

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

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**FORM 10-Q**

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(Mark one)

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

For the quarterly period ended January 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

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**Guidewire Software, Inc.**

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of Incorporation or organization)  2850 S. Delaware St., Suite 400 San Mateo, California  (Address of principal executive offices)	36-4468504 (I.R.S. Employer Identification No.)  94403  (Zip Code)
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(650) 357-9100  
(Registrant's telephone number, including area code)

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N/A  
(Former name, former address and former fiscal year, if changed since last report)

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

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

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 definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

On February 28, 2023, the registrant had 81,566,719 shares of common stock issued and outstanding.

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**Guidewire Software, Inc.**

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## FORWARD-LOOKING STATEMENTS

The section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as other parts of this Quarterly Report on Form 10-Q 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 “Part II – Other Information – Item 1A. Risk Factors,” and elsewhere in this Quarterly Report on Form 10-Q. 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 Quarterly Report on Form 10-Q are based on information available to us as of the filing date of this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q 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 related to this sales and delivery model, including the migration of our existing term license customers to cloud-based offerings on a subscription basis, the security of our cloud-based operations, or failure to meet stipulated service levels with our subscription services;
  - our gross and operating margins and factors that affect such margins, including costs related to operating, securing and enhancing 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”);
  - 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;
  - 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;
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- our business depends on customers renewing and expanding their license, support, and subscription contracts for our services and products;
- potential inability to develop, introduce, and market 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.”), 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 customers’ 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, to clearly explain to stockholders how new guidance affects reporting of our results of operations, and to develop and maintain effective disclosure controls and procedures or internal controls to prevent errors and fraud;
- our exposure to market risks, including geographical and political events such as escalation in 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 global COVID-19 pandemic and future mutations or related strains of the virus 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 II of this Quarterly Report on Form 10-Q and the other information set forth in this Quarterly Report on Form 10-Q, including our condensed 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 Quarterly Report on Form 10-Q 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.”

## **PART I – Financial Information**

**ITEM 1. Financial Statements (unaudited)**

**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited, in thousands)

	January 31, 2023	July 31, 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 274,899	\$ 606,303
Short-term investments	439,833	369,865
Accounts receivable, net of allowances of \$31 and \$359, respectively	127,627	143,797
Unbilled accounts receivable, net	100,313	71,515
Prepaid expenses and other current assets	63,591	61,223
Total current assets	1,006,263	1,252,703
Long-term investments	155,306	187,507
Unbilled accounts receivable, net	14,576	13,914
Property and equipment, net	78,544	80,740
Operating lease assets	85,479	90,287
Intangible assets, net	17,207	21,361
Goodwill	372,214	372,192
Deferred tax assets, net	218,308	191,461
Other assets	56,050	56,732
<b>TOTAL ASSETS</b>	<b>\$ 2,003,947</b>	<b>\$ 2,266,897</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 38,025	\$ 40,440
Accrued employee compensation	58,064	90,962
Deferred revenue, net	145,963	170,776
Other current liabilities	33,157	35,340
Total current liabilities	275,209	337,518
Lease liabilities	99,045	105,123
Convertible senior notes, net	396,316	358,216
Deferred revenue, net	6,022	7,500
Other liabilities	7,183	6,883
Total liabilities	783,775	815,240
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock	8	8
Additional paid-in capital	1,719,020	1,755,476
Accumulated other comprehensive income (loss)	(16,061)	(19,845)
Retained earnings (accumulated deficit)	(482,795)	(283,982)
Total stockholders' equity	1,220,172	1,451,657
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 2,003,947</b>	<b>\$ 2,266,897</b>

*See accompanying Notes to Condensed Consolidated Financial Statements.*



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

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2022	2023	2022
<b>Revenue:</b>				
Subscription and support	\$ 105,754	\$ 84,297	\$ 204,822	\$ 163,287
License	73,115	69,798	114,067	109,951
Services	53,742	50,538	109,004	97,329
Total revenue	<u>232,611</u>	<u>204,633</u>	<u>427,893</u>	<u>370,567</u>
<b>Cost of revenue:</b>				
Subscription and support	48,924	48,276	104,615	96,326
License	1,845	2,254	3,718	4,593
Services	58,379	51,912	123,945	99,063
Total cost of revenue	<u>109,148</u>	<u>102,442</u>	<u>232,278</u>	<u>199,982</u>
<b>Gross profit:</b>				
Subscription and support	56,830	36,021	100,207	66,961
License	71,270	67,544	110,349	105,358
Services	(4,637)	(1,374)	(14,941)	(1,734)
Total gross profit	<u>123,463</u>	<u>102,191</u>	<u>195,615</u>	<u>170,585</u>
<b>Operating expenses:</b>				
Research and development	61,702	55,804	119,872	110,928
Sales and marketing	44,781	48,507	91,249	89,512
General and administrative	40,196	37,337	82,263	74,979
Total operating expenses	<u>146,679</u>	<u>141,648</u>	<u>293,384</u>	<u>275,419</u>
<b>Income (loss) from operations</b>	<u>(23,216)</u>	<u>(39,457)</u>	<u>(97,769)</u>	<u>(104,834)</u>
Interest income	5,392	699	10,030	1,373
Interest expense	(1,677)	(4,833)	(3,351)	(9,627)
Other income (expense), net	11,291	(8,045)	(2,533)	(6,862)
<b>Income (loss) before provision for (benefit from) income taxes</b>	<u>(8,210)</u>	<u>(51,636)</u>	<u>(93,623)</u>	<u>(119,950)</u>
Provision for (benefit from) income taxes	979	(10,955)	(15,116)	(27,993)
<b>Net income (loss)</b>	<u>\$ (9,189)</u>	<u>\$ (40,681)</u>	<u>\$ (78,507)</u>	<u>\$ (91,957)</u>
<b>Net income (loss) per share:</b>				
Basic and diluted	<u>\$ (0.11)</u>	<u>\$ (0.49)</u>	<u>\$ (0.95)</u>	<u>\$ (1.10)</u>
<b>Shares used in computing net income (loss) per share:</b>				
Basic and diluted	<u>82,051,867</u>	<u>83,413,643</u>	<u>82,686,420</u>	<u>83,430,693</u>

*See accompanying Notes to Condensed Consolidated Financial Statements.*

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

	<b>Three Months Ended January 31,</b>		<b>Six Months Ended January 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net income (loss)	\$ (9,189)	\$ (40,681)	\$ (78,507)	\$ (91,957)
Other comprehensive income (loss):				
Foreign currency translation adjustments	4,885	(2,363)	2,184	(3,087)
Unrealized gains (losses) on available-for-sale securities	4,309	(2,537)	2,665	(3,655)
Tax benefit (expense) on unrealized gains (losses) on available-for-sale securities	(942)	603	(499)	854
Reclassification adjustment for realized gains (losses) included in net income (loss)	(350)	23	(566)	92
Total other comprehensive income (loss)	7,902	(4,274)	3,784	(5,796)
Comprehensive income (loss)	\$ (1,287)	\$ (44,955)	\$ (74,723)	\$ (97,753)

*See accompanying Notes to Condensed Consolidated Financial Statements*

**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(unaudited, in thousands except share amounts)

	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, 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)	—	—	—	—	(69,318)	(69,318)
Issuance of common stock upon vesting of restricted stock units ("RSUs")	373,380	—	—	—	—	—
Stock-based compensation	—	—	35,249	—	—	35,249
Repurchase and retirement of common stock	(2,581,478)	—	(40,000)	—	(160,000)	(200,000)
Foreign currency translation adjustment	—	—	—	(2,701)	—	(2,701)
Unrealized gain (loss) on available-for-sale securities, net of tax	—	—	—	(1,201)	—	(1,201)
Reclassification adjustment for realized gain (loss) on available-for-sale securities, included in net income (loss)	—	—	—	(216)	—	(216)
Adoption of Accounting Standards Update ("ASU") 2020-06	—	—	(68,003)	—	39,694	(28,309)
<b>Balance as of October 31, 2022</b>	<b>81,876,111</b>	<b>\$ 8</b>	<b>\$ 1,682,722</b>	<b>\$ (23,963)</b>	<b>\$ (473,606)</b>	<b>\$ 1,185,161</b>
Net income (loss)	—	—	—	—	(9,189)	(9,189)
Issuance of common stock upon exercise of stock options	217	—	2	—	—	2
Issuance of common stock upon vesting of RSUs	336,440	—	—	—	—	—
Stock-based compensation	—	—	36,296	—	—	36,296
Foreign currency translation adjustment	—	—	—	4,885	—	4,885
Unrealized gain (loss) on available-for-sale securities, net of tax	—	—	—	3,367	—	3,367
Reclassification adjustment for realized gain (loss) on available-for-sale securities, included in net income (loss)	—	—	—	(350)	—	(350)
<b>Balance as of January 31, 2023</b>	<b>82,212,768</b>	<b>\$ 8</b>	<b>\$ 1,719,020</b>	<b>\$ (16,061)</b>	<b>\$ (482,795)</b>	<b>\$ 1,220,172</b>

	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, 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)	—	—	—	—	(51,276)	(51,276)
Issuance of common stock upon exercise of stock options	1,518	—	17	—	—	17
Issuance of common stock upon vesting of RSUs	335,653	—	—	—	—	—
Stock-based compensation	—	—	32,533	—	—	32,533
Repurchase and retirement of common stock	(226,172)	—	—	—	(26,262)	(26,262)
Foreign currency translation adjustment	—	—	—	(724)	—	(724)
Unrealized gain (loss) on available-for-sale securities, net of tax	—	—	—	(868)	—	(868)
Reclassification adjustment for realized gain (loss) on available-for-sale securities, included in net income (loss)	—	—	—	69	—	69
<b>Balance as of October 31, 2021</b>	<b>83,305,156</b>	<b>\$ 8</b>	<b>\$ 1,649,754</b>	<b>\$ (7,741)</b>	<b>\$ (143,638)</b>	<b>\$ 1,498,383</b>
Net income (loss)	—	—	—	—	(40,681)	(40,681)
Issuance of common stock upon exercise of stock options	7,230	—	80	—	—	80
Issuance of common stock upon vesting of RSUs	329,987	—	—	—	—	—
Stock-based compensation	—	—	38,148	—	—	38,148
Repurchase and retirement of common stock	(96,373)	—	—	—	(11,189)	(11,189)
Foreign currency translation adjustment	—	—	—	(2,363)	—	(2,363)
Unrealized gain (loss) on available-for-sale securities, net of tax	—	—	—	(1,933)	—	(1,933)
Reclassification adjustment for realized gain (loss) on available-for-sale securities, included in net income (loss)	—	—	—	23	—	23
<b>Balance as of January 31, 2022</b>	<b>83,546,000</b>	<b>\$ 8</b>	<b>\$ 1,687,982</b>	<b>\$ (12,014)</b>	<b>\$ (195,508)</b>	<b>\$ 1,480,468</b>

*See accompanying Notes to Condensed Consolidated Financial Statements.*

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

	Six Months Ended January 31,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (78,507)	\$ (91,957)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	14,229	16,979
Amortization of debt discount and issuance costs	848	7,096
Amortization of contract costs	8,597	6,310
Stock-based compensation	71,275	70,105
Changes to allowance for credit losses and revenue reserves	(315)	157
Deferred income tax	(18,358)	(30,249)
Amortization of premium (accretion of discount) on available-for-sale securities, net	(722)	3,315
Other non-cash items affecting net income (loss)	76	228
Changes in operating assets and liabilities:		
Accounts receivable	16,524	(7,940)
Unbilled accounts receivable	(29,460)	(448)
Prepaid expenses and other assets	(4,820)	(13,335)
Operating lease assets	4,808	5,667
Accounts payable	(2,289)	(1,711)
Accrued employee compensation	(32,539)	(47,323)
Deferred revenue	(26,291)	(17,826)
Lease liabilities	(5,717)	(6,817)
Other liabilities	(3,554)	(2,303)
Net cash provided by (used in) operating activities	(86,215)	(110,052)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of available-for-sale securities	(270,329)	(367,114)
Sales of available-for-sale securities	202,115	50,361
Maturities of available-for-sale securities	33,268	415,265
Purchases of property and equipment	(1,937)	(6,990)
Capitalized software development costs	(6,118)	(6,197)
Acquisition of strategic investments	(5,841)	(10,521)
Acquisition of business, net of acquired cash	—	(43,830)
Net cash provided by (used in) investing activities	(48,842)	30,974
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of common stock upon exercise of stock options	2	98
Repurchase and retirement of common stock	(200,000)	(37,451)
Net cash provided by (used in) financing activities	(199,998)	(37,353)
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash	1,941	(2,807)
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>(333,114)</b>	<b>(119,238)</b>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—Beginning of period	614,686	384,910
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—End of period	\$ 281,572	\$ 265,672

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest	\$	2,500	\$	2,500
Cash paid for income taxes, net of tax refunds	\$	2,725	\$	2,152
Accruals for purchase of property and equipment	\$	839	\$	1,227
Accruals for capitalized software development costs	\$	510	\$	579

*See accompanying Notes to Condensed Consolidated Financial Statements.*

**GUIDEWIRE SOFTWARE, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**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, and artificial intelligence 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 condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The condensed 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 interim periods presented. All intercompany balances and transactions have been eliminated in consolidation. Certain information and disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted under the rules and regulations of the SEC.

These condensed consolidated financial statements should be read in conjunction with the Company’s financial statements and related notes, together with management’s discussion and analysis of financial condition and results of operations, presented in the Company’s Annual Report on Form 10-K for the fiscal year ended July 31, 2022.

***Reclassification***

Effective as of the beginning of fiscal year 2023, the Company revised its allocation methodology and 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, with 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 condensed consolidated financial statements and the accompanying notes presented herein.

***Use of Estimates***

In preparing the condensed consolidated financial statements and related disclosures in conformity with GAAP and pursuant to the rules and regulations of the SEC, the Company must make estimates and judgments that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results may differ materially from these estimates.

***Significant Accounting Policies***

There have been no changes in the Company’s significant accounting policies from those that were disclosed in the Company’s consolidated financial statements included in its Annual Report on Form 10-K for the fiscal year ended July 31, 2022, except for those disclosed herein.

***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.

**Restricted Cash**

Unearned acquisition consideration holdback subject to service conditions is held in escrow and considered restricted cash. At January 31, 2023, \$4.6 million was included in prepaid expenses and other current assets and \$2.1 million was included in other assets in the condensed consolidated balance sheet.

**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 condensed consolidated balance sheets are in excess of amounts that are insured by the Federal Deposit Insurance Corporation.

No customer accounted for 10% or more of the Company's revenue in any of the three and six month periods ended January 31, 2023 and 2022. No customer accounted for 10% or more of the Company's accounts receivable as of January 31, 2023 and July 31, 2022.

**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.

The Company adopted the ASU using the modified retrospective transition method, and the prior period condensed consolidated financial statements have not been retrospectively adjusted and continue to be reported under the accounting standards in effect for that period. 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 condensed 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 service or product type is as follows (in thousands):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2022	2023	2022
Subscription and support				
Subscription	\$ 86,015	\$ 62,871	\$ 164,992	\$ 120,000
Support	19,739	21,426	39,830	43,287
License				
Term license	73,067	69,750	113,956	109,855
Perpetual license	48	48	111	96
Services	53,742	50,538	109,004	97,329
Total revenue	<u>\$ 232,611</u>	<u>\$ 204,633</u>	<u>\$ 427,893</u>	<u>\$ 370,567</u>

Revenue by service or product type and by geography is as follows (in thousands):

	Three Months Ended January 31, 2023			
	Subscription and support	License	Services	Total
United States	\$ 71,344	\$ 39,421	\$ 36,300	\$ 147,065
Canada	17,536	5,912	4,425	27,873
Other Americas	1,481	532	683	2,696
Total Americas	90,361	45,865	41,408	177,634
United Kingdom	2,507	7,087	652	10,246
Other EMEA	7,205	8,621	9,612	25,438
Total EMEA	9,712	15,708	10,264	35,684
Total APAC	5,681	11,542	2,070	19,293
Total revenue	<u>\$ 105,754</u>	<u>\$ 73,115</u>	<u>\$ 53,742</u>	<u>\$ 232,611</u>

	Three Months Ended January 31, 2022			
	Subscription and support	License	Services	Total
United States	\$ 55,718	\$ 38,133	\$ 31,780	\$ 125,631
Canada	14,037	4,700	6,887	25,624
Other Americas	1,046	—	715	1,761
Total Americas	70,801	42,833	39,382	153,016
United Kingdom	2,417	8,944	918	12,279
Other EMEA	5,381	6,686	7,003	19,070
Total EMEA	7,798	15,630	7,921	31,349
Total APAC	5,698	11,335	3,235	20,268
Total revenue	<u>\$ 84,297</u>	<u>\$ 69,798</u>	<u>\$ 50,538</u>	<u>\$ 204,633</u>



**Six Months Ended January 31, 2023**

	<b>Subscription and support</b>	<b>License</b>	<b>Services</b>	<b>Total</b>
United States	\$ 138,425	\$ 56,930	\$ 74,825	\$ 270,180
Canada	33,587	9,605	10,477	53,669
Other Americas	2,956	852	1,105	4,913
Total Americas	174,968	67,387	86,407	328,762
United Kingdom	5,150	11,939	1,307	18,396
Other EMEA	13,490	14,194	16,851	44,535
Total EMEA	18,640	26,133	18,158	62,931
Total APAC	11,214	20,547	4,439	36,200
Total revenue	\$ 204,822	\$ 114,067	\$ 109,004	\$ 427,893

**Six Months Ended January 31, 2022**

	<b>Subscription and support</b>	<b>License</b>	<b>Services</b>	<b>Total</b>
United States	\$ 108,741	\$ 56,586	\$ 64,443	\$ 229,770
Canada	25,978	10,513	9,245	45,736
Other Americas	2,085	237	1,423	3,745
Total Americas	136,804	67,336	75,111	279,251
United Kingdom	4,750	14,776	2,012	21,538
Other EMEA	10,598	8,093	13,398	32,089
Total EMEA	15,348	22,869	15,410	53,627
Total APAC	11,135	19,746	6,808	37,689
Total revenue	\$ 163,287	\$ 109,951	\$ 97,329	\$ 370,567

No country or region, other than those presented above, accounted for more than 10% of total revenue during the three and six months ended January 31, 2023 and 2022.

**Customer Contract – Related Balance Sheet Amounts**

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

	<b>January 31, 2023</b>	<b>July 31, 2022</b>
Unbilled accounts receivable, net	\$ 114,889	\$ 85,429
Contract costs, net	\$ 42,060	\$ 44,235
Deferred revenue, net	\$ 151,985	\$ 178,276

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

**Contract costs**

The current portion of contract costs of \$15.2 million and \$14.8 million is included in prepaid and other current assets in the Company's condensed consolidated balance sheets as of January 31, 2023 and July 31, 2022, respectively. The non-current portion of contract costs of \$26.9 million and \$29.4 million is included in other assets in the Company's condensed consolidated balance sheets as of January 31, 2023 and July 31, 2022, respectively. The Company amortized \$4.1 million and \$3.3 million of contract costs during the three months ended January 31, 2023 and 2022, respectively, and amortized \$8.6 million and \$6.3 million during the six months ended January 31, 2023 and 2022, respectively.

### Deferred revenue

During the three and six months ended January 31, 2023, the Company recognized revenue of approximately \$42.4 million and \$124.3 million, respectively, related to the Company's deferred revenue balance reported 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 \$1.2 billion as of January 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):

	January 31, 2023			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Commercial paper	\$ 204,128	\$ —	\$ —	\$ 204,128
Corporate bonds	262,385	146	(3,397)	259,134
Certificates of deposit	51,048	—	—	51,048
U.S. Government bonds	51,610	96	(1,348)	50,358
Money market funds	50,709	—	—	50,709
U.S. Government agency securities	85,449	13	(354)	85,108
Asset-backed securities	49,442	32	(474)	49,000
Foreign government bonds	13,059	—	(359)	12,700
Total	\$ 767,830	\$ 287	\$ (5,932)	\$ 762,185

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

The Company does not consider any portion of the unrealized losses at January 31, 2023 to be credit losses. The Company has recorded the securities at fair value in its condensed 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 condensed 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):

	January 31, 2023		
	Less Than 12 Months	12 Months or Greater	Total
Commercial paper	\$ 204,128	\$ —	\$ 204,128
Corporate bonds	197,154	61,980	259,134
Certificates of deposit	51,048	—	51,048
U.S. Government bonds	14,363	35,995	50,358
Money market funds	50,709	—	50,709
U.S. Government agency securities	79,989	5,119	85,108
Asset-backed securities	1,583	47,417	49,000
Foreign government bonds	7,905	4,795	12,700
<b>Total</b>	<b>\$ 606,879</b>	<b>\$ 155,306</b>	<b>\$ 762,185</b>

### **Fair Value Measurement**

#### *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):

	January 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Cash equivalents:</b>				
Commercial paper	\$ —	\$ 95,991	\$ —	\$ 95,991
Money market funds	50,709	—	—	50,709
U.S. Government agency securities	—	20,346	—	20,346
<b>Total cash equivalents</b>	<b>50,709</b>	<b>116,337</b>	<b>—</b>	<b>167,046</b>
<b>Short-term investments:</b>				
Commercial paper	—	108,137	—	108,137
Corporate bonds	—	197,154	—	197,154
Certificates of deposit	—	51,048	—	51,048
U.S. Government bonds	—	14,363	—	14,363
U.S. Government agency securities	—	59,643	—	59,643
Asset-backed securities	—	1,583	—	1,583
Foreign government bonds	—	7,905	—	7,905
<b>Total short-term investments</b>	<b>—</b>	<b>439,833</b>	<b>—</b>	<b>439,833</b>
<b>Long-term investments:</b>				
Corporate bonds	—	61,980	—	61,980
U.S. Government bonds	—	35,995	—	35,995
U.S. Government agency securities	—	5,119	—	5,119
Asset-backed securities	—	47,417	—	47,417
Foreign government bonds	—	4,795	—	4,795
<b>Total long-term investments</b>	<b>—</b>	<b>155,306</b>	<b>—</b>	<b>155,306</b>
<b>Total</b>	<b>\$ 50,709</b>	<b>\$ 711,476</b>	<b>\$ —</b>	<b>\$ 762,185</b>

	July 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Cash equivalents:</b>				
Commercial paper	\$ —	\$ 132,066	\$ —	\$ 132,066
Certificates of deposit	—	9,689	—	9,689
Money market funds	349,492	—	—	349,492
U.S. Government agency securities	—	10,000	—	10,000
<b>Total cash equivalents</b>	<b>349,492</b>	<b>151,755</b>	<b>—</b>	<b>501,247</b>
<b>Short-term investments:</b>				
Commercial paper	—	65,932	—	65,932
Corporate bonds	—	203,960	—	203,960
Certificates of deposit	—	34,026	—	34,026
U.S. Government bonds	—	25,429	—	25,429
U.S. Government agency securities	—	26,986	—	26,986
Asset-backed securities	—	8,627	—	8,627
Foreign government bonds	—	4,700	—	4,700
Municipal bonds	—	205	—	205
<b>Total short-term investments</b>	<b>—</b>	<b>369,865</b>	<b>—</b>	<b>369,865</b>
<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>	<b>—</b>	<b>187,507</b>	<b>—</b>	<b>187,507</b>
<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 \$387.0 million and \$387.6 million at January 31, 2023 and July 31, 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). Effective August 1, 2022 with the adoption of ASU 2020-06, the Company carries the Convertible Senior Notes at par value less unamortized debt issuance costs on its condensed consolidated balance sheets. For further information on the Convertible Senior Notes, see Note 5.

#### *Strategic Equity Investments*

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. During the three and six months ended January 31, 2023, the Company invested \$5.9 million and \$6.1 million in existing strategic equity investments, respectively. At January 31, 2023 and July 31, 2022, the Company's total strategic equity investments was \$23.9 million and \$18.0 million, respectively.

No impairment charge or unrealized gain or loss related to strategic investments were recognized during the three and six months ended January 31, 2023 and 2022.

#### 4. 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. Prior to August 1, 2022, 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 three and six months ended January 31, 2023 and 2022 (in thousands, except share and per share amounts):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2022	2023	2022
<b>Numerator:</b>				
Net income (loss)	\$ (9,189)	\$ (40,681)	\$ (78,507)	\$ (91,957)
<b>Net income (loss) per share:</b>				
Basic and diluted	\$ (0.11)	\$ (0.49)	\$ (0.95)	\$ (1.10)
<b>Denominator:</b>				
Weighted average shares used in computing net income (loss) per share:				
Basic and diluted	82,051,867	83,413,643	82,686,420	83,430,693

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:

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2022	2023	2022
Stock options	14,686	20,216	14,746	22,458
Stock awards	1,960,572	3,268,003	1,664,469	3,126,378
Convertible senior notes	3,516,480	—	3,516,480	66,834

During the three and six months ended January 31, 2023, the average market price of the Company's common stock did not exceed the outstanding principal of the Convertible Senior Notes. During the three months ended January 31, 2022, the average market price of the Company's common stock did not exceed the initial conversion price of the Convertible Senior Notes and the conversion premium was anti-dilutive under the treasury stock method.

#### 5. 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 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):

	<b>January 31, 2023</b>	<b>July 31, 2022</b>
Principal	\$ 400,000	\$ 400,000
Less unamortized:		
Debt discount <sup>(1)</sup>	—	37,253
Debt issuance costs	3,684	4,531
<b>Net carrying amount</b>	<b>\$ 396,316</b>	<b>\$ 358,216</b>

<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 period has not been retrospectively adjusted and continues to be reported under the accounting standards in effect for that 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):

	<b>Three Months Ended January</b>		<b>Six Months Ended January 31,</b>	
	<b>31,</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Contractual interest expense	\$ 1,250	\$ 1,250	\$ 2,500	\$ 2,500
Amortization of debt discount <sup>(1)</sup>	—	3,215	—	6,391
Amortization of debt issuance costs	425	357	848	705
<b>Total</b>	<b>\$ 1,675</b>	<b>\$ 4,822</b>	<b>\$ 3,348</b>	<b>\$ 9,596</b>

<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 amortization of debt discount. The prior period has not been retrospectively adjusted and continues to be reported under the accounting standards in effect for that period.

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

## **6. Commitments and Contingencies**

Except as discussed below, there has been no material change in the Company's contractual obligations and commitments other than in the ordinary course of business since the Company's fiscal year ended July 31, 2022.

Effective during the six months ended January 31, 2023, the Company terminated its existing agreement and entered into a new agreement with a cloud infrastructure services provider for a total obligation of \$600 million over a five-year period.

See the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2022 for additional information regarding the Company's contractual obligations.

### ***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 January 31, 2023 or July 31, 2022. The Company has not accrued for estimated losses in the accompanying condensed 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 January 31, 2023 or July 31, 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.

## **7. 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 condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2023	2022	2023	2022
Stock-based compensation expense	\$ 36,296	\$ 38,147	\$ 71,545	\$ 70,680
Net impact of deferred stock-based compensation	(117)	(282)	(270)	(575)
Total stock-based compensation expense, net	\$ 36,179	\$ 37,865	\$ 71,275	\$ 70,105
Stock-based compensation expense is included in the following categories:				
Cost of subscription and support revenue	\$ 3,440	\$ 3,406	\$ 6,908	\$ 6,436
Cost of license revenue	119	189	266	371
Cost of services revenue	4,397	5,552	9,746	10,741
Research and development	10,301	8,719	19,592	16,716
Sales and marketing	8,024	10,379	14,911	17,492
General and administrative	9,898	9,620	19,852	18,349
Total stock-based compensation expense	\$ 36,179	\$ 37,865	\$ 71,275	\$ 70,105

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

	Unrecognized Expense (in thousands)	Weighted Average Expected Recognition Period (in years)
Stock Options	\$ 3,667	1.6
Stock Awards	317,904	2.8
Total unrecognized stock-based compensation expense	\$ 321,571	

### Stock Awards

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

	Stock Awards Outstanding		
	Number of Stock Awards Outstanding	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value (in thousands) <sup>(1)</sup>
Balance as of July 31, 2022	2,785,353	\$ 110.47	\$ 216,478
Granted	2,140,537	\$ 65.89	
Released	(709,820)	\$ 105.93	\$ 47,089
Canceled	(184,411)	\$ 103.07	
Balance as of January 31, 2023	4,031,659	\$ 87.94	\$ 295,279
Expected to vest as of January 31, 2023	4,031,659	\$ 87.94	\$ 295,279

<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 \$73.24 and \$77.72 on January 31, 2023 and July 31, 2022, respectively. Aggregate intrinsic value for released Stock Awards represents the total market value of released Stock Awards at date of release.

### Stock Options

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



	Stock Options Outstanding			
	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, 2022	75,706	\$ 61.93	8.7	\$ 1,196
Granted	121,168	\$ 66.76		
Exercised	(217)	\$ 10.72		\$ —
Canceled	(2,720)	\$ 69.60		
Balance as of January 31, 2023	<u>193,937</u>	\$ 64.90	9.0	\$ 1,889
Vested and expected to vest as of January 31, 2023	<u>193,937</u>	\$ 64.90	9.0	\$ 1,889
Exercisable as of January 31, 2023	<u>14,589</u>	\$ 22.01	2.3	\$ 747

<sup>(1)</sup> Aggregate intrinsic value at each period end represents the difference between the Company's closing stock price of \$73.24 and \$77.72 on January 31, 2023 and July 31, 2022, respectively, and the exercise price of outstanding options. Aggregate intrinsic value for exercised options represents the difference between the Company's stock price at date of exercise and the exercise price.

### 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 will be determined upon settlement based on the volume weighted average price over the term of the ASR, less an agreed upon discount. At settlement, the financial institution may be required to deliver additional shares of the Company's common stock to the Company or, under certain circumstances, the Company may be required to make a cash payment or deliver shares of the Company's common stock to the financial institution, with the method of settlement at the Company's election. As of January 31, 2023, a portion of the ASR prepayment was evaluated as an unsettled forward contract indexed to the Company's stock, classified within stockholders' equity. Subsequent to January 31, 2023, the ASR was settled in full with the delivery of an additional 648,001 shares of common stock which resulted in total repurchases under the ASR of 3,229,479 shares of common stock at an average purchase price of \$61.93.

As of January 31, 2023, the Company had approximately \$200.0 million remaining for future share repurchases under the share repurchase program. The share repurchase program does not obligate the Company 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.

During the three months ended January 31, 2023, the Company did not repurchase any shares of common stock. During the six months ended January 31, 2023, the Company repurchased 2,581,478 shares of common stock under the ASR program described above.

During the three and six months ended January 31, 2022, the Company repurchased 96,373 and 322,545 shares of common stock, respectively, at an average price of \$116.09 and \$116.11 per share, respectively, under a previously completed share repurchase program.

## **8. Subsequent Events**

In February 2023, the Company assigned the remaining lease term of its existing headquarters consisting of 179,496 square feet in San Mateo, California, with remaining lease payments of approximately \$90 million due through December 2029, and concurrently entered into a sublease for 78,911 square feet of office space also in San Mateo, California with the same third party for its new worldwide headquarters. The term of the sublease is approximately 4 years with total lease payments of approximately \$22 million. The Company is still evaluating the accounting of the transaction.

## ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the Risk Factors included in Item 1A of Part II of this Quarterly Report on Form 10-Q. All information presented herein is based on our fiscal calendar. Unless otherwise stated, references in this report 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.*

### 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, and artificial intelligence (“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 and AI 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 Guidewire 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.

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 and migrating 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. 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 or non-renewal occurs could be impacted. For example, in the first quarter of fiscal year 2021, we experienced license revenue growth due to a five-year term license renewal under which revenue was recognized upfront, which overshadowed the comparison with our second quarter of fiscal year 2021 and created a challenging comparable period for the first quarter of fiscal year 2022. Additionally, 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 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.

## 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. In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic, which has continued to spread throughout the United States and the world and has resulted in authorities implementing numerous measures to contain the virus, including travel bans and restrictions, quarantines, shelter-in-place orders, and business limitations and shutdowns. Additionally, the ongoing conflict between Russia and Ukraine, inflation higher than we have seen in decades, and supply chain issues have added to global economic and market volatility. While 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, including the duration and severity of the pandemic, and containment measures and if there are any periods of increases in the number of COVID-19 cases or future variants of the virus in areas in which we operate, our compliance with containment measures has impacted our day-to-day operations and could continue to disrupt our business and operations, as well as that of our key customers, SI partners, vendors, and other counterparties, for an indefinite period of time. To support the health and well-being of our employees, customers, SI partners and communities, our employees continue to work remotely a majority of the time. In addition, many of our existing and potential customers are working remotely, which may continue to extend our sales cycle, to delay the timing of new orders, and increase the time to complete professional services engagements in the future.

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.

Although vaccines have made progress against the COVID-19 pandemic in the United States and certain other parts of the world where vaccinations are widely available, the economic impact of the pandemic and other disruptions on our business and the businesses of our customers, SI partners, and vendors may continue. We believe that new sales activities are being delayed, not cancelled, and implementation engagements are being rescheduled to later periods or being completed over a longer period of time. Certain marketing events have been cancelled or postponed, while others are being hosted both in-person and virtually, like our customer conference, Connections. 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 revenues 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, or goodwill.

We will continue to evaluate the nature and extent of the impact of COVID-19 and other global events on our business.

## 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 Quarterly Report on Form 10-Q.

### *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. During the six months ended January 31, 2023, the recurring license and support or subscription contract value recognized as services revenue was \$19.7 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 January 31, 2023, ARR was \$707 million, compared to \$664 million as of July 31, 2022. We measure ARR results on a constant currency basis during the fiscal year and revalue ARR at year end to current currency rates.

### **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 payments 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 the six months ended January 31, 2023, was impacted by severance payments of \$2.9 million. Free cash flow in the six months ended January 31, 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.”

	<b>Six Months Ended January 31,</b>	
	<b>2023</b>	<b>2022</b>
Net cash provided by (used in) operating activities	\$ (86,215)	\$ (110,052)
Purchases of property and equipment	(1,937)	(6,990)
Capitalized software development costs	(6,118)	(6,197)
Free cash flow	<u>\$ (94,270)</u>	<u>\$ (123,239)</u>

### **Critical Accounting Policies and Estimates**

Our condensed consolidated financial statements are prepared in accordance with GAAP. Accounting policies, methods, and estimates are an integral part of the preparation of condensed 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 the condensed 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 condensed consolidated financial statements, which are described in Note 1 “The Company and Summary of Significant Accounting Policies and Estimates” to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2022, our revenue recognition policies are critical to the periods presented.

There have been no material changes to our critical accounting policies as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates” in our Annual Report on Form 10-K for the fiscal year ended July 31, 2022.

### **Recent Accounting Pronouncements**

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

## Results of Operations

The following table sets forth our results of operations for the periods presented. The data has been derived from the condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q which, in the opinion of our management, reflect all adjustments, consisting only of normal recurring adjustments, necessary to fairly present the financial position and results of operations for the interim periods presented. The results of operations for any period should not be considered indicative of results for any future period. This information should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2022.

	<b>Three Months Ended January 31,</b>			
	<b>2023</b>	<b>As a % of total revenue</b>	<b>2022</b>	<b>As a % of total revenue</b>
	<b>(in thousands, except percentages)</b>			
<b>Revenue:</b>				
Subscription and support	\$ 105,754	46 %	\$ 84,297	41 %
License	73,115	31	69,798	34
Services	53,742	23	50,538	25
Total revenue	<u>232,611</u>	<u>100</u>	<u>204,633</u>	<u>100</u>
<b>Cost of revenue:</b>				
Subscription and support	48,924	21	48,276	24
License	1,845	1	2,254	1
Services	58,379	25	51,912	25
Total cost of revenue	<u>109,148</u>	<u>47</u>	<u>102,442</u>	<u>50</u>
<b>Gross profit:</b>				
Subscription and support	56,830	25	36,021	17
License	71,270	30	67,544	33
Services	(4,637)	(2)	(1,374)	—
Total gross profit	<u>123,463</u>	<u>53</u>	<u>102,191</u>	<u>50</u>
<b>Operating expenses:</b>				
Research and development	61,702	27	55,804	28
Sales and marketing	44,781	19	48,507	24
General and administrative	40,196	17	37,337	18
Total operating expenses	<u>146,679</u>	<u>63</u>	<u>141,648</u>	<u>70</u>
Income (loss) from operations	<u>(23,216)</u>	<u>(10)</u>	<u>(39,457)</u>	<u>(20)</u>
Interest income	5,392	2	699	—
Interest expense	(1,677)	(1)	(4,833)	(2)
Other income (expense), net	11,291	5	(8,045)	(4)
Income (loss) before provision for (benefit from) income taxes	<u>(8,210)</u>	<u>(4)</u>	<u>(51,636)</u>	<u>(26)</u>
Provision for (benefit from) income taxes	979	—	(10,955)	(5)
Net income (loss)	<u>\$ (9,189)</u>	<u>(4)%</u>	<u>\$ (40,681)</u>	<u>(21)%</u>

	Six Months Ended January 31,			
	2023	As a % of total revenue	2022	As a % of total revenue
	(in thousands, except percentages)			
<b>Revenue:</b>				
Subscription and support	\$ 204,822	48 %	\$ 163,287	44 %
License	114,067	27	109,951	30
Services	109,004	25	97,329	26
Total revenue	427,893	100	370,567	100
<b>Cost of revenue:</b>				
Subscription and support	104,615	24	96,326	26
License	3,718	1	4,593	1
Services	123,945	29	99,063	27
Total cost of revenue	232,278	54	199,982	54
<b>Gross profit:</b>				
Subscription and support	100,207	24	66,961	18
License	110,349	26	105,358	29
Services	(14,941)	(4)	(1,734)	(1)
Total gross profit	195,615	46	170,585	46
<b>Operating expenses:</b>				
Research and development	119,872	28	110,928	30
Sales and marketing	91,249	21	89,512	24
General and administrative	82,263	19	74,979	20
Total operating expenses	293,384	68	275,419	74
Income (loss) from operations	(97,769)	(22)	(104,834)	(28)
Interest income	10,030	2	1,373	—
Interest expense	(3,351)	(1)	(9,627)	(3)
Other income (expense), net	(2,533)	(1)	(6,862)	(2)
Income (loss) before provision for (benefit from) income taxes	(93,623)	(22)	(119,950)	(33)
Provision for (benefit from) income taxes	(15,116)	(4)	(27,993)	(8)
Net income (loss)	\$ (78,507)	(18)%	\$ (91,957)	(25)%

## 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.

#### 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.

	Three Months Ended January 31,					
	2023		2022		Change	
	Amount	As a % of total revenue	Amount	As a % of total revenue	(\$)	(%)
(in thousands, except percentages)						
Revenue:						
Subscription and support:						
Subscription	\$ 86,015	37 %	\$ 62,871	31 %	\$ 23,144	37 %
Support	19,739	8	21,426	10	(1,687)	(8)%
License:						
Term license	73,067	31	69,750	34	3,317	5 %
Perpetual license	48	—	48	—	—	— %
Services	53,742	24	50,538	25	3,204	6 %
Total revenue	<u>\$ 232,611</u>	<u>100 %</u>	<u>\$ 204,633</u>	<u>100 %</u>	<u>\$ 27,978</u>	<u>14 %</u>

	Six Months Ended January 31,					
	2023		2022		Change	
	Amount	As a % of total revenue	Amount	As a % of total revenue	(\$)	(%)
(in thousands, except percentages)						
Revenue:						
Subscription and support:						
Subscription	\$ 164,992	39 %	\$ 120,000	32 %	\$ 44,992	37 %
Support	39,830	9	43,287	12	(3,457)	(8)%
License:						
Term license	113,956	27	109,855	30	4,101	4 %
Perpetual license	111	—	96	—	15	16 %
Services	109,004	25	97,329	26	11,675	12 %
Total revenue	<u>\$ 427,893</u>	<u>100 %</u>	<u>\$ 370,567</u>	<u>100 %</u>	<u>\$ 57,326</u>	<u>15 %</u>

#### *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 the fourth fiscal quarter, our historically largest quarter for new orders, is not fully reflected in revenues until the following fiscal year.

Subscription revenue increased by \$23.1 million and \$45.0 million during the three and six months ended January 31, 2023, respectively, compared to the same periods a year ago, primarily due to new subscription agreements entered into and provisioned since January 31, 2022, the impact of cloud transition agreements, and, to a lesser extent, the renewal or extension of subscription services at the fully ramped annual fees after the initial committed term.

Support revenue decreased by \$1.7 million and \$3.5 million during the three and six months ended January 31, 2023, respectively, compared to the same periods a year ago, 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 continue to reduce the growth in, or 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 \$3.3 million during the three months ended January 31, 2023, compared to the same period a year ago. The increase is primarily driven by an increase of \$2.7 million in new deals, and to a lesser extent, the net impact of agreements that migrated from a term license to a subscription service and renewals. 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 \$0.3 million during the three months ended January 31, 2023 compared with \$1.1 million in the prior year period.

Term license revenue increased by \$4.1 million during the six months ended January 31, 2023, compared to the same period a year ago. The increase is primarily driven by an increase of \$6.4 million in new deals and \$2.1 million in renewals, which was partially offset by a \$4.1 million decrease due to agreements that migrated from a term license to a subscription service in the prior year period. 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 \$3.7 million during the six months ended January 31, 2023 compared with \$1.1 million in the prior year period.

Perpetual license revenue accounted for less than 1% of total revenue during the three and six months ended January 31, 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*

Services revenue increased by \$3.2 million and \$11.7 million during the three and six months ended January 31, 2023, respectively, compared to the same periods a year ago. The increase is primarily driven by an increase in the number and size of subscription implementation and migration projects, but 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.

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 margins.

#### ***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 services 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.

**Cost of Revenue:**

	Three Months Ended January 31,			
	2023	2022	Change	
	Amount	Amount	(\$)	(%)
(in thousands, except percentages)				
<b>Cost of revenue:</b>				
Subscription and support	\$ 48,924	\$ 48,276	\$ 648	1 %
License	1,845	2,254	(409)	(18)%
Services	58,379	51,912	6,467	12 %
Total cost of revenue	<u>\$ 109,148</u>	<u>\$ 102,442</u>	<u>\$ 6,706</u>	<u>7 %</u>
<b>Includes stock-based compensation of:</b>				
Cost of subscription and support revenue	\$ 3,440	\$ 3,406	\$ 34	
Cost of license revenue	119	189	(70)	
Cost of services revenue	4,397	5,552	(1,155)	
Total	<u>\$ 7,956</u>	<u>\$ 9,147</u>	<u>\$ (1,191)</u>	

	Six Months Ended January 31,			
	2023	2022	Change	
	Amount	Amount	(\$)	(%)
(in thousands, except percentages)				
<b>Cost of revenue:</b>				
Subscription and support	\$ 104,615	\$ 96,326	\$ 8,289	9 %
License	3,718	4,593	(875)	(19)
Services	123,945	99,063	24,882	25
Total cost of revenue	<u>\$ 232,278</u>	<u>\$ 199,982</u>	<u>\$ 32,296</u>	<u>16</u>
<b>Includes stock-based compensation of:</b>				
Cost of subscription and support revenue	\$ 6,908	\$ 6,436	\$ 472	
Cost of license revenue	266	371	(105)	
Cost of services revenue	9,746	10,741	(995)	
Total	<u>\$ 16,920</u>	<u>\$ 17,548</u>	<u>\$ (628)</u>	

Cost of subscription and support revenue during the three months ended January 31, 2023, increased by \$0.6 million compared to the same period a year ago, primarily due to an increase in cloud infrastructure expense of \$3.5 million for our growing cloud customer base. This increase was partially offset by decreases in amortization of intangibles of \$1.4 million due to certain acquired intangible assets being fully amortized, personnel costs of \$0.8 million, and professional services of \$0.6 million. As a result of efficiencies that we are seeing from our previous investments in cloud operations and development efforts along with the macroeconomic environment, we have slowed hiring and are critically evaluating professional services contracts and third-party software costs.

Cost of subscription and support revenue during the six months ended January 31, 2023, increased by \$8.3 million compared to the same period a year ago, primarily due to an increase in cloud infrastructure expense of \$10.8 million for our growing cloud customer base, royalties of \$0.3 million, and personnel of \$0.1 million. These increases were partially offset by decreases in professional services of \$1.6 million and \$1.3 million in amortization of intangibles due to certain acquired intangible assets being fully amortized.

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 amendment with our cloud infrastructure provider. 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 \$0.4 million decrease in our cost of license revenue during the three months ended January 31, 2023, compared to the same period a year ago, was due to lower personnel costs associated with the development of online training curriculum included with the latest releases of InsuranceSuite.

The \$0.9 million decrease in our cost of license revenue during the six months ended January 31, 2023, compared to the same period a year ago, was primarily due to lower personnel costs associated with the development of online training curriculum included with the latest releases of InsuranceSuite of \$0.7 million, and to a lesser extent, a decrease of \$0.1 million in amortization of intangibles 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 \$6.5 million increase in cost of services revenue during the three months ended January 31, 2023, compared to the same period a year ago, was primarily due to increases of \$5.3 million in subcontractor expenses and \$1.3 million in personnel expenses associated with an increase in headcount. Both of these increases are to staff the increase in cloud migration and implementation projects.

The \$24.9 million increase in cost of services revenue during the six months ended January 31, 2023, compared to the same period a year ago, was primarily due to increases of \$18.6 million in subcontractor expenses to staff cloud migration and implementation projects and \$6.7 million in personnel expenses associated with an increase in headcount, partially offset by a decrease of \$0.5 million in professional services.

We had 649 cloud operations and technical support employees and 804 professional services employees at January 31, 2023, compared to 666 cloud operations and technical support employees and 678 professional services employees at January 31, 2022.

#### Gross Profit:

	Three Months Ended January 31,					
	2023		2022		Change	
	Amount	Margin %	Amount	Margin %	(\$)	(%)
	(in thousands, except percentages)					
Gross profit:						
Subscription and support	\$ 56,830	54 %	\$ 36,021	43 %	\$ 20,809	58 %
License	71,270	97	67,544	97	3,726	6 %
Services	(4,637)	(9)	(1,374)	(3)	(3,263)	(237)%
Total gross profit	<u>\$ 123,463</u>	<u>53 %</u>	<u>\$ 102,191</u>	<u>50 %</u>	<u>\$ 21,272</u>	<u>21 %</u>

Our gross profit increased \$21.3 million during the three months ended January 31, 2023, compared to the same period a year ago. 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 53% during the three months ended January 31, 2023 from 50% during the same period a year ago. 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.

	Six Months Ended January 31,					
	2023		2022		Change	
	Amount	Margin %	Amount	Margin %	(\$)	(%)
	(in thousands, except percentages)					
Gross profit:						
Subscription and support	\$ 100,207	49 %	\$ 66,961	41 %	\$ 33,246	50 %
License	110,349	97	105,358	96	4,991	5
Services	(14,941)	(14)	(1,734)	(2)	(13,207)	(762)
Total gross profit	<u>\$ 195,615</u>	<u>46 %</u>	<u>\$ 170,585</u>	<u>47 %</u>	<u>\$ 25,030</u>	<u>15</u>

Our gross profit increased \$25.0 million during the six months ended January 31, 2023, compared to the same period a year ago. 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 decreased to 46% during the six months ended January 31, 2023, from 47% during the same period a year ago. Gross margin was primarily impacted by lower services margin due to the investments that we are making in our customers' transition to subscription services which offset the improvements in our subscription and support margins due to cloud operations efficiencies.

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 improve 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 a result, these general overhead expenses are reflected in cost of revenue and each functional operating expense.

	Three Months Ended January 31,					
	2023		2022		Change	
	Amount	As a % of total revenue	Amount	As a % of total revenue	(\$)	(%)
(in thousands, except percentages)						
<b>Operating expenses:</b>						
Research and development	\$ 61,702	27%	\$ 55,804	28%	\$ 5,898	11 %
Sales and marketing	44,781	19	48,507	24	(3,726)	(8)%
General and administrative	40,196	17	37,337	18	2,859	8 %
Total operating expenses	<u>\$ 146,679</u>	<u>63</u>	<u>\$ 141,648</u>	<u>70</u>	<u>\$ 5,031</u>	<u>4 %</u>
<b>Includes stock-based compensation of:</b>						
Research and development	\$ 10,301		\$ 8,719		\$ 1,582	
Sales and marketing	8,024		10,379		(2,355)	
General and administrative	9,898		9,620		278	
Total	<u>\$ 28,223</u>		<u>\$ 28,718</u>		<u>\$ (495)</u>	

	Six Months Ended January 31,					
	2023		2022		Change	
	Amount	As a % of total revenue	Amount	As a % of total revenue	(\$)	(%)
(in thousands, except percentages)						
Operating expenses:						
Research and development	\$ 119,872	28 %	\$ 110,928	30 %	\$ 8,944	8 %
Sales and marketing	91,249	21	89,512	24	1,737	2
General and administrative	82,263	19	74,979	20	7,284	10
Total operating expenses	<u>\$ 293,384</u>	<u>68</u>	<u>\$ 275,419</u>	<u>74</u>	<u>\$ 17,965</u>	<u>7</u>
Includes stock-based compensation of:						
Research and development	\$ 19,592		\$ 16,716		\$ 2,876	
Sales and marketing	14,911		17,492		(2,581)	
General and administrative	19,852		18,349		1,503	
Total	<u>\$ 54,355</u>		<u>\$ 52,557</u>		<u>\$ 1,798</u>	

### Research and Development

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

The \$5.9 million increase in research and development expenses during the three months ended January 31, 2023, compared to the same period a year ago, was primarily due to increases of \$7.2 million in personnel costs associated with higher headcount and \$0.4 million in software subscription costs. These increases are partially offset by decreases of \$0.9 million in professional services costs, \$0.6 million in cloud hosting costs for our development environments, and \$0.1 million in travel costs.

The \$8.9 million increase in research and development expenses during the six months ended January 31, 2023, compared to the same period a year ago, was primarily due to increases of \$10.1 million in personnel costs associated with higher headcount and \$0.3 million in both travel and software subscription costs, respectively. These increases were partially offset by decreases of \$1.0 million in professional services costs and \$0.8 million in cloud hosting costs.

Our research and development headcount was 1,002 at January 31, 2023, compared with 875 at January 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 as overall hiring slows after a period of investment in cloud platform capabilities.

### 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 \$3.7 million decrease in sales and marketing expenses during the three months ended January 31, 2023, compared to the same period a year ago, was primarily due to decreases of \$3.0 million in marketing and advertising expense associated with the timing of Connections Reimagined, our annual customer conference, which was held in the first quarter of fiscal year 2023 compared to the second quarter of fiscal year 2022, \$1.0 million in amortization of intangibles due to certain acquired intangible assets being fully amortized, \$0.2 million in personnel costs, and \$0.1 million in professional services. These decreases were partially offset by an increase of \$0.6 million in travel expenses due to a higher volume of in-person client interactions.

The \$1.7 million increase in sales and marketing expenses during the six months ended January 31, 2023, compared to the same period a year ago, was primarily due to increases of \$2.4 million in travel costs due to a higher volume of in-person client interactions, \$1.6 million in personnel costs, which includes \$1.5 million of severance expense incurred in the first quarter of fiscal year 2023, and \$0.2 million in professional services. These increases were partially offset by decreases of \$1.9 million in amortization of intangibles due to certain acquired intangible assets being fully amortized and \$0.5 million in marketing and advertising costs.

Our sales and marketing headcount was 470 at January 31, 2023, compared with 463 at January 31, 2022.

We expect our sales and marketing expenses 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, legal, information technology and security, and corporate development and strategy functions, and primarily consist of personnel costs, as well as professional services.

The \$2.9 million increase in general and administrative expenses during the three months ended January 31, 2023, compared to the same period a year ago, was primarily due to increases of \$1.7 million in software subscriptions, \$0.7 million in personnel costs due to higher headcount, and \$0.3 million in professional services.

The \$7.3 million increase in general and administrative expenses during the six months ended January 31, 2023, compared to the same period a year ago, was primarily due to increases of \$4.0 million in personnel costs, which includes \$1.0 million of severance expense incurred in the first quarter of fiscal year 2023, \$3.1 million in software subscriptions and cloud hosting costs, and \$0.1 million in professional services.

Our general and administrative headcount was 449 at January 31, 2023, compared with 435 at January 31, 2022. General and administrative headcount includes facilities personnel whose expenses are allocated across all functional departments.

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

#### *Other Income (Expense)*

	<b>Three Months Ended January 31,</b>			
	<b>2023</b>	<b>2022</b>	<b>Change</b>	
	<b>Amount</b>	<b>Amount</b>	<b>(\$)</b>	<b>(%)</b>
	<b>(in thousands, except percentages)</b>			
Interest income	\$ 5,392	\$ 699	\$ 4,693	671 %
Interest expense	\$ (1,677)	\$ (4,833)	\$ 3,156	(65)%
Other income (expense), net	\$ 11,291	\$ (8,045)	\$ 19,336	240 %

	<b>Six Months Ended January 31,</b>			
	<b>2023</b>	<b>2022</b>	<b>Change</b>	
	<b>Amount</b>	<b>Amount</b>	<b>(\$)</b>	<b>(%)</b>
	<b>(in thousands, except percentages)</b>			
Interest income	\$ 10,030	\$ 1,373	\$ 8,657	631 %
Interest expense	\$ (3,351)	\$ (9,627)	\$ 6,276	(65)%
Other income (expense), net	\$ (2,533)	\$ (6,862)	\$ 4,329	(63)%

#### *Interest Income*

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

Interest income increased \$4.7 million and \$8.7 million during the three and six months ended January 31, 2023, compared to the same periods a year ago, primarily due to higher interest rates even though we had lower funds available for investment.

#### *Interest Expense*

Prior to August 1, 2022 and adoption of ASU 2020-06, 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 three months ended January 31, 2023 consists of stated interest of \$1.3 million and non-cash interest expense of \$0.4 million related to amortization of debt issuance costs. Interest expense for the three months ended January 31, 2022 consists of stated interest of \$1.3 million and non-cash interest expense of \$3.6 million related to the amortization of debt discount and issuance costs.

Interest expense for the six months ended January 31, 2023 consists of stated interest of \$2.5 million and non-cash interest expense of \$0.8 million related to amortization of debt issuance costs. Interest expense for the six months ended January 31, 2022 consists of stated interest of \$2.5 million and non-cash interest expense of \$7.1 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 during the three and six months ended January 31, 2023 was income of \$11.3 million and expense of \$2.5 million, respectively, as compared to expense of \$8.0 million and \$6.9 million during the respective periods a year ago, due to fluctuations in foreign currency exchange rates.

#### *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.

	<b>Three Months Ended January 31,</b>			
	<b>2023</b>	<b>2022</b>	<b>Change</b>	
	<b>Amount</b>	<b>Amount</b>	<b>(\$)</b>	<b>(%)</b>
	<b>(in thousands, except percentages)</b>			
Provision for (benefit from) income taxes	\$ 979	\$ (10,955)	\$ 11,934	(109)%
Effective tax rate	(12)%	21 %		

	<b>Six Months Ended January 31,</b>			
	<b>2023</b>	<b>2022</b>	<b>Change</b>	
	<b>Amount</b>	<b>Amount</b>	<b>(\$)</b>	<b>(%)</b>
	<b>(in thousands, except percentages)</b>			
Provision for (benefit from) income taxes	\$ (15,116)	\$ (27,993)	\$ 12,877	(46)%
Effective tax rate	16 %	23 %		

We recognized an income tax expense of \$1.0 million and an income tax benefit of \$11.0 million for the three months ended January 31, 2023 and 2022, respectively; and an income tax benefit of \$15.1 million and \$28.0 million for the six months ended January 31, 2023 and 2022, respectively. The change in the amount of income tax recorded for the three and six months ended January 31, 2023, compared to the same periods a year ago, was primarily due to a decrease in the loss before taxes and a decrease in tax deductions from stock-based compensation, offset by an increase in research and development credits.

The effective tax rate of (12)% and 16% for the three and six months ended January 31, 2023, respectively, differs 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, and certain non-deductible expenses, including executive compensation limitation.

During the three and six months ended January 31, 2023, unrecognized tax benefits increased by \$0.7 million and \$1.2 million, respectively. As of January 31, 2023, we had unrecognized tax benefits of \$12.6 million that, if recognized, would affect our effective tax rate.

The Tax Cuts and Jobs Act of 2017 (the “Tax Act”) amended Internal Revenue Code Section 174 to require that specific research and experimental (“R&E”) expenditures be capitalized and amortized over five years (U.S. R&E) or fifteen years (non-U.S. R&E) beginning in the Company’s fiscal year 2023. Although Congress has considered legislation that would defer, modify, or repeal the capitalization and amortization requirement, there is no assurance that the provision will be deferred, modified, or otherwise repealed. If the requirement is not modified, the Company may be required to utilize some of its federal and state tax attributes and there may be increases to state cash taxes or tax expense.

***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.

	<b>Three Months Ended January 31,</b>		<b>Six Months Ended January 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Gross profit reconciliation:</b>				
GAAP gross profit	\$ 123,463	\$ 102,191	\$ 195,615	\$ 170,585
Non-GAAP adjustments:				
Stock-based compensation	7,956	9,147	16,920	17,548
Amortization of intangibles	485	1,905	2,390	3,849
Non-GAAP gross profit	<u>\$ 131,904</u>	<u>\$ 113,243</u>	<u>\$ 214,925</u>	<u>\$ 191,982</u>
<b>Income (loss) from operations reconciliation:</b>				
GAAP income (loss) from operations	\$ (23,216)	\$ (39,457)	\$ (97,769)	\$ (104,834)
Non-GAAP adjustments:				
Stock-based compensation	36,179	37,865	71,275	70,105
Amortization of intangibles	1,367	3,770	4,154	7,524
Acquisition consideration holdback	730	836	1,503	1,509
Non-GAAP income (loss) from operations	<u>\$ 15,060</u>	<u>\$ 3,014</u>	<u>\$ (20,837)</u>	<u>\$ (25,696)</u>
<b>Net income (loss) reconciliation:</b>				
GAAP net income (loss)	\$ (9,189)	\$ (40,681)	\$ (78,507)	\$ (91,957)
Non-GAAP adjustments:				
Stock-based compensation	36,179	37,865	71,275	70,105
Amortization of intangibles	1,367	3,770	4,154	7,524
Acquisition consideration holdback	730	836	1,503	1,509
Amortization of debt discount and issuance costs	425	3,572	848	7,096
Tax impact of non-GAAP adjustments	(46,863)	(10,165)	(26,485)	(17,131)
Non-GAAP net income (loss)	<u>\$ (17,351)</u>	<u>\$ (4,803)</u>	<u>\$ (27,212)</u>	<u>\$ (22,854)</u>
<b>Tax provision (benefit) reconciliation:</b>				
GAAP tax provision (benefit)	\$ 979	\$ (10,955)	\$ (15,116)	\$ (27,993)
Non-GAAP adjustments:				
Stock-based compensation	56,765	5,347	84,391	16,895
Amortization of intangibles	2,145	532	4,339	1,877
Acquisition consideration holdback	1,145	118	1,753	359
Amortization of debt discount and issuance costs	667	504	1,000	1,766
Tax impact of non-GAAP adjustments	(13,859)	3,664	(64,998)	(3,766)
Non-GAAP tax provision (benefit)	<u>\$ 47,842</u>	<u>\$ (790)</u>	<u>\$ 11,369</u>	<u>\$ (10,862)</u>
<b>Net income (loss) per share reconciliation:</b>				
GAAP net income (loss) per share — diluted	\$ (0.11)	\$ (0.49)	\$ (0.94)	\$ (1.10)
Non-GAAP adjustments:				
Stock-based compensation	0.44	0.45	0.86	0.84
Amortization of intangibles	0.02	0.05	0.05	0.10
Acquisition consideration holdback	0.01	0.01	0.02	0.02
Amortization of debt discount and issuance costs	0.01	0.04	0.02	0.08
Tax impact of non-GAAP adjustments	(0.58)	(0.12)	(0.34)	(0.20)
Non-GAAP dilutive shares excluded from GAAP net income (loss) per share calculation	—	—	—	—
Non-GAAP net income (loss) per share — diluted	<u>\$ (0.21)</u>	<u>\$ (0.06)</u>	<u>\$ (0.33)</u>	<u>\$ (0.26)</u>
<b>Shares used in computing Non-GAAP net income (loss) per share amounts:</b>				
GAAP and pro forma weighted average shares — diluted	<u>82,051,867</u>	<u>83,413,643</u>	<u>82,686,420</u>	<u>83,430,693</u>

## Liquidity and Capital Resources

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

	<u>January 31, 2023</u>	<u>July 31, 2022</u>
Cash, cash equivalents, and investments	\$ 870,038	\$ 1,163,675
Working capital	\$ 731,054	\$ 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 January 31, 2023, approximately \$47.5 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. Subsequent to January 31, 2023, the ASR was settled in full with the delivery of 648,001 shares of common stock which resulted in total repurchases under the ASR of 3,229,479 shares of common stock at an average purchase price of \$61.93.

As of January 31, 2023, \$200.0 million remains under the September 2022 authorized and approved 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.

During the three months ended January 31, 2023, we did not repurchase any shares of common stock. During the six months ended January 31, 2023, we repurchased 2,581,478 shares of common stock under the ASR program described above.

***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 the first fiscal quarter, which ends 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, cloud operations, operating costs, and expansion into other markets. We also may invest in or acquire complementary businesses, applications or technologies, or may execute on the 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 condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q (in thousands):

	<u>Six Months Ended January 31,</u>	
	<u>2023</u>	<u>2022</u>
Net cash provided by (used in) operating activities	\$ (86,215)	\$ (110,052)
Net cash provided by (used in) investing activities	\$ (48,842)	\$ 30,974
Net cash provided by (used in) financing activities	\$ (199,998)	\$ (37,353)

***Cash Flows from Operating Activities***

Net cash used in operating activities was \$86.2 million for the six months ended January 31, 2023 compared to net cash used by operating activities of \$110.1 million during the six months ended January 31, 2022. This \$23.8 million improvement in operating cash used was attributable to a \$15.1 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 and by a \$8.7 million decrease in cash used by working capital activities. During the first quarter of fiscal year 2023, changes in working capital included severance payments of \$2.9 million. During the first quarter of fiscal year 2022, changes in working capital included payments of \$18.1 million related to the settlement of accrued vacation balances in countries in which we adopted a non-accrual vacation policy.

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

Net cash used by investing activities was \$48.8 million for the six months ended January 31, 2023 compared to net cash provided by investing activities of \$31.0 million during the six months ended January 31, 2022. The \$79.8 million decrease in cash provided by investing activities was primarily due to increased net purchases of available-for-sale securities of \$133.5 million. This increase was offset by decreases of \$43.8 million related to the acquisition of HazardHub during the first quarter of fiscal year 2022, a \$4.7 million decrease in amounts paid for strategic investments, and lower capital expenditures and capitalized software development costs of \$5.2 million.

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

Net cash used in financing activities for the six months ended January 31, 2023 was \$200.0 million, compared to \$37.4 million for the six months ended January 31, 2022. This \$162.6 million increase in cash used was primarily because of the accelerated share repurchase transaction we entered into under our share repurchase program that resulted in \$162.5 million more of our common stock being repurchased during the first quarter of fiscal year 2023, compared to the same period a year ago.

#### **Commitments and Contractual Obligations**

Except as discussed below, there has been no material change in our contractual obligations and commitments other than in the ordinary course of business since our fiscal year ended July 31, 2022.

Effective during the six months ended January 31, 2023, we terminated our existing agreement and entered into a new agreement with a cloud infrastructure services provider for a total obligation of \$600 million over a five-year period.

See our Annual Report on Form 10-K for the fiscal year ended July 31, 2022 for additional information regarding our contractual obligations.

#### **Off-Balance Sheet Arrangements**

Through January 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 3. 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 January 31, 2023 and July 31, 2022 were \$870.0 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 \$3.3 million and \$3.6 million in the market value of our available-for-sale securities as of January 31, 2023 and July 31, 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 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, Japanese Yen, Malaysian Ringgit, and Polish Zloty, the currency of the locations within which we currently 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 six months ended January 31, 2023 and 2022, we recorded a foreign currency loss of \$2.5 million and \$6.8 million, respectively, in other income (expense) in our condensed consolidated statement of operations primarily due to currency exchange rate fluctuations. 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 \$32.3 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 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.

**ITEM 4. 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 Quarterly Report on Form 10-Q. 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.

***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 January 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.

## PART II – OTHER INFORMATION

### ITEM 1. 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 6 “Commitments and Contingencies,” to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, which are incorporated by reference herein, we are not party to any material pending legal proceedings.

### 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 Quarterly Report on Form 10-Q, 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 Quarterly Report on Form 10-Q 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, 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;
- 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;
- 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 or changes in accounting rules 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 and its impact on our revenues 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 ended 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 has 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;
- 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 large number of renewals that occur in the first fiscal quarter. For example, in the first quarter of fiscal year 2021, we achieved higher revenue growth due to a five-year renewal of a single license agreement, which resulted in the first quarter of fiscal year 2021 lacking comparability to the prior year and creating a challenging comparable for the first quarter of fiscal year 2022.

Seasonal and other variations may cause significant fluctuations in our revenues, 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, 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 revenues 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 in the early stages of re-architecting 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 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 year 2020, our ten largest customers accounted for 27% of our revenue, in fiscal year 2021 they accounted for 28%, and in fiscal year 2022 they accounted for 23%. Additionally, our ten largest customers based on ARR accounted for 26% of total ARR at July 31, 2022. 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 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.

***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 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.

***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 continuing COVID-19 pandemic, the ongoing conflict between Russia and Ukraine, inflation higher than we have seen in decades, and supply chain issues have added to global economic and market volatility. Our business and financial results during fiscal year 2022, including our ARR growth rates, services revenue, and margins, were adversely impacted due to the disruptions resulting from these events. The pandemic, as well as measures undertaken to contain the spread of COVID-19 variants, have affected and could further affect our ability to travel to customers and prospects, resulting in delays in services delivery, delays in implementations, and interruptions or modifications in our sales and marketing activities, including Connections, our annual user conference, which has adversely affected, and may continue to adversely affect, our business, results of operations, and financial condition. 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. In the third quarter of our fiscal year 2022, the ongoing conflict between Russia and Ukraine resulted in our ceasing operations in Russia, which resulted in our recording \$3.0 million of bad debt expense and removing \$3.1 million of ARR due to our cancellation of contracts with customers in Russia. 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.

***We are in the process of transitioning to a hybrid in-person and remote workforce, which will subject us to certain operational challenges and risks and potential harm to our business.***

In response to the COVID-19 pandemic, our workforce shifted from in-person to remote work. We have announced our intention to transition to a hybrid work environment in which a significant portion of our workforce will work 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.

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. 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 and the potential cost savings achievable by organizations deploying our services and products. 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.

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 licenses and services, 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. For example, the COVID-19 pandemic caused sales and implementation cycles to lengthen, along with other impacts on our business. 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 continue to affect services delivery, delay implementations, and interrupt sales activity. We cannot predict the duration or the extent of adverse impacts from the COVID-19 pandemic 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 announced our intention to transition to a hybrid work environment in which a large portion of our workforce will work 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 42% and 34% of total revenue for fiscal years 2022 and 2021, respectively. Our subscription and support revenue produces lower gross margins than our license revenue. The gross margin of our subscription and support revenue was 41% and 38% for fiscal years 2022 and 2021, respectively, while the gross margin for license revenue was 97% and 97% for fiscal years 2022 and 2021, 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 the COVID-19 pandemic, inflation, or other global events and disasters.

Further, our services revenue was 26% and 25% of total revenue for fiscal years 2022 and 2021, respectively. Our services revenue produces lower gross margin than either our license revenue or our subscription and support revenue. The gross margin of our services revenue was less than 1% in both fiscal years 2022 and 2021. If we experience an increase in the percentage of total revenue represented by services revenue, like we did in fiscal year 2018 due to acquisitions and 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 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.

***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 Amazon Web Services ("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 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.

***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 API-driven property risk insights. Acquisitions and alliances, such as our strategic partnership with One Inc., 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 the COVID-19 pandemic 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.

***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 2022, 2021, and 2020, \$296.2 million, \$271.1 million, and \$279.8 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, and legal 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;
- geographic and political conflicts, such as that between Russia and Ukraine;
- the burdens and costs of complying with a wide variety of foreign laws and legal standards, including 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;
- 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, such as COVID-19; and
- political, social, and economic instability abroad, terrorist attacks, and security concerns in general.

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.***

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 data security breaches or there is unauthorized access to our customers' data, we may lose current or future customers and our reputation and business may be harmed.***

If our security measures are breached or unauthorized access to customer data is otherwise obtained, 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, and security breaches could result in the loss of this information, which in turn could result in litigation, breach of contract claims, indemnity obligations, 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. Although we have developed systems and processes that are designed to protect customer data and prevent data loss and other security breaches, including systems and processes designed to reduce the impact of a security breach at a third-party vendor, such measures cannot provide 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, or non-UK, country in order to ensure that such data is adequately protected. 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. In addition, 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, 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.***

On April 27, 2016, the EU adopted the General Data Protection Regulation 2016/679 ("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. 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.

Starting on 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 will remain in force. 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.

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 or defects 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. In addition, licensed technology and intellectual property may not continue to be available on commercially reasonable terms, or at all. 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.***

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.

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 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 United States Generally Accepted Accounting Principles (“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 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, and the Inflation Reduction Act of 2022.

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.***

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.

***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, 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 million of our outstanding common stock and entered into an ASR agreement to repurchase an aggregate \$200 million of our common stock. As of January 31, 2023, \$200 million of the share repurchase program remains 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.

#### **Risks Related to Our Indebtedness**

***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 January 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 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 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.

### **General Risks**

***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, pursuant to a decision by referendum in June 2016, the U.K. voted to withdraw from the EU. A trade and cooperation agreement, which addresses trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things, was recently ratified by the European Parliament and the Council of the EU to govern the U.K.’s future relationship with the EU. Because the agreement merely sets forth a framework in many respects and will require complex additional bilateral negotiations between the U.K. and the EU as both parties continue to work on the rules for implementation, significant political and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal. Brexit has caused significant volatility in global stock markets and fluctuations in currency exchange rates. Brexit has also caused, and may continue to cause, delays in purchasing decisions by our potential and current customers affected by this transition due to the considerable political and economic uncertainty created by Brexit and uncertainty as to the nature of the U.K.’s long-term relationship with the EU. Brexit may further result in new regulatory and cost challenges to our U.K. and global operations, particularly with respect to data protection. Depending on the market and regulatory effects of Brexit, it is possible that there may be adverse practical or operational implications on our business, and prolonged economic uncertainties or downturns caused by Brexit could harm our business and results of operations.

Further, other global events such as global inflation concerns and the ongoing conflict between Russia and Ukraine, 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 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.

***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.***

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 and inclusion. 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, the COVID-19 pandemic, 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, which has increased in connection with the COVID-19 pandemic and its associated workplace-related ramifications, 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.

***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.***

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, 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, 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, Turkey and Syria have experienced severe earthquakes, Germany, Pakistan, and other parts of Europe have experienced flooding, 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, such as the COVID-19 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.

***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 substantial portion 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 have an adverse effect on our stock price. 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.

**ITEM 6. Exhibits**

The exhibits listed below are filed or incorporated by reference as part of this Report.

<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 the Registrant	S-1/A	4.1	January 9, 2012
<a href="#">10.1</a>	Amended and Restated 2020 Stock Plan and forms of agreement thereunder	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		
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		

\* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q 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.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 6, 2023

**GUIDEWIRE SOFTWARE, INC.**

By: /s/ JEFF COOPER

**Jeff Cooper**

**Chief Financial Officer**

**(Principal Financial and Accounting Officer)**



## GUIDEWIRE SOFTWARE, INC.

### AMENDED AND RESTATED 2020 STOCK PLAN

#### SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan (the “Plan”). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of Guidewire Software, Inc. (the “Company”) and its Affiliates upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company’s welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company’s behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

“Act” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“Administrator” means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

“Affiliate” means, at the time of determination, any “parent” or “subsidiary” of the Company as such terms are defined in Rule 405 of the Act. The Board will have the authority to determine the time or times at which “parent” or “subsidiary” status is determined within the foregoing definition.

“Award” or “Awards,” except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Units, Restricted Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights.

“Award Certificate” means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

“Board” means the Board of Directors of the Company.

“Cash-Based Award” means an Award entitling the recipient to receive a cash-denominated payment.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

“Consultant” means a consultant or adviser who provides *bona fide* services to the Company or an Affiliate as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the Act.

“Dividend Equivalent Right” means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the

Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

“*Effective Date*” means the date on which the Plan becomes effective as set forth in Section 19.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“*Fair Market Value*” of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is listed on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), NASDAQ Global Market, The New York Stock Exchange or another national securities exchange or traded on any established market, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

“*Incentive Stock Option*” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“*Non-Employee Director*” means a member of the Board who is not also an employee of the Company or any Subsidiary.

“*Non-Qualified Stock Option*” means any Stock Option that is not an Incentive Stock Option.

“*Option*” or “*Stock Option*” means any option to purchase shares of Stock granted pursuant to Section 5.

“*Restricted Shares*” means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture or the Company’s right of repurchase.

“*Restricted Stock Award*” means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“*Restricted Stock Units*” means an Award of stock units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“*Sale Event*” shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

“*Sale Price*” means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

“Section 409A” means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

“Service Relationship” means any relationship as an employee, director or Consultant of the Company or any Affiliate (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual’s status changes from full-time employee to part-time employee or Consultant).

“Stock” means the Common Stock, par value \$0.0001 per share, of the Company, subject to adjustments pursuant to Section 3.

“Stock Appreciation Right” means an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

“Subsidiary” means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

“Ten Percent Owner” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

“Unrestricted Stock Award” means an Award of shares of Stock free of any restrictions.

## SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Unrestricted Stock Awards, Cash-Based Awards, and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the forms of Award Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award in circumstances involving the grantee’s death or disability;

(vi) subject to the provisions of Section 5(c), to extend at any time the period in which Stock Options may be exercised; and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to a committee consisting of one or more officers of the Company including the Chief Executive Officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not members of the delegated committee. Any such delegation by the Administrator shall include a limitation as to the amount of Stock underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

### SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) **Stock Issuable.** The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 6,780,000 shares, subject to adjustment as provided in this Section 3. For purposes of this limitation, the shares of Stock underlying any awards under the Plan and under the Company's 2011 Stock Plan that are forfeited, canceled, or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan and, to the extent permitted under Section 422 of the Code and the regulations promulgated thereunder, the shares of Stock that may be issued as Incentive Stock Options. Notwithstanding the foregoing, the following shares shall not be added to the shares authorized for grant under the Plan: (i) shares tendered or held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, and (ii) shares subject to a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right upon exercise thereof. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that no more than 6,780,000 shares of the Stock may be issued in the form of Incentive Stock Options. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) **Changes in Stock.** Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Stock Options, (ii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (iv) the exercise price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of shares subject to Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(c) **Mergers and Other Transactions.** In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In such case, except as may be otherwise provided in

the relevant Award Certificate, all Options and Stock Appreciation Rights with time-based vesting conditions or restrictions that are not vested and/or exercisable immediately prior to the effective time of the Sale Event shall become fully vested and exercisable as of the effective time of the Sale Event, all other Awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the Sale Event, and all Awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a Sale Event to the extent specified in the relevant Award Certificate. In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights (provided that, in the case of an Option or Stock Appreciation Right with an exercise price equal to or greater than the Sale Price, such Option or Stock Appreciation Right shall be cancelled for no consideration); or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights (to the extent then exercisable) held by such grantee. The Company shall also have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding other Awards in an amount equal to the Sale Price multiplied by the number of vested shares of Stock under such Awards.

(d) Maximum Awards to Non-Employee Directors. Notwithstanding anything to the contrary in this Plan, the value of all Awards awarded under this Plan and all other cash compensation paid by the Company to any Non-Employee Director in any calendar year shall not exceed \$750,000. For the purpose of this limitation, the value of any Award shall be its grant date fair value, as determined in accordance with ASC 718 or successor provision but excluding the impact of estimated forfeitures related to service-based vesting provisions.

#### SECTION 4. ELIGIBILITY

Grantees under the Plan will be such employees, Non-Employee Directors or Consultants of the Company and its Affiliates as are selected from time to time by the Administrator in its sole discretion; provided that Awards may not be granted to employees, Directors or Consultants who are providing services only to any “parent” of the Company, as such term is defined in Rule 405 of the Act, unless (i) the stock underlying the Awards is treated as “service recipient stock” under Section 409A or (ii) the Company has determined that such Awards are exempt from or otherwise comply with Section 409A.

#### SECTION 5. STOCK OPTIONS

(a) Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a “subsidiary corporation” within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the

terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date. Notwithstanding the foregoing, Stock Options may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) to individuals who are not subject to U.S. income tax on the date of grant or (iii) the Stock Option is otherwise compliant with Section 409A.

(c) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. Subject to Section 2(b)(v), the Administrator may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the Award Certificate:

(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(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 for the purchase price; provided that in the event the optionee chooses to pay the 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 Company shall prescribe as a condition of such payment procedure; or

(iv) With respect to Stock Options that are not Incentive Stock Options, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

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 shares of Stock to be purchased pursuant

to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Award Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an 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 number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Stock Options. To the extent required for “incentive stock option” treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

## SECTION 6. STOCK APPRECIATION RIGHTS

(a) Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation Right is an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Certificate) having a value equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

(b) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant.

(c) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined on the date of grant by the Administrator. The term of a Stock Appreciation Right may not exceed ten years. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

## SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock Awards under the Plan. A Restricted Stock Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives.



(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Stock Award is tied to the attainment of vesting conditions, any dividends paid by the Company shall accrue and shall not be paid to the grantee until and to the extent the vesting conditions are met with respect to the Restricted Stock Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, if a grantee's employment (or other Service Relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other Service Relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder. Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

## SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Administrator may grant Restricted Stock Units under the Plan. A Restricted Stock Unit is an Award of stock units that may be settled in shares of Stock (or cash, to the extent explicitly provided for in the Award Certificate) upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Stock Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Stock Units, to the extent vested, shall be settled in the form of shares of Stock. Restricted Stock Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Stock Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future

cash compensation otherwise due to such grantee in the form of an award of Restricted Stock Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Stock Units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Stock Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his Restricted Stock Units, subject to the provisions of Section 11 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

#### SECTION 9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. An Unrestricted Stock Award is an Award pursuant to which the grantee may receive shares of Stock free of any restrictions under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

#### SECTION 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may grant Cash-Based Awards under the Plan. A Cash-Based Award is an Award that entitles the grantee to a payment in cash upon the attainment of specified performance goals. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash.

#### SECTION 11. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Stock Units or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend

equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of another Award shall provide that such Dividend Equivalent Right shall be settled only upon vesting, settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 16 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

## SECTION 12. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 12(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 12(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Stock Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award. In no event may an Award be transferred by a grantee for value.

(c) Family Member. For purposes of Section 12(b), "family member" shall mean a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 13. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Administrator may require the Company's tax withholding obligation to be satisfied, in whole or in part, by the Company withholding from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due; provided, however, that the amount withheld does not exceed the maximum statutory tax rate or such lesser amount as is necessary to avoid liability accounting treatment. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includable in income of the grantees. The Administrator may also require the Company's tax withholding obligation to be satisfied, in whole or in part, by an arrangement whereby a certain number of shares of Stock issued pursuant to any Award are immediately sold and proceeds from such sale are remitted to the Company in an amount that would satisfy the withholding amount due.

SECTION 14. SECTION 409A AWARDS

Awards are intended to be exempt from Section 409A to the greatest extent possible and to otherwise comply with Section 409A. The Plan and all Awards shall be interpreted in accordance with such intent. To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any 409A Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 15. TERMINATION OF SERVICE RELATIONSHIP, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Service Relationship. If the grantee's Service Relationship is with an Affiliate and such Affiliate ceases to be an Affiliate, the grantee shall be deemed to have terminated his or her Service Relationship for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of a Service Relationship:

(i) a transfer to the employment of the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

#### SECTION 16. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall materially and adversely affect rights under any outstanding Award without the holder's consent. Except as provided in Section 3(b) or 3(c), without prior stockholder approval, in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights, effect repricing through cancellation and re-grants or cancellation of Stock Options or Stock Appreciation Rights in exchange for cash or other Awards or effect cash buyouts of underwater Stock Options or Stock Appreciation Rights. To the extent required under the rules of any securities exchange or market system on which the Stock is listed or to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, Plan amendments shall be subject to approval by Company stockholders. Nothing in this Section 16 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(b) or 3(c).

#### SECTION 17. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

#### SECTION 18. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Issuance of Stock. To the extent certificated, stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any evidence of book entry or certificates evidencing shares of Stock pursuant to the exercise or settlement of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. Any Stock issued pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the

Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate or notations on any book entry to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Stockholder Rights. Until Stock is deemed delivered in accordance with Section 18(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.

#### SECTION 19. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon stockholder approval in accordance with applicable state law, the Company's bylaws and articles of incorporation, and applicable stock exchange rules. No grants of Stock Options and other Awards may be made hereunder after December 14, 2030 and no grants of Incentive Stock Options may be made hereunder after September 9, 2030.

#### SECTION 20. GOVERNING LAW

This Plan and all Awards and actions taken thereunder 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, applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS: SEPTEMBER 8, 2022

DATE APPROVED BY STOCKHOLDERS: DECEMBER 20, 2022

**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.

**SECTION 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.

**SECTION 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.

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 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..

SECTION 7. 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.

SECTION 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 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.

SECTION 9. 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.

SECTION 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 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.

SECTION 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 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.

SECTION 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.

SECTION 2. Vesting of Restricted Stock Units. [Subject to any Company leave of absence policy in effect, t]<sup>3</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>3</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>4</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.

**SECTION 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.

**SECTION 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.

**SECTION 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.

**SECTION 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>4</sup> Include for execs with executive agreements.

- (1) requiring a cash payment by the Grantee to the Company and/or the Employer; or
- (2) withholding from the Grantee's wages or other cash compensation payable to him or her by the Company or any of its Affiliates; or
- (3) 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
- (4) withholding shares of Stock to be issued upon vesting and settlement of the Restricted Stock Units; or
- (5) 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.

SECTION 7. 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.

SECTION 8. 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:

(1) 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;

(2) 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.

SECTION 9. 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.

SECTION 10. 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.

SECTION 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 Grantee at the address that he or she most recently provided to the Company in accordance with this Paragraph.

#### SECTION 12. 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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:

1. 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
2. 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.

**SECTION 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:
  - (1) “**Chargeable Event**” means any event giving rise to Relevant Employment Income.
  - (2) “**ITEPA**” means the Income Tax (Earnings and Pensions) Act 2003.
  - (3) “**Relevant Employment Income**” from Awards on which Employer's National Insurance Contributions becomes due is defined as:
    - (1) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);
    - (2) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or
    - (3) any gain that is treated as remuneration derived from the earner's employment by virtue of section 4(4)(a) SSCBA, including without limitation:
      - (1) the acquisition of securities pursuant to the Awards (within the meaning of section 477(3)(a) of ITEPA);
      - (2) the assignment (if applicable) or release of the Awards in return for consideration (within the meaning of section 477(3)(b) of ITEPA);
      - (3) 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).
  - (4) “**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).

## **SECTION 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.

## **SECTION 3. Payment of the Employer's Liability**

- 1.a 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:
- (1) 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
  - (2) directly from the Employee by payment in cash or cleared funds; and/or
  - (3) 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
  - (4) by any other means specified in the applicable Restricted Stock Unit agreement entered into between the Employee and the Company.
- 1.a 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.b 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).

## **SECTION 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:
  - (1) the date on which the Employee and the Company agree in writing that it should cease to have effect;
  - (2) the date on which the Company serves written notice on the Employee terminating its effect;
  - (3) the date on which HMRC withdraws approval of this Election; or
  - (4) 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

**Guidewire Software, Inc.**  
**Amended and Restated 2020 Stock Plan**  
**Notice of Restricted Stock Unit Award**

**Name of Grantee:**

**Award Number:**

**ID:**

Pursuant to the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan (the "Plan"), this Notice of Restricted Stock Unit Award (the "Notice") and the terms and conditions set forth in the 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.

<b>No. of Restricted Stock Units Granted:</b>	
<b>Grant Date:</b>	
<b>Vesting Conditions:</b>	
<b>Vesting Commencement Date:</b>	

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> _____	<u>Employee Name</u> _____ <u>Date</u> _____
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**RESTRICTED STOCK UNIT AWARD AGREEMENT  
FOR NON-EMPLOYEES  
UNDER THE GUIDEWIRE SOFTWARE, INC.  
AMENDED AND RESTATED 2020 STOCK PLAN**

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

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

Grant Date: \_\_\_\_

Vesting Commencement 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.

SECTION 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.

SECTION 2. Vesting of Restricted Stock Units. [Subject to any Company leave of absence policy in effect, t]<sup>5</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 [remains in service as a member of the Board]<sup>6</sup> [continues to have a Service Relationship with the Company or a Subsidiary]<sup>7</sup> 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.

Incremental Number of  
Restricted Stock Units Vested

\_\_\_\_\_ (\_\_\_%)  
 \_\_\_\_\_ (\_\_\_%)  
 \_\_\_\_\_ (\_\_\_%)  
 \_\_\_\_\_ (\_\_\_%)

Vesting Date

[\_\_\_\_\_]<sup>8</sup>  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

[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, that

<sup>5</sup> Include if LOA policy is in effect.

<sup>6</sup> For directors.

<sup>7</sup> For consultants.

<sup>8</sup> For directors, enter "Earlier of the Company's next annual meeting of stockholders or the one-year anniversary of the Vesting Commencement Date."

in the event of a Sale Event, 100% of the then-outstanding and unvested Restricted Stock Units shall immediately be deemed vested on the date of such Sale Event, subject to the Grantee remaining in service as a member of the Board until the date of such Sale Event.]<sup>9</sup> [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]<sup>10</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.

SECTION 3. [Termination of Service as a Non-Employee Director. If the Grantee's service with the Company and its Subsidiaries as a member of the Board 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.]<sup>11</sup> [Termination of Service Relationship. If the Grantee's Service Relationship 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.]<sup>12</sup>

SECTION 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.

SECTION 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.

SECTION 6. 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.

SECTION 7. [No Obligation to Continue as a Non-Employee Director. Neither the Plan nor this Award confers upon the Grantee any rights with respect to continuance as a Non-Employee Director.]<sup>13</sup> [No Obligation to Continue 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 a Service Relationship with the Company or a Subsidiary and neither the Plan nor this Agreement

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<sup>9</sup> For directors.

<sup>10</sup> For consultants.

<sup>11</sup> For directors.

<sup>12</sup> For consultants

<sup>13</sup> For directors.

shall interfere in any way with the right of the Company or any Subsidiary to terminate the Service Relationship of the Grantee at any time.]<sup>14</sup>

SECTION 8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

SECTION 9. 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.

SECTION 10. 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.

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<sup>14</sup> For consultants.

**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**

**Name of Grantee:**

**Award Number:**

**ID:**

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.



<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> _____	_____ <i>Employee Name</i>
	_____ <i>Date</i>

**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.

**SECTION 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.

**SECTION 2. Vesting of Restricted Stock Units.** [Subject to any Company leave of absence policy in effect, t]<sup>15</sup> [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]

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<sup>15</sup> Include if LOA policy is in effect.

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]<sup>16</sup>.

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<sup>16</sup> Include for execs with executive agreements.

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

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 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..

SECTION 7. 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.

SECTION 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 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.

SECTION 9. 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.

SECTION 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 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.

SECTION 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 Grantee at the address that he or she most recently provided to the Company.

**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>17</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>18</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.

SECTION 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]<sup>19</sup>, 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>17</sup> For ISOs

<sup>18</sup> For NQSOs

<sup>19</sup> Include if LOA policy is in effect.

Incremental Number of  
Option Shares Exercisable[\*]<sup>20</sup>

\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)  
\_\_\_\_\_ (\_\_\_%)

Exercisability Date

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[\* Max. of \$100,000 per year.]<sup>21</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”)].<sup>22</sup>

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.

SECTION 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

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<sup>20</sup> For ISOs

<sup>21</sup> For ISOs.

<sup>22</sup> For executives with executive agreements.



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 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.

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 7. 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.

SECTION 8. 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.

SECTION 9. 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.

SECTION 10. 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.

SECTION 11. [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>23</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>23</sup> For ISOs.

**GLOBAL STOCK OPTION AGREEMENT<sup>24</sup>  
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.

SECTION 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]<sup>25</sup>, 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:

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<sup>25</sup> Include if LOA policy is in effect.

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”)].<sup>26</sup>

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.

**SECTION 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

<sup>26</sup> For executives with executive agreements.

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.

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 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.

SECTION 7. Nature of Award. In accepting this Stock Option, the Optionee 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 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.

(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 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;

(iv) all decisions with respect to future Stock Options, if any, will be at the sole discretion of the Company;

(v) the Optionee's participation in the Plan is voluntary;

(vi) 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;

(vii) 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;

(viii) the future value of the shares of Stock subject to this Stock Option is unknown, indeterminable and cannot be predicted with certainty;

(ix) if the underlying shares of Stock subject to the Stock Option do not increase in value, the Stock Option will have no value;

(x) 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;

(xi) 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);

(xii) 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);

(xiii) 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;

(xiv) 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

(xv) the following provisions apply only if the Optionee is providing services outside the United States:

(1) 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;

(2) 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.

SECTION 8. 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.

SECTION 9. 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.

SECTION 10. 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.

SECTION 11. 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:

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**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 7 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 7(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 7 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:

1. 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
2. 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.

**SECTION 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:

- (1) “**Chargeable Event**” means any event giving rise to Relevant Employment Income.
  - (2) “**ITEPA**” means the Income Tax (Earnings and Pensions) Act 2003.
  - (3) “**Relevant Employment Income**” from Awards on which Employer's National Insurance Contributions becomes due is defined as:
    - (1) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);
    - (2) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or
    - (3) any gain that is treated as remuneration derived from the earner's employment by virtue of section 4(4)(a) SSCBA, including without limitation:
      - (1) the acquisition of securities pursuant to the Awards (within the meaning of section 477(3)(a) of ITEPA);
      - (2) the assignment (if applicable) or release of the Awards in return for consideration (within the meaning of section 477(3)(b) of ITEPA);
      - (3) 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).
  - (4) “**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).

## **SECTION 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.

## **SECTION 3. Payment of the Employer's Liability**

- 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:
  - (1) 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
  - (2) directly from the Employee by payment in cash or cleared funds; and/or
  - (3) 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
  - (4) by any other means specified in the applicable Award agreement entered into between the Employee and the Company.
- 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.° 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).

## **SECTION 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:
  - (1) the date on which the Employee and the Company agree in writing that it should cease to have effect;
  - (2) the date on which the Company serves written notice on the Employee terminating its effect;
  - (3) the date on which HMRC withdraws approval of this Election; or
  - (4) 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

**NON-QUALIFIED STOCK OPTION AGREEMENT  
FOR NON-EMPLOYEES  
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: \_\_\_

Vesting Commencement Date \_\_\_

Expiration Date: \_\_\_  
[No more than 10 years]

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, who is not an employee of the Company, 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. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

SECTION 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]<sup>27</sup>, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains [in service as a member of the Board]<sup>28</sup> [in a Service Relationship with the Company or a Subsidiary]<sup>29</sup> on such dates:

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<sup>27</sup> Include if LOA policy is in effect.

<sup>28</sup> For directors.

<sup>29</sup> For consultants.

Incremental Number of  
Option Shares Exercisable

\_\_\_\_\_ ( \_\_\_ %)   
 \_\_\_\_\_ ( \_\_\_ %)   
 \_\_\_\_\_ ( \_\_\_ %)   
 \_\_\_\_\_ ( \_\_\_ %)   
 \_\_\_\_\_ ( \_\_\_ %)

Exercisability Date

[ \_\_\_\_\_ ]<sup>30</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 in the event of a Sale Event, 100% of the then-outstanding and unvested Option Shares shall immediately be deemed vested and exercisable on the date of such Sale Event, subject to the Optionee remaining in service as a member of the Board until the date of such Sale Event]<sup>31</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]<sup>32</sup>. 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.

SECTION 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

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<sup>30</sup> For directors, enter "Earlier of the Company's next annual meeting of stockholders or the one-year anniversary of the Vesting Commencement Date."

<sup>31</sup> For directors.

<sup>32</sup> For consultants.

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 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.

SECTION 3. [Termination as Non-Employee Director. If the Optionee ceases to be a Non-Employee Director of the Company, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.]<sup>33</sup> [Termination of Service Relationship. Except as may otherwise be provided by the Administrator, if the Optionee's Service Relationship 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.]<sup>34</sup>

(a) [Termination Due to Death. If the Optionee's service as a Non-Employee Director 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.]<sup>35</sup> [Termination Due to Death. If the Optionee's Service Relationship 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.]<sup>36</sup>

(b) [Termination Due to Disability. If the Optionee's service as a Non-Employee Director 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

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<sup>33</sup> For directors.

<sup>34</sup> For consultants.

<sup>35</sup> For directors.

<sup>36</sup> For consultants.

exercisable on the date of such termination, may thereafter be exercised by the Optionee's legal representative or legatee 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 death shall terminate immediately and be of no further force or effect.<sup>37</sup> Termination Due to Disability. If the Optionee's Service Relationship 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.<sup>38</sup>

(c) Termination for Cause. If the Optionee's service as a Non-Employee Director 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 a director 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.<sup>39</sup> Termination for Cause. If the Optionee's Service Relationship 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 a consulting 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.<sup>40</sup>

(d) Other Termination. If the Optionee ceases to be a Non-Employee Director 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 the Optionee ceased to be a Non-Employee Director, for a period of three months from the date the Optionee ceased to be a Non-Employee Director or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date the Optionee ceases to be a Non-Employee Director shall terminate immediately and be of no further force or effect.<sup>41</sup> Other Termination. If the Optionee's Service Relationship 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.<sup>42</sup>

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<sup>37</sup> For directors.

<sup>38</sup> For consultants.

<sup>39</sup> For directors.

<sup>40</sup> For consultants.

<sup>41</sup> For directors.

<sup>42</sup> For consultants.



[The Administrator's determination of the reason for termination of the Optionee's service as a Non-Employee Director shall be conclusive and binding on the Optionee and his or her representatives or legatees.]<sup>43</sup> [The Administrator's determination of the reason for termination of the Optionee's Service Relationship with the Company or a Subsidiary shall be conclusive and binding on the Optionee and his or her representatives or legatees.]<sup>44</sup>

SECTION 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.

SECTION 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.

SECTION 6. [No Obligation to Continue as a Non-Employee Director. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Non-Employee Director.]<sup>45</sup> [No Obligation to Continue 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's 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 Service Relationship with the Company or a Subsidiary at any time.]<sup>46</sup>

SECTION 7. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

SECTION 8. 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.

SECTION 9. 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

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<sup>43</sup> For directors.

<sup>44</sup> For consultants.

<sup>45</sup> For directors.

<sup>46</sup> For consultants.

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.

**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:

\_\_\_  
\_\_\_  
\_\_\_

**STOCK OPTION EXERCISE NOTICE  
UNDER THE  
GUIDEWIRE SOFTWARE, INC.  
AMENDED AND RESTATED 2020 STOCK PLAN**

Guidewire Software, Inc.  
Attention: [\_\_\_\_\_]  
\_\_\_\_\_  
\_\_\_\_\_

Pursuant to the terms of the [Stock Option Agreement under the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan (the "Plan")][Non-Qualified Stock Option Agreement for Non-Employees under the Guidewire Software, Inc. Amended and Restated 2020 Stock Plan (the "Plan")] between the undersigned and Guidewire Software, Inc. (the "Company"), dated [Insert grant date] \_\_\_\_\_, (the "Agreement"), I, [Insert Name] \_\_\_\_\_, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of \$\_\_\_\_\_ representing the purchase price for [Fill in number of Shares] \_\_\_\_\_ shares. I have chosen the following form(s) of payment:

- 1. Cash
- 2. Certified or bank check payable to Guidewire Software, Inc.
- 3. Other (as referenced in the Agreement and described in the Plan (please describe))  
\_\_\_\_\_.

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(ii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the shares and to make an informed investment decision with respect to such purchase.

(iii) I have read and understand the Plan and the Agreement and acknowledge and agree that the shares are subject to all of the relevant terms of the Plan and the Agreement.

Sincerely yours,

\_\_\_\_\_  
Name:

Address:

—

—

—

Date: \_\_

**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.

SECTION 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.

SECTION 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.

SECTION 3. Vesting of Restricted Stock. [Subject to any Company leave of absence policy in effect, t]<sup>47</sup> [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.

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<sup>47</sup> Include if LOA policy is in effect.

<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”)]<sup>48</sup>.

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.

SECTION 4. Dividends. Dividends on shares of Restricted Stock shall be paid currently to the Grantee.

SECTION 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.

SECTION 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.

SECTION 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

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<sup>48</sup> For executives with executive agreements.

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.

**SECTION 8. 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.

**SECTION 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 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.

**SECTION 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.

SECTION 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.

SECTION 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**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 quarterly report on Form 10-Q 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;
  - a) 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
  - b) 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: March 6, 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 quarterly report on Form 10-Q 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;
  - a) 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
  - b) 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: March 6, 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 Quarterly Report on Form 10-Q of Guidewire Software, Inc. for the quarterly period ended January 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: March 6, 2023

By: /s/ MIKE ROSENBAUM

Mike Rosenbaum  
Chief Executive Officer  
(Principal Executive Officer)

In connection with the Quarterly Report on Form 10-Q of Guidewire Software, Inc. for the quarterly period ended January 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: March 6, 2023

By: /s/ JEFF COOPER

Jeff Cooper  
Chief Financial Officer  
(Principal Financial and Accounting Officer)