCEPT” box), you indicate your acceptance to transfer Employer’s NICs and to be bound by the terms of the Election. You should read this important note and the Election in their entirety before accepting the applicable award agreement and the Election. Please print and keep a copy of the Election for your records.

By entering into the Election:

- you agree that any Employer’s NICs liability that may arise in connection with your participation in the Plan will be transferred to you;
- you authorise your employer to recover an amount sufficient to cover this liability by such methods as set forth in Paragraph 6 of the Option Agreement including, but not limited to, deductions from your salary or other payments due or the sale of sufficient shares acquired pursuant to your Awards; and
- you acknowledge that the Company or your employer may require you to sign a paper copy of this Election (or a substantially similar form) if the Company determines such is necessary to give effect to the Election even if you have accepted the applicable award agreement or the Election through the Company’s electronic acceptance procedure.

You understand that by providing your signature or acceptance and thereby enrolling into the Plan, you are agreeing to be bound by the terms of the Joint Election.

Please print and keep a copy of the Election for your records.

## Joint Election for Transfer of Liability for

### Employer National Insurance Contributions to Employee

#### Election To Transfer the Employer's National Insurance Liability to the Employee

This Election is between:

- A. The individual who has obtained authorised access to this Election (the “**Employee**”), who is employed by one of the employing companies listed in the attached schedule (the “**Employer**”) and who is eligible to receive stock options and/or restricted stock units (the “**Awards**”) pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan (the “**Plan**”), and
- B. Guidewire Software, Inc., a Delaware corporation, with registered offices at 2850 S. Delaware Street, Suite 100, San Mateo, CA 94403, U.S.A. (the “**Company**”), which may grant Awards under the Plan and is entering into this Election on behalf of the Employer.

#### 1. Introduction

1.1 This Election relates to all Awards granted to the Employee under the Plan up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

- (a) “**Chargeable Event**” means any event giving rise to Relevant Employment Income.
- (b) “**ITEPA**” means the Income Tax (Earnings and Pensions) Act 2003.
- (c) “**Relevant Employment Income**” from Awards on which Employer's National Insurance Contributions becomes due is defined as:
  - (i) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);
  - (ii) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or
  - (iii) any gain that is treated as remuneration derived from the earner's employment by virtue of section 4(4)(a) SSCBA, including without limitation:
    - (A) the acquisition of securities pursuant to the Awards (within the meaning of section 477(3)(a) of ITEPA);
    - (B) the assignment (if applicable) or release of the Awards in return for consideration (within the meaning of section 477(3)(b) of ITEPA);
    - (C) the receipt of a benefit in connection with the Awards, other than a benefit within (i) or (ii) above (within the meaning of section 477(3)(c) of ITEPA).

(d) “**SSCBA**” means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the Employer's secondary Class 1 National Insurance Contributions (the “**Employer's Liability**”) which may arise in respect of Relevant

Employment Income in respect of the Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

- 1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
- 1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

## 2. **The Election**

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability that arises on any Relevant Employment Income is hereby transferred to the Employee. The Employee understands that, by signing or electronically accepting this Election (including by electronic signature process) or by accepting the Awards (including by electronic signature or acceptance process if made available by the Company), as applicable, he or she will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

## 3. **Payment of the Employer's Liability**

- 1.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability in respect of any Relevant Employment Income from the Employee at any time after the Chargeable Event:
  - (a) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
  - (b) directly from the Employee by payment in cash or cleared funds; and/or
  - (c) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Awards, the proceeds from which must be delivered to the Employer in sufficient time for payment to be made to HM Revenue & Customs ("HMRC") by the due date; and/or
  - (d) by any other means specified in the applicable Award agreement entered into between the Employee and the Company.
- 1.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Awards until full payment of the Employer's Liability is received.
- 1.3 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HMRC on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs if payments are made electronically).

## 4. **Duration of Election**

- 4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.
- 4.2 Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Awards in circumstances where section 483 of ITEPA applies.
- 4.3 This Election will continue in effect until the earliest of the following:
  - (a) the date on which the Employee and the Company agree in writing that it should cease to have effect;
  - (b) the date on which the Company serves written notice on the Employee terminating its effect;
  - (c) the date on which HMRC withdraws approval of this Election; or
  - (d) the date on which, after due payment of the Employer's Liability in respect of the entirety of the Awards to which this Election relates or could relate, the Election ceases to have effect in accordance with its own terms.
- 4.4 This Election will continue in force regardless of whether the Employee ceases to be an employee of the Employer.

**Acceptance by the Employee**

**The Employee acknowledges that, by electronically accepting or signing this Election (including by electronic signature process) or by accepting the Awards (including by electronic signature process if made available by the Company), the Employee agrees to be bound by the terms of this Election.**

...../...../.....  
 Signature (Employee) Date

**Acceptance by the Company**

**The Company acknowledges that, by signing this Election (including by electronic signature process) or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.**

Signature for and on behalf of the Company \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_\_

### Schedule of Employer Companies

The employing companies to which this Election relates include:

Name	<b>Guidewire Software (UK) Ltd.</b>
Registered Office:	4th Floor, 9 Cloak Lane London EC4R 2RU, U.K.
Company Registration Number:	05427894
Corporation Tax Reference:	18293 29999
PAYE Reference:	951 / BZ75816

**RESTRICTED STOCK AWARD AGREEMENT  
UNDER THE GUIDEWIRE SOFTWARE, INC.  
AMENDED AND RESTATED 2020 STOCK PLAN**

Name of Grantee: \_\_\_

No. of Shares: \_\_\_

Grant Date: \_\_\_

Pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan (the “Plan”) as amended through the date hereof, Guidewire Software, Inc. (the “Company”) hereby grants a Restricted Stock Award (an “Award”) to the Grantee named above. Upon acceptance of this Award, the Grantee shall receive the number of shares of Common Stock (the “Stock”) of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan. The Company acknowledges the receipt from the Grantee of consideration with respect to the par value of the Stock in the form of cash, past or future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Administrator.

1. Award. The shares of Restricted Stock awarded hereunder shall be issued and held by the Company’s transfer agent in book entry form, and the Grantee’s name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below. The Grantee shall (i) sign and deliver to the Company a copy of this Award Agreement and (ii) deliver to the Company a stock power endorsed in blank.

2. Restrictions and Conditions.

(a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

(b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

(c) If the Grantee’s employment with the Company or a Subsidiary is voluntarily or involuntarily terminated for any reason (including death) prior to vesting of shares of Restricted Stock granted herein, all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company.

3. Vesting of Restricted Stock. [Subject to any Company leave of absence policy in effect, t] [T]he restrictions and conditions in Paragraph 2 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee continues to be employed with the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 2 shall lapse only with respect to the number of shares of Restricted Stock specified as vested on such date.

<u>Incremental Number of Shares Vested</u>	<u>Vesting Date</u>
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____
_____ (___%)	_____

Notwithstanding anything in this Agreement to the contrary, in the case of a Sale Event, the shares of Restricted Stock shall be treated as provided in Section 3(c) of the Plan[ provided; however that the shares of Restricted Stock shall be subject to any executive agreement by and between the Grantee and the Company, as applicable (the “Executive Agreement”)].

Subsequent to such Vesting Date or Dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3 in circumstances involving the Grantee’s death or disability.

4. Dividends. Dividends on shares of Restricted Stock shall be paid currently to the Grantee.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Transferability. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. Regardless of any action that the Company, the Grantee’s actual employer or any parent, Subsidiary or affiliate to which the Grantee provides service if the Grantee is a Consultant (collectively, the “Employer”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account, or other tax-related items related to the Grantee’s participation in the Plan and legally applicable to him or her (“Tax-Related Items”), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee’s responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock, including, without limitation, the grant or vesting of the Restricted Stock, the subsequent sale of the shares of Stock, and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock to reduce or eliminate the Grantee’s liability for Tax-Related Items or achieve any particular tax result. The Grantee shall not make any claim against the Company or its Board, officers or employees related to Tax-Related Items arising from the Restricted Stock or the Grantee’s other compensation. Furthermore, if the Grantee has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as

applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Grantee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) payment by the Grantee to the Company and/or Employer; or
- (b) withholding from the Grantee's wages or other cash compensation paid to him or her by the Company and/or the Employer; or
- (c) withholding from proceeds of the sale of shares of Stock, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization).

To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, the Grantee is deemed, for tax purposes, to have been issued the full number of shares of Restricted Stock, notwithstanding that a number of the shares is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Grantee's participation in the Plan.

Finally, the Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.

#### 8. Clawback Acknowledgements.

(a) The Grantee agrees that this Agreement and the Award hereunder are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or Administrator and as in effect from time to time, including, without limitation, the Company's Compensation Recovery Policy, as amended and/or restated from time to time (the "Clawback Policy") and the Company's Supplemental Recovery Policy, as amended and/or restated from time to time (the "Supplemental Clawback Policy"); and (ii) applicable law.

(b) In consideration of this Award, the Grantee further agrees that all Incentive-Based Compensation (as defined in the Clawback Policy and Supplemental Clawback Policy, as applicable) received by the Grantee after the Effective Date (as defined in the Clawback Policy and the Supplemental Clawback Policy, as applicable) is subject to recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable.

(c) The Grantee agrees that the Grantee is not entitled to indemnification for any recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable, and, to the extent any agreement or organizational document purports to provide otherwise, the Grantee hereby irrevocably agrees to forego such indemnification.

(d) The Grantee agrees to take all required action in a reasonably prompt manner, as applicable, to enable any reduction, cancellation, forfeiture or recoupment of this Award and any other Incentive-Based Compensation in order to enable the enforcement of the Clawback Policy, Supplemental Clawback Policy and applicable law.

(e) The Grantee has received and has had an opportunity to review the Plan, the Clawback Policy and the Supplemental Clawback Policy.

9. Election Under Section 83(b). The Grantee and the Company hereby agree that the Grantee may, within 30 days following the Grant Date of this Award, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

10. No Obligation to Continue Employment or Other Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in an employment or any other Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Grantee's employment or any other Service Relationship with the Company or a Subsidiary at any time.

11. Integration. This Agreement [and the Executive Agreement] constitute[s] the entire agreement[s] between the parties with respect to this Award and supersede[s] all prior agreements and discussions between the parties concerning such subject matter.

12. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

13. Notices. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation (or other overnight courier service approved by the Company), with shipping charges prepaid or (iv) the date on which an electronic notification is received. Notice shall be addressed to the Company at its principal executive office and to the Grantee at

the address that he or she most recently provided to the Company in accordance with this Paragraph .

**Guidewire Software, Inc.**

By: \_\_\_  
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: \_\_\_ \_\_\_

Grantee's Signature

Grantee's name and address:

\_\_\_  
\_\_\_  
\_\_\_

**GUIDEWIRE SOFTWARE, INC.**  
**AMENDED AND RESTATED 2020 STOCK PLAN**  
**Notice of Performance-Based Restricted Stock Unit Award**

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**Name of Grantee:**

**Award Number:**

**ID:**

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Pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan (the “Plan”), this Notice of Performance-Based Restricted Stock Unit Award (the “Notice”) and the terms and conditions set forth in the Performance-Based Restricted Stock Unit Award Agreement (together with the Notice, the “Award Agreement”), Guidewire Software, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed below (an “Award”) to the named Grantee. Each Restricted Stock Unit shall relate to one share (a “Share”) of Common Stock (the “Stock”) of the Company.

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<b>Target No. of Restricted Stock Units Granted:</b>	
<b>Grant Date:</b>	
<b>Vesting Conditions:</b>	<p>These Restricted Stock Units vest upon the achievement of the associated performance factors and satisfaction of a time-based vesting schedule, at which time the Grantee will receive shares of Guidewire Software, Inc. common stock. The performance factors will be measured as described in the Award Agreement and the time-based vesting will be satisfied in increments on the date(s) shown, subject to Grantee's continuous employment with the Company through the applicable date(s):</p> <p>For FY[XX] Final Grant Amount:</p> <p>Vest Period Shares Vesting Date</p> <p>1 33 1/3% MM/DD/20[XX]</p> <p>2 33 1/3% MM/DD/20[XX+1 Yr]</p> <p>3 33 1/3% MM/DD/20[XX+2 Yrs]</p> <p>For FY[YY] Final Grant Amount:</p> <p>Vest Period Shares Vesting Date</p> <p>1 100% MM/DD/20[YY]</p>

By clicking on the "Accept" button or signing below, the Grantee and the Company agree this Award is granted under, and governed by the terms and conditions of, the Plan and the Award Agreement.

<b>By:</b> _____ <b>Name:</b> <b>Title:</b>	_____ <b>Employee Name</b>
	_____ <b>Date</b>



**PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT  
FOR COMPANY EMPLOYEES  
UNDER THE GUIDEWIRE SOFTWARE, INC.  
AMENDED AND RESTATED 2020 STOCK PLAN**

Name of Grantee: \_\_\_

Target No. of Restricted Stock Units (“Target Grant Amount”): \_\_\_

Grant Date: \_\_\_

Pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan as amended through the date hereof (the “Plan”), Guidewire Software, Inc. (the “Company”) hereby grants an award of the number of Restricted Stock Units listed above (an “Award”) to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock (the “Stock”) of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. [Subject to any Company leave of absence policy in effect, t] [T]he restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the date that both (A) the time-based vesting condition indicated on the Notice of Performance-Based Restricted Stock Unit Award (the “Time Condition”) and (B) the FY[XX] performance-based vesting factor (the “FY[XX] Performance Factor”) and the FY[YY] performance-based vesting factor (the “FY[YY] Performance Factor”) and together with the FY[XX] Performance Factor, the “Performance Factors”), as described below, are satisfied. The date on which both the Time Condition and applicable Performance Factor is satisfied shall be the “Vesting Date”.

After a determination of the Performance Factors have been made, as applicable, the total number of Restricted Stock Units granted to the Grantee (the “Final Grant Amount”) shall be set pursuant to the following formula: 50% Target Grant Amount \* FY[XX] Performance Factor (the “FY[XX] Final Grant Amount”) + 50% Target Grant Amount \* FY[YY] Performance Factor (the “FY[YY] Final Grant Amount”) = Final Grant Amount. The FY[XX] Performance Factor is dependent on Fiscal Year 20[XX] Annual Recurring Revenue (“FY[XX] ARR”) and the FY[YY] Performance Factor is dependent on Fiscal Year 20[YY] Annual Recurring Revenue ( “FY[YY] ARR”), in each case measured on a constant currency basis using July 31, 20[XX] exchange rates.

If the Company’s FY[XX] ARR is (i) less than \$[ \_\_\_ ] million, then the FY[XX] Performance Factor is 0.0, (ii) equal to \$[ \_\_\_ ] million, then the FY[XX] Performance Factor is equal to 0.50; (iii) greater than \$[ \_\_\_ ] million but less than \$[ \_\_\_ ] million, then the FY[XX] Performance Factor is equal to 0.50 plus the actual amount achieved in excess of \$[ \_\_\_ ] million divided by [ \_\_\_ ] million multiplied by 50% (iv) equal to \$[ \_\_\_ ] million, then the FY[XX] Performance Factor is equal to 1, (v) greater than \$[ \_\_\_ ] million but less than \$[ \_\_\_ ] million,

then the FY[XX] Performance Factor is equal to 1 plus the actual amount achieved in excess of \$[ \_\_ ] million divided by [ \_\_ ] million multiplied by 50%, and (vi) equal to or greater than \$[ \_\_ ] million, then the FY[XX] Performance Factor is equal to 1.5.

If the Company's FY[YY] ARR is (i) less than \$[ \_\_ ] million, then the FY[YY] Performance Factor is 0.0, (ii) equal to \$[ \_\_ ] million, then the FY[YY] Performance Factor is equal to 0.50; (iii) greater than \$[ \_\_ ] million but less than \$[ \_\_ ] million, then the FY[YY] Performance Factor is equal to 0.50 plus the actual amount achieved in excess of \$[ \_\_ ] million divided by [ \_\_ ] million multiplied by 50% (iv) equal to \$[ \_\_ ] million, then the FY[YY] Performance Factor is equal to 1, (v) greater than \$[ \_\_ ] million but less than \$[ \_\_ ] million, then the FY[YY] Performance Factor is equal to 1 plus the actual amount achieved in excess of \$[ \_\_ ] million divided by [ \_\_ ] million multiplied by 50%, and (vi) equal to or greater than \$[ \_\_ ] million, then the FY[YY] Performance Factor is equal to 1.5.

Upon achievement of an FY[XX] Performance Factor greater than 0.0, 33 1/3% of the FY[XX] Final Grant Amount shall vest immediately, subject to satisfaction of the applicable Time Condition, and any remaining portion of the FY[XX] Final Grant Amount shall vest as the applicable Time Condition is satisfied. If an FY[XX] Performance Factor greater than 0.0 is not achieved (meaning the Company's FY[XX] ARR is less than \$[ \_\_ ] million), then 50% of the Target Grant Amount will be forfeited.

Upon achievement of an FY[YY] Performance Factor greater than 0.0, 100% of the FY[YY] Final Grant Amount shall vest immediately, subject to satisfaction of the applicable Time Condition. If an FY[YY] Performance Factor greater than 0.0 is not achieved (meaning the Company's FY[YY] ARR is less than \$[ \_\_ ] million), then 50% of the Target Grant Amount will be forfeited.

In the event that the Company makes any acquisitions during Fiscal Year 20[XX] or Fiscal Year 20[YY], the Administrator shall adjust the FY[XX] Performance Factor and/or FY[YY] Performance Factor, as applicable, (by adjusting the applicable FY[XX] ARR and/or FY[YY] ARR targets) to reflect the impact of such acquisition(s). The Administrator shall adjust the applicable FY[XX] ARR and/or FY[YY] ARR thresholds above to reflect the anticipated, recognizable Annual Recurring Revenue ("ARR") from the acquired entity or assets for the remainder of Fiscal Year 20[XX] and/or Fiscal Year 20[YY], as applicable, as outlined in the management case presented to the Board on or around the closing of the applicable transaction. For example, if the management case presented to the Board for a given acquisition shows related attributable, recognizable ARR for the remaining portion of Fiscal Year 20[XX] in the amount of \$10 million, then each of the threshold, target and maximum FY[XX] ARR amounts shall be adjusted upward by \$10 million (in this example, to \$[ \_\_ ] million, \$[ \_\_ ] million, and \$[ \_\_ ] million, respectively).

Notwithstanding anything in this Agreement to the contrary, in the case of a Sale Event, the Restricted Stock Units shall be treated as provided in Section 3(c) of the Plan [provided; however that the Restricted Stock Units shall be subject to any executive agreement by and between the Grantee and the Company, as applicable (as amended from time to time, the "Executive Agreement"). For the avoidance of doubt, with respect to any portion of the Award that has not yet achieved the applicable Performance Factors, "fully accelerated and vested", as referenced in the Executive Agreement shall mean with respect to the applicable Target Grant Amount].

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2 in circumstances involving the Grantee's death or disability.

3. Termination of Employment. Subject to Paragraph 2 above, if the Grantee's employment with the Company or a Subsidiary terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. Regardless of any action that the Company, the Grantee's actual employer or any parent, Subsidiary or affiliate to which the Grantee provides service if the Grantee is a Consultant (collectively, the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account, or other tax-related items related to the Grantee's participation in the Plan and legally applicable to him or her ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, without limitation, the grant, vesting, or settlement of the Restricted Stock Units, the issuance of shares of Stock upon settlement, the subsequent sale of shares of Stock acquired pursuant to such issuance, and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. The Grantee shall not make any claim against the Company or its Board, officers or employees related to Tax-Related Items arising from the Restricted Stock Units or the Grantee's other compensation. Furthermore, if the Grantee has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Grantee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) payment by the Grantee to the Company and/or Employer; or
- (b) withholding from the Grantee's wages or other cash compensation paid to him or her by the Company and/or the Employer; or

(c) withholding from proceeds of the sale of shares of Stock acquired upon vesting and settlement of the Restricted Stock Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization).

To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, the Grantee is deemed, for tax purposes, to have been issued the full number of shares subject to the vested Restricted Stock Units, notwithstanding that a number of the shares is held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Grantee's participation in the Plan.

Finally, the Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items..

#### 7. Clawback Acknowledgements.

(a) The Grantee agrees that this Agreement and the Award hereunder are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or Administrator and as in effect from time to time, including, without limitation, the Company's Compensation Recovery Policy, as amended and/or restated from time to time (the "Clawback Policy") and the Company's Supplemental Recovery Policy, as amended and/or restated from time to time (the "Supplemental Clawback Policy"); and (ii) applicable law.

(b) In consideration of this Award, the Grantee further agrees that all Incentive-Based Compensation (as defined in the Clawback Policy and Supplemental Clawback Policy, as applicable) received by the Grantee after the Effective Date (as defined in the Clawback Policy and the Supplemental Clawback Policy, as applicable) is subject to recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable.

(c) The Grantee agrees that the Grantee is not entitled to indemnification for any recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable, and, to the extent any agreement or organizational document purports to provide otherwise, the Grantee hereby irrevocably agrees to forego such indemnification.

(d) The Grantee agrees to take all required action in a reasonably prompt manner, as applicable, to enable any reduction, cancellation, forfeiture or recoupment of this Award and any other Incentive-Based Compensation in order to enable the enforcement of the Clawback Policy, Supplemental Clawback Policy and applicable law.

(e) The Grantee has received and has had an opportunity to review the Plan, the Clawback Policy and the Supplemental Clawback Policy.

8. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

9. No Obligation to Continue Employment or Other Service Relationship. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee's employment or any other Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the Grantee's employment or any other Service Relationship with the Company or a Subsidiary at any time.

10. Integration. This Agreement [and the Executive Agreement] constitute[s] the entire agreement[s] between the parties with respect to this Award and supersede[s] all prior agreements and discussions between the parties concerning such subject matter.

11. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. Notices. Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation (or other overnight courier service approved by the Company), with shipping charges prepaid or (iv) the date on which an electronic notification is received. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided to the Company.

## EXECUTIVE AGREEMENT

This Executive Agreement (“Agreement”) is made as of the \_\_th day of Month, 20\_\_ (the “Effective Date”), between Guidewire Software, Inc., a Delaware corporation (the “Company”), and NAME (the “Executive”) [and supersedes the Executive Agreement between the Company and the Executive dated as of \_\_\_\_\_].

In consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

a) Term. The Company desires to continue to employ the Executive, and the Executive desires to continue to be employed by the Company, pursuant to the terms of this Agreement, until this Agreement is terminated by either party in accordance with the terms hereof. The Executive’s employment with the Company will be “at will,” meaning that the Executive’s employment may be terminated by the Company or the Executive at any time and for any reason.

b) Position. The Executive will serve as the Title and will have such powers and duties as may from time to time be prescribed by the Chief Executive Officer of the Company (the “CEO”) or other authorized executive, provided that such duties are consistent with the Executive’s position. While the Executive renders services to the Company, the Executive will not engage in any other employment, consulting or business activity that would create a conflict of interest with the Company.

2. Compensation and Related Matters.

(a) Base Salary. The Executive’s current annual base salary is \$\_\_\_\_\_, subject to redetermination by the Board of Directors of the Company (the “Board of Directors”) or Compensation Committee. The annual base salary in effect at any given time is referred to herein as “Base Salary.” The Base Salary will be payable in a manner that is consistent with the Company’s usual payroll practices for senior executives.

(b) Incentive Compensation. The Executive will be eligible to be considered for annual cash incentive compensation as determined by the Board of Directors or Compensation Committee from time to time. The Executive’s current annual target bonus is \_\_% of Base Salary. To earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid. The Bonus Plan may be revised at the discretion of the Company at any time.

(c) Other Benefits. The Executive will be entitled to participate in the Company’s employee benefit plans, subject to the terms and the conditions of such plans and to the Company’s ability to amend and modify such plans. The Executive will be entitled to paid vacation in accordance with the terms of the Company’s vacation policy, as in effect from time to time.

(d) Clawback Policy. The Executive agrees that this Agreement and certain payments hereunder are subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (y) any clawback, forfeiture or other similar policy adopted by the Board or Compensation Committee thereof and as in effect from time to time, including, without

limitation, the Company's Compensation Recovery Policy, as amended and/or restated from time to time (the "Clawback Policy") and the Company's Supplemental Recovery Policy, as amended and/or restated from time to time (the "Supplemental Clawback Policy"); and (z) applicable law.

(i) In consideration of this Agreement and the payments hereunder, the Executive further agrees that all Incentive-Based Compensation (as defined in the Clawback Policy and Supplemental Clawback Policy, as applicable) received by the Executive after the Effective Date (as defined in the Clawback Policy and the Supplemental Clawback Policy, as applicable) is subject to recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable.

(ii) The Executive agrees that the Executive is not entitled to indemnification for any recovery pursuant to the Clawback Policy and/or the Supplemental Clawback Policy, as applicable, and, to the extent any agreement or organizational document purports to provide otherwise, the Executive hereby irrevocably agrees to forego such indemnification.

(iii) The Executive agrees to take all required action in a reasonably prompt manner, as applicable, to enable any reduction, cancellation, forfeiture or recoupment of the payments hereunder and any other Incentive-Based Compensation (as defined in the Clawback Policy and Supplemental Clawback Policy, as applicable) in order to enable the enforcement of the Clawback Policy, Supplemental Clawback Policy and applicable law.

(iv) The Executive has received and has had an opportunity to review the Plan, the Clawback Policy and the Supplemental Clawback Policy.

3. Termination. The Executive's employment may be terminated under the following circumstances:

(a) Death. The Executive's employment will terminate upon the Executive's death.

(b) Disability. The Company may terminate the Executive's employment if the Executive is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. Nothing in this Section 3(b) will be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment for Cause as determined by the Board of Directors. For purposes of this Agreement, "Cause" means: (i) the Executive's unauthorized use or disclosure of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company; (ii) the Executive's material breach of any written agreement between the Executive and the Company; (iii) the Executive's material failure to comply with the Company's written policies or rules after receiving written notification of the failure from the Company's CEO and eight days to cure such failure; (iv) the Executive's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State; (v) the Executive's gross misconduct in the performance of his duties; (vi) the Executive's continuing failure to perform assigned duties after receiving written notification of the failure from the Company's CEO; or (vii) the Executive's failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has

requested the Executive's cooperation therewith; provided, that before a termination for Cause under Secs. 3(c)(ii), (v), (vi), or (vii), if the conduct constituting Cause is reasonably curable, then the Board of Directors shall provide the Executive with specific written notice of the category and nature of the conduct alleged to constitute Cause, and the Executive shall have a period not less than ten (10) business days following such notice (the "Cause Cure Period"), to remedy the conduct alleged to constitute Cause. If the Executive cures the Cause condition during the Cause Cure Period, then Cause will be deemed not to have occurred.

(d) Termination Without Cause. The Company may terminate the Executive's employment at any time without Cause. Any termination by the Company of the Executive's employment that does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Sections 3(a) or (b) will be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate employment at any time for any reason, including but not limited to Good Reason. For purposes of this Agreement, "Good Reason" means that the Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (i) a material diminution in the Executive's responsibilities, authority or duties; (ii) a material diminution in the Executive's Base Salary; (iii) a material change in the geographic location at which the Executive provides services to the Company; or (iv) the material breach of this Agreement by the Company. "Good Reason Process" means that (1) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (2) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (3) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Good Reason Cure Period"), to remedy the condition; (4) notwithstanding such efforts, the Good Reason condition continues to exist; and (5) the Executive terminates employment within 60 days after the end of the Good Reason Cure Period. If the Company cures the Good Reason condition during the Good Reason Cure Period, Good Reason will be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive will be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" means a notice that indicates the specific termination provision in this Agreement relied upon.

(g) Date of Termination. "Date of Termination" means: (i) if the Executive's employment is terminated by death, the date of Executive's death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given or the date on which Notice of Termination is given after the end of the Cause Cure Period, as applicable; (iii) if the Executive's employment is terminated by the Company under Section 3(d), 30 days after the date on which a Notice of Termination is given; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) without Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) with Good Reason, the date on which a Notice of Termination is given after the end of the Good Reason Cure Period. Notwithstanding the foregoing, in the event that either party gives a Notice of Termination, the Company may unilaterally accelerate the Date of Termination.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company will pay or provide to the Executive (or to Executive's authorized representative or estate), on or before the time required by law but in no event more than 30 days after the Executive's Date of Termination, any Base Salary earned through the Date of Termination, unpaid expense reimbursements and unused vacation that accrued through the Date of Termination (collectively, the "Accrued Benefits"). Upon any termination of the Executive's employment for any reason, the Executive will tender to the Company the Executive's resignation from all positions with the Company and its subsidiaries, including without limitation, any positions as a member of the Board of Directors of the Company and/or any of its subsidiaries.

(b) Termination by the Company Without Cause. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), then the Company will pay the Executive the Accrued Benefits. In addition, subject to the Executive signing a general release of claims in favor of the Company and related persons and entities in a form and manner satisfactory to the Company (the "Release") and the expiration of the seven-day revocation period for the Release:

(i) the Company will pay the Executive an amount equal to 100% of the Executive's then-current Base Salary (the "Severance Amount"). The Severance Amount will be paid out in a lump sum, in accordance with the Company's payroll practices, within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount will begin to be paid in the second calendar year. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), each installment payment (if any) is considered a separate payment; and

(ii) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination, then the Company will pay to the Executive a lump sum cash payment (at the same time as the Severance Amount) equal to the amount of employer contributions that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for a period of 12 months.

5. Change in Control. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to Executive's assigned duties and Executive's objectivity during the pendency and after the occurrence of any such event.

(a) Change in Control Severance Benefits. These provisions will apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within 2 months before or 12 months after a Change in Control. These provisions will terminate and be of no further force or effect beginning 12 months after the occurrence of a Change in Control. If within 2 months before or within 12 months after a Change in Control, the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e), then, subject to the signing of the Release by the Executive and the expiration of the seven-day revocation period for the Release,

(i) the Company will pay the Executive an amount equal to the sum of 100% of the Executive's then-current Base Salary and then-current annual target bonus (the "CIC Payment"). The CIC Payment will be paid in a single lump sum within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the CIC Payment will be paid in the second calendar year; and

(ii) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination, then the Company will pay to the Executive a lump sum cash payment (at the same time as the Severance Amount) equal to the amount of monthly employer contributions that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company for a period of 12 months; and

(iii) notwithstanding anything to the contrary in any applicable option agreement, restricted stock unit agreement, or other stock-based award agreement, 100% of the then outstanding stock options, restricted stock units, and other stock-based awards held by the Executive, including any such awards granted prior to the date hereof, will be fully accelerated and vested as of the Date of Termination.

(a) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, acceleration, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, the following provisions will apply:

(A) If the Severance Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by the Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, the Executive will be entitled to the full benefits payable under this Agreement.

(B) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the Severance Payments will be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments will not exceed the Threshold Amount. In such event, the Severance Payments will be reduced in the following order: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments will be reduced in reverse chronological order.

(ii) For the purposes of this Section 5(b), "Threshold Amount" means three times the Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and "Excise

Tax” means the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by the Executive with respect to such excise tax.

(iii) The determination as to which of the alternative provisions of Section 5(b)(i) will apply to the Executive will be made by an accounting firm selected by the Company (the “Accounting Firm”), which will provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. For purposes of determining which of the alternative provisions of Section 5(b)(i) will apply, the Executive will be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of the Executive’s residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm will be binding upon the Company and the Executive.

(i) Change in Control Definition. For purposes of this Section 5, “Change in Control” means any of the following:

(ii) the date any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Act”) (other than the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all “affiliates” and “associates” (as such terms are defined in Rule 12b-2 under the Act) of such person, becomes the “beneficial owner” (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 50 percent or more of the combined voting power of the Company’s then outstanding securities having the right to vote in an election of the Board of Directors (“Voting Securities”) (in such case other than as a result of an acquisition of securities directly from the Company); or

(iii) the date a majority of the members of the Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors before the date of the appointment or election; or

(iv) the date of consummation of (A) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate more than 50 percent of the voting shares of the Company issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (B) any sale or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a “Change in Control” will not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by any person to 50 percent or more of the combined voting power of all of the then outstanding Voting Securities; provided, however, that if any person referred to in this sentence will thereafter

become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns 50 percent or more of the combined voting power of all of the then outstanding Voting Securities, then a "Change in Control" will be deemed to have occurred for purposes of the foregoing clause (i).

6. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment will not be payable and such benefit will not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment will include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments will be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement will be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements will be paid as soon as administratively practicable, but in no event will any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year will not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits will be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred will be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision will be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and will have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the Federal and State courts located in San Mateo County, California with respect to all matters arising under this Agreement. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter; provided that the Proprietary Information and Inventions Agreement between the Company and the Executive dated as of \_\_\_\_\_ will not be superseded by this Agreement but will remain in full force and effect in accordance with its terms.

9. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) will to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, will not be affected thereby, and each portion and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

10. Survival. The provisions of this Agreement will survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

11. Waiver. No waiver of any provision hereof will be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, will not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

12. Notices. Any notices, requests, demands and other communications provided for by this Agreement will be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board of Directors.

13. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

14. Governing Law. This is a California contract and will be construed under and be governed in all respects by the laws of the State of California, without giving effect to the conflict of laws principles of such State.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be taken to be an original; but such counterparts will together constitute one and the same document.

16. Successor to Company. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken

place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession will be a material breach of this Agreement.

17. Gender Neutral. Wherever used herein, a pronoun in the masculine gender will be considered as including the feminine gender unless the context clearly indicates otherwise.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

Guidewire Software, Inc.

By: \_\_\_\_\_  
Name: Mike Rosenbaum  
Title: CEO

Executive

\_\_\_\_\_  
Name

Subsidiary	Subsidiaries of the Registrant	Country or Jurisdiction
Guidewire Software Pty Ltd.		Australia
Guidewire Servicos de Software Services do Brazil Ltda		Brazil
Guidewire Software Canada ULC		Canada
Guidewire Software (Beijing) Co. Ltd.		China
Guidewire Software Denmark ApS		Denmark
Guidewire Software France S.A.S		France
Guidewire Software GmbH		Germany
Guidewire Software Solutions India Private Limited		India
Guidewire Software (Ireland) Limited.		Ireland
Guidewire Software (Italy) S.r.l.		Italy
Guidewire Software Japan K.K.		Japan
Guidewire Software (Malaysia) Sdn. BHD		Malaysia
Guidewire Software Poland Sp. z o.o.		Poland
Guidewire Software Spain, S.L.		Spain
Guidewire Software (Switzerland) GmbH		Switzerland
Guidewire Software (UK) Limited		United Kingdom
Cyence LLC		United States (Delaware)
EagleEye Analytics, LLC		United States (Delaware)
HazardHub LLC		United States (Delaware)
Guidewire International Holdings, Inc.		United States (Delaware)

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the registration statements (Nos. 333-253968, 333-230132, 333-223478, 333-216530, 333-209906, 333-202541, 333-194290, 333-187004, 333-479799, and 333-270321) on Form S-8 of Guidewire Software, Inc. of our report dated September 18, 2023, with respect to the consolidated financial statements of Guidewire Software, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Santa Clara, California

September 18, 2023

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF  
THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Mike Rosenbaum, certify that:

1. I have reviewed this Annual Report on Form 10-K of Guidewire Software, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 18, 2023

By: /s/ MIKE ROSENBAUM  
Mike Rosenbaum  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF  
THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Jeff Cooper, certify that:

1. I have reviewed this Annual Report on Form 10-K of Guidewire Software, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 18, 2023

By: /s/ JEFF COOPER

Jeff Cooper

Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of Guidewire Software, Inc. for the year ended July 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mike Rosenbaum, as Chief Executive Officer of Guidewire Software, Inc., hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Guidewire Software, Inc.

Date: September 18, 2023

By: /s/ MIKE ROSENBAUM

Mike Rosenbaum  
Chief Executive Officer  
(Principal Executive Officer)

In connection with the Annual Report on Form 10-K of Guidewire Software, Inc. for the year ended July 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jeff Cooper, as Chief Financial Officer of Guidewire Software, Inc., hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Guidewire Software, Inc.

Date: September 18, 2023

By: /s/ JEFF COOPER

Jeff Cooper  
Chief Financial Officer  
(Principal Financial and Accounting Officer)