

Guidewire Software, Inc.
Form DEF 14A
October 30, 2014

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

GUIDEWIRE SOFTWARE, INC.

(Name of registrant as specified in its charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:
 - (4) Date Filed:
-

GUIDEWIRE SOFTWARE, INC.

1001 E. Hillsdale Blvd., Suite 800

Foster City, CA 94404

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held December 4, 2014

To our stockholders:

You are cordially invited to attend the 2014 annual meeting of stockholders of Guidewire Software, Inc. to be held on Thursday, December 4, 2014, at 1:30 p.m. Pacific Time at the Courtyard by Marriott, 550 Shell Boulevard, Foster City, California 94404.

We are holding the meeting for the following purposes:

- 1.To elect three Class III directors;
- 2.To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending July 31, 2015;
- 3.To conduct a non-binding advisory vote to approve the compensation of the named executive officers of Guidewire Software;
- 4.To conduct a non-binding advisory vote on the frequency of future executive compensation advisory votes; and
- 5.To transact such other business as may properly come before the meeting or at any and all adjournments, continuations or postponements thereof.

If you owned our common stock at the close of business on October 8, 2014, you may attend and vote at the meeting. A list of stockholders eligible to vote at the meeting will be available for review during our regular business hours at our headquarters in Foster City, California for the ten days prior to the meeting for any purpose related to the meeting. This notice, the Proxy Statement and the Annual Report on Form 10-K are first being mailed to stockholders and posted on our website on or about October 30, 2014.

Your vote is important. Whether or not you plan to attend the meeting, I hope that you will vote as soon as possible. You may vote your shares via a toll-free telephone number or over the Internet. You may also submit your proxy card or voting instruction card for the meeting by completing, signing, dating and returning your proxy card or voting instruction card in the envelope provided. Any stockholder of record attending the meeting may vote in person, even if you have already returned a proxy card or voting instruction card.

Thank you for your ongoing support of Guidewire Software. We look forward to seeing you at our annual meeting.

Sincerely,

MARCUS S. RYU

President and Chief Executive Officer

Foster City, California

October 30, 2014

YOUR VOTE IS IMPORTANT

ALL STOCKHOLDERS ARE INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE VOTE AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. PLEASE NOTE THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY ISSUED IN YOUR NAME.

GUIDEWIRE SOFTWARE, INC.

2014 ANNUAL MEETING OF STOCKHOLDERS
 PROXY STATEMENT

TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING, THE PROXY MATERIALS AND VOTING YOUR SHARES</u>	1
<u>PROPOSAL ONE: ELECTION OF DIRECTORS</u>	5
<u>PROPOSAL TWO: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	8
<u>PROPOSAL THREE: NON-BINDING, ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS</u>	9
<u>PROPOSAL FOUR: NON-BINDING, ADVISORY VOTE ON FREQUENCY OF SAY-ON-PAY VOTING</u>	10
<u>REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS</u>	11
<u>INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	12
<u>MEETINGS OF THE BOARD OF DIRECTORS</u>	12
<u>CODE OF BUSINESS CONDUCT AND ETHICS</u>	12
<u>STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS</u>	12
<u>INDEPENDENCE OF THE BOARD OF DIRECTORS</u>	12
<u>STRUCTURE OF THE BOARD OF DIRECTORS</u>	13
<u>EXECUTIVE SESSIONS</u>	13
<u>DIRECTOR ATTENDANCE AT ANNUAL STOCKHOLDER MEETINGS</u>	13
<u>BOARD'S ROLE IN RISK OVERSIGHT</u>	13
<u>COMPENSATION PLANS RISK ASSESSMENT</u>	13
<u>WHISTLEBLOWER PROCEDURES</u>	13
<u>COMMITTEES OF THE BOARD OF DIRECTORS</u>	13
<u>CONSIDERATION OF DIRECTOR NOMINEES</u>	14
<u>INFORMATION REGARDING COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS</u>	16
<u>DIRECTOR COMPENSATION</u>	16
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	17
<u>COMPENSATION COMMITTEE REPORT</u>	17
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	17
<u>EXECUTIVE COMPENSATION PHILOSOPHY AND OBJECTIVES</u>	17
<u>COMPENSATION PROGRAM DESIGN</u>	18
<u>COMPENSATION-SETTING PROCESS</u>	18
<u>EXECUTIVE COMPENSATION PROGRAM ELEMENTS</u>	20
<u>EXECUTIVE AGREEMENTS AND TERMINATION OF EMPLOYMENT ARRANGEMENTS</u>	24
<u>OTHER COMPENSATION POLICIES</u>	24
<u>TAX AND ACCOUNTING CONSIDERATIONS</u>	24
<u>SUMMARY COMPENSATION TABLE - 2014</u>	25
<u>GRANTS OF PLAN-BASED AWARDS - 2014</u>	26
<u>OUTSTANDING EQUITY AWARDS AT FISCAL 2014 YEAR END</u>	28
<u>OPTIONS EXERCISES AND STOCK VESTED AT FISCAL YEAR END - 2014</u>	30
<u>PENSION BENEFITS AND NON-QUALIFIED DEFERRED COMPENSATION</u>	30

<u>POST-EMPLOYMENT COMPENSATION</u>	<u>30</u>
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL</u>	<u>31</u>
<u>EMPLOYEE STOCK PLAN</u>	<u>32</u>
<u>LIMITATION ON LIABILITY AND INDEMNIFICATION MATTERS</u>	<u>33</u>
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	<u>33</u>
<u>OWNERSHIP OF GUIDEWIRE SOFTWARE, INC. COMMON STOCK</u>	<u>33</u>
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	<u>35</u>
<u>TRANSACTIONS WITH OUR EXECUTIVE OFFICERS AND DIRECTORS</u>	<u>35</u>
<u>POLICIES AND PROCEDURES FOR RELATED PARTY TRANSACTIONS</u>	<u>36</u>
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>36</u>
<u>ADDITIONAL INFORMATION</u>	<u>36</u>

PROXY STATEMENT

2014 ANNUAL MEETING OF STOCKHOLDERS

GUIDEWIRE SOFTWARE, INC.

GENERAL INFORMATION

Our board of directors is soliciting proxies for our 2014 annual meeting of stockholders to be held on Thursday, December 4, 2014 at 1:30 p.m. local time at the Courtyard by Marriott, 550 Shell Boulevard, Foster City, California 94404.

The proxy materials, including this proxy statement, proxy card or voting instruction card and our 2014 Annual Report on Form 10-K, are first being distributed to stockholders and made available on our website at www.guidewire.com under the headings “About Guidewire/Investor Relations” on or about October 30, 2014. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. Please read it carefully. Unless the context requires otherwise, the words “Guidewire,” “we,” “the Company,” “us,” and “our” refer to Guidewire Software, Inc.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING,

THE PROXY MATERIALS AND VOTING YOUR SHARES

WHAT IS INCLUDED IN THESE MATERIALS AND POSTED ON OUR WEBSITE?

These materials include:

- Our proxy statement for the annual meeting including the proxy card; and
- Our 2014 Annual Report on Form 10-K, which includes our audited consolidated financial statements for the fiscal year ended July 31, 2014.

WHAT ITEMS WILL BE VOTED ON AT THE ANNUAL MEETING?

There are four items that will be voted on at the annual meeting:

- 1.The election of three Class III directors;
- 2.The ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending July 31, 2015;
- 3.The non-binding advisory vote to approve the compensation of our named executive officers; and
- 4.The advisory vote on the frequency of future executive compensation advisory votes.

WHAT ARE OUR BOARD OF DIRECTORS' VOTING RECOMMENDATIONS?

Our board of directors recommends that you vote your shares “FOR” each of the nominees to the board of directors, “FOR” the ratification of the appointment of KPMG LLP, “FOR” the approval of the compensation of our name executive officers, as disclosed in this proxy, and “ONE YEAR” for the preferred frequency of submitting the advisory vote on the compensation of our named executive officers to the stockholders.

WHAT IS A PROXY?

Our board of directors is soliciting your vote at our 2014 annual meeting of stockholders. A proxy is your legal designation of another person to vote the stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. Marcus S. Ryu, Karen Blasing and Winston King have been designated as proxies for our 2014 annual meeting of stockholders.

WHO CAN VOTE AT THE MEETING?

The record date for our 2014 annual meeting of stockholders is October 8, 2014. The record date was established by our board of directors. Stockholders of record at the close of business on the record date are entitled to:

- Receive notice of the meeting; and
- Vote at the meeting and any adjournments or postponements of the meeting.

On the record date, 69,521,696 shares of our common stock were outstanding. Each stockholder is entitled to one vote for each share of common stock held on the record date.

IS MY VOTE CONFIDENTIAL?

Proxy instructions, ballots and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either among our employees or to third parties, except: (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote and (3) to facilitate a successful proxy solicitation. Occasionally, stockholders provide on their proxy card written comments, which are then forwarded to our management.

WHAT IS THE DIFFERENCE BETWEEN HOLDING SHARES AS A “STOCKHOLDER OF RECORD” AND HOLDING SHARES AS “BENEFICIAL OWNER” (OR IN “STREET NAME”)?

Most stockholders are considered “beneficial owners” of their shares, that is, they hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially or in “street name.”

Stockholder of Record: If your shares are registered directly in your name with our transfer agent, you are considered the “stockholder of record” with

respect to those shares and we are sending the proxy materials directly to you. As a stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the annual meeting. We have enclosed a proxy card for your vote.

Beneficial Owner: If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the “beneficial owner” of shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or nominee (who is considered the stockholder of record with respect to those shares). As a beneficial owner, you have the right to direct your broker, bank or nominee as to how to vote your shares if you follow the instructions you receive from your broker, bank or nominee. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the annual meeting unless you request, complete and deliver the proper documentation provided by your broker, bank or nominee and bring it with you to the annual meeting.

WHAT ARE THE DIFFERENT METHODS THAT I CAN USE TO VOTE MY SHARES OF COMMON STOCK?

By Written Proxy: Stockholders of record can vote their shares by marking, signing and timely returning the enclosed proxy card. Beneficial owners must follow the directions provided by their broker, bank or other nominee in order to direct such broker, bank or nominee as to how to vote their shares.

By Telephone and Internet Proxy: Stockholders of record can vote their shares by telephone or via the Internet. Beneficial owners may vote by telephone or the Internet if their banks, brokers or nominees make those methods available, by following the instructions provided to them with the proxy materials.

In Person: All stockholders of record may vote in person at the meeting. Beneficial owners must obtain a legal proxy from their broker, bank or nominee prior to the annual meeting in order to vote in person.

HOW MANY SHARES MUST BE PRESENT TO HOLD THE MEETING?

A majority of our outstanding shares as of the record date must be present at the annual meeting in order to hold the annual meeting and conduct business. This is called a quorum.

Your shares will be counted for purposes of determining if there is a quorum, whether representing votes for, against, withheld or abstained, or broker non-votes, if you:

- Are present and vote in person at the meeting; or
 - Have voted on the Internet, by telephone or by properly submitting a proxy card or voting instruction form by mail.
- If there are not enough shares present both in person and by timely and properly submitted proxy cards to constitute a quorum, the annual meeting may be adjourned until such time as a sufficient number of shares are present.

HOW ARE ABSTENTIONS COUNTED?

Stockholders may choose to abstain or refrain from voting their shares on one or more issues presented for a vote at the annual meeting. However, for purposes of determining the presence of a quorum, abstentions are counted as present.

WHAT IF A STOCKHOLDER DOES NOT PROVIDE A PROXY OR, IF A PROXY IS RETURNED, IT DOES NOT SPECIFY A CHOICE FOR ONE OR MORE ISSUES?

Stockholders should specify their choice for each issue to be voted upon at the annual meeting. If no proxy is returned or if a proxy is signed and returned but no specific instructions are given on one or more of the issues to be voted upon at that annual meeting, proxies will be voted in accordance with applicable rules, laws and regulations as follows: **Stockholders of Record.** If you are a stockholder of record and you do not return a proxy, your shares will not be voted at our annual meeting and your shares will not be counted for purposes of determining whether a quorum exists for the annual meeting. If you do return a signed proxy but you fail to specify how your shares should be voted on one or more issues to be voted upon at the annual meeting, then to the extent you did not specify a choice, your shares will be voted: (i) FOR Proposal One for the election of all of the director nominees; (ii) FOR Proposal Two ratifying the selection of KPMG LLP as our independent auditors; (iii) FOR Proposal Three approving, on an advisory basis, the compensation of our named executive officers, as disclosed in this proxy; and (iv) on Proposal Four, on an advisory basis, FOR submitting the advisory vote on the compensation of the Company’s named executive officers to the stockholders every year.

Beneficial Owners. If you are a beneficial owner and (i) you do not provide your broker or other nominee who holds your shares with voting instructions, or (ii) you do provide a proxy card but you fail to specify your voting instructions on one or more of the issues to be voted upon at our annual meeting, under applicable rules, your broker or other nominee may exercise discretionary authority to vote your shares on routine proposals but may not vote your shares on non-routine proposals.

The shares that cannot be voted by brokers and other nominees on non-routine matters but are represented at the meeting will be deemed present at our annual meeting for purposes of determining whether the necessary quorum exists to proceed with the annual meeting, but will not be considered entitled to vote on the non-routine proposals. We believe that under applicable rules Proposal Two: Ratification of Appointment of Independent Registered Public Accounting Firm, Proposal Three: Non-binding, advisory vote on compensation of named executive officers; and Proposal Four: Non-binding, advisory vote on frequency of say-on-pay voting are considered routine matters for which brokerage firms may vote shares that are held in the name of brokerage firms and which are not voted by the applicable beneficial owners.

However, we believe that Proposal One: Election of Directors is considered a non-routine matter under applicable rules. Accordingly, brokers or other nominees cannot vote on this proposal without instructions from beneficial owners.

WHAT IS THE VOTING REQUIREMENT TO APPROVE EACH OF THE PROPOSALS?

The following table sets forth the voting requirement with respect to each of the proposals:

Proposal One - Election of directors	Each director must be elected by a plurality of the votes cast; meaning that the three nominees receiving the most "FOR" votes (among votes properly cast in person or by proxy) will be elected. Only votes "FOR" will affect the outcome. Withheld votes or broker non-votes will not affect the outcome of the vote.
Proposal Two - Ratification of appointment of independent registered public accounting firm	To be approved by our stockholders, a majority of the shares represented and entitled to vote at the annual meeting must vote "FOR" this proposal. Broker non-votes are not considered entitled to vote and, thus, will have no effect on the outcome of the vote.
Proposal Three - Non-binding advisory vote to approve the compensation of the Company's named executive officers	To be approved by our stockholders, a majority of the shares represented and entitled to vote at the annual meeting must vote "FOR" this proposal. Broker non-votes are not considered entitled to vote and, thus, will have no effect on the outcome of the vote.
Proposal Four - Non-binding advisory vote on frequency of future stockholder advisory votes to approve the compensation of the Company's named executive officers	The option of one year, two years or three years that receives the highest number of votes cast will be the frequency of the vote on the compensation of our named executive officers that has been approved by stockholders on an advisory basis. Even though your vote is advisory and therefore will not be binding on the Company, the board of directors will review the voting results and take them into consideration when making future decisions regarding the frequency of the advisory vote on executive compensation.

HOW DO I CHANGE OR REVOKE MY PROXY?

You may revoke your proxy and change your vote at any time before the final vote at the meeting. You may vote again on a later date on the Internet or by telephone (only your latest Internet or telephone proxy submitted prior to the meeting will be counted), or by signing and returning a new proxy card with a later date, or by attending the meeting and voting in person. However, your attendance at the annual meeting will not automatically revoke your proxy unless you vote again at the meeting or specifically request in writing that your prior proxy be revoked.

WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY CARD?

It means that your shares are registered differently or you have multiple accounts. Please vote all of these shares separately to ensure all of the shares you hold are voted.

HOW CAN STOCKHOLDERS SUBMIT A PROPOSAL FOR INCLUSION IN OUR PROXY STATEMENT FOR THE 2015 ANNUAL MEETING?

To be included in our proxy statement for the 2015 annual meeting, stockholder proposals must comply with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934 and be received by our Secretary at our principal executive offices no later than July 2, 2015, which is one hundred twenty (120) calendar days before the one-year anniversary of the date on which we first released this proxy statement to stockholders in connection with this year's annual meeting.

HOW CAN STOCKHOLDERS SUBMIT PROPOSALS TO BE RAISED AT THE 2015 ANNUAL MEETING THAT WILL NOT BE INCLUDED IN OUR PROXY STATEMENT FOR THE 2015 ANNUAL MEETING?

To be raised at the 2015 annual meeting, stockholder proposals must comply with our bylaws. Under our bylaws, a stockholder must give advance notice to our Secretary of any business, including nominations of candidates for election as directors to our board that the stockholder wishes to raise at our annual meeting. To be timely, the notice must be delivered to or mailed and received by our Secretary at our principal executive offices not later than the close

of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the anniversary date of the date on which we first mailed our proxy statement in connection with this year's annual meeting. Since our proxy statement was mailed on October 30, 2014, stockholder proposals must be received by our Secretary at our principal executive offices no earlier than July 2, 2015 and no later than August 1, 2015, in order to be raised at our 2015 annual meeting.

WHAT IF THE DATE OF THE 2015 ANNUAL MEETING CHANGES BY MORE THAN 30 DAYS FROM THE ANNIVERSARY OF THIS YEAR'S ANNUAL MEETING?

Under Rule 14a-8 of the Securities Exchange Act of 1934, as amended, if the date of the 2015 annual meeting changes by more than 30 days from the anniversary of this year's annual meeting, to be included in our proxy statement, stockholder proposals must be received by us within a reasonable time before our solicitation is made.

Under our bylaws, if the date of the 2015 annual meeting is advanced by more than 30 days or delayed by more than 60 days from the anniversary of this year's annual meeting, stockholder proposals to be brought before the 2015 annual meeting must be received not earlier than the close of business on the 120th day prior to such annual meeting nor later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 10th day following the day on which public disclosure of the date of the meeting was made.

DOES A STOCKHOLDER PROPOSAL REQUIRE SPECIFIC INFORMATION?

With respect to a stockholder's nomination of a candidate for our board of directors, the stockholder notice to the Secretary must contain certain information as set forth in our bylaws about both the nominee and the stockholder making the nomination. With respect to any other business that the stockholder proposes, the stockholder notice must contain a brief description of such business and the reasons for conducting such business at the meeting, as well as certain other information as set forth in our bylaws. If you wish to bring a stockholder proposal or nominate a candidate for director, you are advised to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. Our current bylaws may be found on our corporate website at www.guidewire.com under the headings "About Guidewire/Investor Relations."

WHAT HAPPENS IF WE RECEIVE A STOCKHOLDER PROPOSAL THAT IS NOT IN COMPLIANCE WITH THE TIME FRAMES DESCRIBED ABOVE?

If we receive notice of a matter to come before the 2015 annual meeting that is not in accordance with the deadlines described above, we will use our discretion in determining whether or not to bring such matter before such meeting. If such matter is brought before such meeting, then our proxy card for such meeting will confer upon our proxy holders' discretionary authority to vote on such matter.

WHAT HAPPENS IF ADDITIONAL MATTERS ARE PRESENTED AT THE ANNUAL MEETING?

Other than the four items of business described in this proxy statement, we are not aware of any other business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxy holders, Marcus S. Ryu, Karen Blasing and Winston King, or any of them, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any reason any of the nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by our board of directors.

WHO BEARS THE COST OF THIS SOLICITATION?

We pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials. In addition, we may reimburse banks, brokers and other custodians, nominees and fiduciaries representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. Proxies may be solicited by certain of our directors, officers and employees, personally or by mail, telephone, facsimile, email or other means of communication (electronic or otherwise). No additional compensation will be paid for such services.

WHAT IF ONLY ONE COPY OF THESE PROXY MATERIALS WAS DELIVERED TO MULTIPLE STOCKHOLDERS WHO SHARE A SINGLE ADDRESS?

In some cases, only one copy of this proxy statement is being delivered to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders. We will deliver promptly, upon written or oral request, a separate copy of this proxy statement and the accompanying 2014 Annual Report on Form 10-K to a stockholder at a shared address to which a single copy of the document was delivered. To request separate delivery of these materials now or in the future, you may submit a written request to our Secretary at Guidewire Software, Inc., 1001 E. Hillsdale Blvd., Suite 800, Foster City, CA 94404 or a verbal request by telephone to Investor Relations at (650) 357-5282. Additionally, any stockholders who are presently sharing an address and receiving multiple copies of either the proxy statement or the 2014 Annual Report on Form 10-K and who would rather receive a single copy of such materials may instruct us accordingly by directing their request to us in the manner provided above.

WHERE CAN I FIND THE VOTING RESULTS OF THE ANNUAL MEETING?

We will announce preliminary voting results at the annual meeting. We will also disclose voting results on a Form 8-K filed with the Securities and Exchange Commission ("SEC") within four business days after the annual meeting, which will be available on our website.

PROPOSAL ONE:

ELECTION OF DIRECTORS

In voting on the election of our director nominees, stockholders may:

- Vote in favor of all nominees;
- Vote in favor of specific nominees; or
- Withhold votes as to specific nominees.

Assuming a quorum is present; directors will be elected by a plurality of the votes cast.

Our bylaws provide that the number of directors which shall constitute the whole board shall be fixed from time to time by resolution of the board of directors or by the stockholders at an annual meeting of the stockholders. At the time of our 2014 annual meeting, our board of directors will be comprised of seven directors. Our certificate of incorporation provides that the board of directors shall be divided into three classes, each consisting of as nearly one-third of the total number of directors as possible. Each class of directors serves a three-year term expiring at the annual meeting of stockholders in the year listed in the table below:

Class III (2014)	Class I (2015)	Class II (2016)
Andrew Brown	Paul Lavin	John Cavoores
Craig Conway	Marcus S. Ryu	Guy Dubois
Clifton Thomas Weatherford		

Based on the recommendation of the nominating and corporate governance committee (the “NCG committee”), the board of directors has nominated Craig Conway, Clifton Thomas Weatherford and Andrew Brown for election as Class III directors, each to serve a three-year term that expires at the annual meeting of stockholders in 2017 and until their successors are duly elected and qualified. Messrs. Conway, Weatherford and Brown are each currently serving as a Class III director. Each of Messrs. Conway, Weatherford and Brown has consented to serve for a new term. Directors listed in Class I and Class II above are not being elected this year and will continue in office for the remainder of their terms, as described above, unless such directors resign or their service as directors otherwise ceases in accordance with our certificate of incorporation or bylaws.

Vote Required

The Class III directors being voted on this year are elected by a plurality of the votes actually cast. This means that the director nominee with the most affirmative votes for a particular seat is elected for that seat. Abstentions have no effect on the outcome of the vote.

It is the intention of the persons named as proxies herein to vote in favor of the candidates nominated by the board of directors unless such authority is withheld, either by affirmative vote of the stockholders or deemed withheld by the failure of stockholders to submit their votes. If any nominee should not be available for election, the proxies will be voted in the best judgment of the persons authorized as proxies.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL OF THE DIRECTOR NOMINEES.

Information Concerning Director Nominees

The name and age as of September 30, 2014 of each nominee for director, his position with us, the year in which he first became a director, and certain biographical information as of September 30, 2014 is set forth below:

Name	Age	Positions and Offices Held with the Company	Director Since
Andrew Brown	51	Director	2013
Craig Conway	59	Director	2010
Clifton Thomas Weatherford	67	Director	2007

Andrew Brown has served on our board of directors since 2013. Mr. Brown currently serves as CEO of Sand Hill East, LLC, which provides strategic management, investment and marketing services to emerging companies. Mr. Brown also currently serves as an advisor to Street Scale IT LLC, a company providing IT services associated with data centers and cloud hosting to the financial sector and other regulated industries, is an IT consultant to KPMG and is the CEO and co-owner of Biz Tectonics LLC, a privately held consulting company. From September 2010 to October 2013, Mr. Brown served as Group Chief Technology Officer of UBS, an investment bank. From 2008 to 2010, Mr. Brown served as Head of Strategy, Architecture and Optimization at Bank of America Merrill Lynch, the corporate and investment banking division of Bank of America. From 2006 to 2008, Mr. Brown served as Chief Technology Officer of Infrastructure at Credit Suisse. Prior to that, for 10 years, Mr. Brown served in various leadership roles at Merrill Lynch, including Chief Technology Architect, Chief Information Officer of Direct Markets, Head of Networks, Market Data and Email. Mr. Brown holds a BSc Honors Degree in Chemical Physics from University College London.

Our board of directors believes that Mr. Brown is qualified to serve as a director based on his extensive and broad background in business management, including his experience as chief technology officer of Fortune 500 companies, as well as his service on the board of directors of other publicly held companies.

Craig Conway has served on our board of directors since December 2010. Mr. Conway is currently our Chairman of the board of directors, and served as Executive Chairman of the board from December 2010 to March 2014. From April 1999 to October 2004, Mr. Conway served as President and Chief Executive Officer of PeopleSoft, Inc., an enterprise application software company. Mr. Conway also served as President and Chief Executive Officer of One Touch Systems, a high bandwidth network communications provider, from November 1996 to February 1999 and TGV Software, a TCP/IP protocol and applications company, from September 1993 to March 1996. Prior to that, Mr. Conway held executive management positions at a variety of leading technology companies including Executive Vice President at Oracle Corporation. Mr. Conway currently serves as a director of salesforce.com, inc. During the past five years, Mr. Conway also served as a director of Advanced Micro Devices, Inc., eMeter Corporation, Pegasystems Inc., Unisys Corporation and Kazeon Systems. Mr. Conway received a B.S. in Computer Science and Mathematics from the State University of New York at Brockport.

Our board of directors believes that Mr. Conway is qualified to serve as a director based on his extensive and broad background in business management, including his experience as president and chief executive officer of three technology companies, as well as his service on the boards of other publicly held companies.

Clifton Thomas Weatherford has served on our board of directors since 2007. Since 2003, Mr. Weatherford has served as a board member and financial consultant to several companies. From 1997 until 2003, he was Executive Vice President and Chief Financial Officer of Business Objects S.A., a provider of business intelligence software.

Mr. Weatherford currently serves on the board of directors and is the chair of the audit committee of each of Mellanox Technologies, Ltd. and Spansion, Inc., and has served as a member of the SEC Advisory Committee on Accounting Standards. Within the past five years, Mr. Weatherford has also served on the board of directors of Advanced Analogic Technologies, Inc., InfoGroup, Inc., SMART Modular Technologies, Inc. and Tesco Corporation.

Mr. Weatherford holds a B.B.A. from the University of Houston.

Our board of directors believes that Mr. Weatherford is qualified to serve as a director based on his service on other public company boards and audit committees, broad industry expertise, extensive financial leadership experience and

insight into SEC reporting and compliance.

Information Concerning Directors Continuing in Office

John Cavoores has served on our board of directors since 2012. From October 2010 to December 2011, he was Aspen Insurance Company Limited's Co-CEO with executive oversight of Aspen U.S. operations. From September 2006 until March 2010, Mr. Cavoores was a senior advisor to The Blackstone Private Equity Group. During 2006, he was a Managing Director of Century Capital, a Boston-based private equity firm. From 2003 to 2005, he served as President and CEO of OneBeacon Insurance Company, a subsidiary of the White Mountains Insurance Group. Mr. Cavoores served as President of National Union Insurance Company, a subsidiary of AIG Inc., and spent 19 years at Chubb Insurance Company in various positions including Chief Underwriting Officer, Chairman of Chubb Europe and EVP and Managing Director of all non-U.S. operations. Since October 2006, Mr. Cavoores has been a director of Aspen Insurance Holdings Limited. He served as a director of Cyrus Reinsurance Holdings from 2007 to 2009 and as was a director of Alliant Insurance Holdings from 2007 to 2012. Mr. Cavoores holds a BA in Economics from College of the Holy Cross and attended the Wharton Executive Management Program.

Our board of directors believes that Mr. Cavoores is qualified to serve as a director based on his prior executive leadership roles and broad industry expertise.

Guy Dubois has served on our board of directors since 2012. Since 2013, Mr. Dubois has been a Senior Advisor at Silver Lake, a leading private equity technology investor, and Chairman of NewVoiceMedia, a privately held UK firm specializing in cloud contact center technology. From July 2011 to July 2012, he held the position of CEO at banking software provider, TEMENOS. From 2009 to 2011, Mr. Dubois served as president and CEO of MACH Group, a hub-based mobile communications exchange solutions provider. From 2007 to 2008, Mr. Dubois was the EVP and president of the global products division of Amdocs. From 2005 to 2007, he was president and CEO of Cramer Systems. Between 2001 and 2005, he was EVP at PeopleSoft, where he led strategy and business development outside North America. Previously, Mr. Dubois held senior positions with Vantive, Sybase and Digital Equipment Corporation. Mr. Dubois holds an Engineering Diploma and is a graduate of Lille Graduate School of Business Management in France.

Our board of directors believes that Mr. Dubois is qualified to serve as a director based on his prior service as an executive leader of three technology

companies, service on public and private company boards and knowledge of the industry.

Paul Lavin has served on our board of directors since 2014. Mr. Lavin is President and Chief Executive Officer of American Health, a leading medical management company and a subsidiary of Aetna. Prior to joining American Health in 2008, Mr. Lavin was a Managing Director at BearingPoint/KPMG Consulting where his focus was on financial services, primarily insurance and investments. Mr. Lavin was formerly a Senior Vice President at Prudential, an executive at Alexander & Alexander and a principal at Mercer Management Consulting. He holds both a BS in Economics and an MBA from the University of Pennsylvania's Wharton School of Business.

Our board of directors believes that Mr. Lavin is qualified to serve as a director based on his prior executive leadership roles and broad industry expertise.

Marcus S. Ryu co-founded Guidewire and has served as our President and Chief Executive Officer since 2010 and as a member of our board of directors since 2001. Prior to that, he served as our Vice President of Products from 2008 to 2010 and our Vice President of Strategy from 2001 to 2008. Prior to founding Guidewire, from 2000 to 2001, Mr. Ryu was Vice President of Strategy at Ariba, Inc., a software-as-a-service provider of collaborative business commerce solutions for buying and selling goods and services. Mr. Ryu also worked as an Associate and Engagement Manager at McKinsey & Company from 1998 until 2000. Currently, Mr. Ryu is a director of Opower, Inc. Mr. Ryu holds an A.B. from Princeton University and a B.Phil. from New College, Oxford University.

Our board of directors believes that Mr. Ryu is qualified to serve as a director based on his experience as co-founder, President and Chief Executive Officer of Guidewire and his extensive service across a broad spectrum of Guidewire functions, including strategy, business development, operations, engineering and marketing.

PROPOSAL TWO:**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

On the recommendation of our audit committee, our board of directors has appointed KPMG LLP (“KPMG”), independent public accountants, to audit our financial statements for the fiscal year ending July 31, 2015. We are submitting this selection to our stockholders for ratification. Although we are not required to seek stockholder approval for this appointment, we believe it is sound corporate practice to do so. Representatives from KPMG will be in attendance at the annual meeting to respond to any appropriate questions and will have the opportunity to make a statement, if they so desire. If the stockholders do not ratify the appointment of KPMG, the audit committee of the board of directors will reconsider the appointment.

In the vote on the ratification of the selection of KPMG as our independent auditors, stockholders may:

- Vote in favor of ratification;
- Vote against ratification; or
- Abstain from voting on ratification.

Assuming a quorum is present, the selection of KPMG as our independent auditors will be ratified if the affirmative vote of a majority of the shares represented and entitled to vote on the matter at the meeting is obtained. In the event that the stockholders do not ratify the selection of KPMG, the appointment of the independent auditors will be reconsidered by the audit committee of the board of directors.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF KPMG AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JULY 31, 2015.

Auditor Information

The types of services and aggregate fees billed or expected to be billed by KPMG with respect to our 2014 and 2013 fiscal years are as follows:

	2014	2013
Description of Services		
Audit Fees ⁽¹⁾	\$ 1,450,500	\$ 1,264,731
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees ⁽²⁾	19,315	—
Total	\$ 1,469,815	\$ 1,264,731

Relates to the audit of our annual financial statements, the review of the financial statements included in our (1) quarterly reports, services rendered in connection with our Form S-3 and Form S-8, and statutory audits required by non-U.S. jurisdictions.

(2) Relates to advisory services rendered related to accounting considerations for a transaction.

The audit committee considered whether the provision of the foregoing services by KPMG was compatible with maintaining KPMG's independence and determined that they were compatible.

In accordance with its charter, the audit committee is required to pre-approve all audit and audit related services and permitted non-audit services, including the terms of all engagements, to be performed by our independent registered public accounting firm. As part of its review, the audit committee furthermore considers whether the non-audit services will or may potentially impact the independence of our independent registered public accounting firm. During fiscal years 2014 and 2013, all services performed by KPMG for our benefit were pre-approved by the audit committee in accordance with its charter and all applicable laws, rules and regulations.

PROPOSAL THREE:

NON-BINDING, ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

Section 14A of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”) generally requires each public company to include in its proxy statement a separate resolution subject to a non-binding stockholder vote to approve the compensation of the company’s named executive officers, as disclosed in its proxy statement pursuant to Item 402 of Regulation S-K, not less frequently than once every three years. This is commonly known as, and is referred to herein as, a “say-on-pay” proposal or resolution.

As described in detail under the heading “Compensation Discussion and Analysis,” our executive compensation programs are designed to attract, retain and motivate our named executive officers, who are critical to our success. Under these programs, our named executive officers are rewarded for the achievement of specific annual, long-term and strategic goals, and the realization of increased stockholder value. Please refer to the “Compensation Discussion and Analysis” in our proxy statement for additional details about our executive compensation programs, including information about the compensation of our named executive officers for the fiscal year ended July 31, 2014.

The compensation committee of the board of directors (the “Compensation Committee”) annually reviews the compensation programs for our named executive officers to ensure that they achieve the desired goals of aligning our executive compensation structure with our stockholders’ interests.

The say-on-pay proposal is advisory, and therefore will not have any binding legal effect on the Company or the Compensation Committee. However, the Compensation Committee does value the opinions of our stockholders and intends to take the results of the vote on this proposal into account in its future decisions regarding the compensation of our named executive officers.

Recommendation

We are asking our stockholders to indicate their support for our named executive officers’ compensation as described in this proxy statement. This say-on-pay proposal gives our stockholders the opportunity to express their views on our named executive officers’ compensation. This vote is not limited to any specific item of compensation, but rather addresses the overall compensation of our named executive officers and our philosophy, policies and practices relating to their compensation as described in this proxy statement pursuant to Item 402 of Regulation S-K.

Vote Required for Approval

The advisory approval of our executive compensation requires a majority of the shares present in person or represented by proxy and entitled to vote on each proposal at the annual meeting. As this is an advisory vote, the result will not be binding on the Company, our board of directors or the Compensation Committee, although our Compensation Committee will consider the outcome of the vote when evaluating our compensation principles, design and practices.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY.

PROPOSAL FOUR:

NON-BINDING, ADVISORY VOTE ON FREQUENCY OF SAY-ON-PAY VOTING

Section 14A of the Exchange Act also enables our stockholders to indicate how frequently we should seek an advisory vote from our stockholders on the compensation of our named executive officers. By voting on this say-on-frequency proposal, stockholders may indicate whether they would prefer an advisory vote on named executive officer compensation (commonly known as “say-on-pay”) once every one, two or three years, or to abstain entirely from voting on the proposal.

Recommendation

Our board of directors has considered the frequency of the say-on-pay vote that it should recommend. After considering the benefits and consequences of each option for the frequency of submitting the say-on-pay vote to stockholders, our board of directors recommends submitting the say-on-pay vote to our stockholders annually. We believe an annual vote on the compensation of our named executive officers will allow us to obtain information on stockholders’ views on the subject on a more consistent basis. In addition, we believe an annual say-on-pay vote will provide our board of directors and the Compensation Committee with frequent input from stockholders on our compensation programs for our named executive officers. Finally, we believe an annual say-on-pay vote aligns more closely with our objective to engage in regular dialogue with our stockholders on corporate governance matters, including our executive compensation philosophy, policies and programs.

For the reasons discussed above, our board of directors recommends that stockholders vote in favor of holding a say-on-pay vote at an annual meeting of stockholders every year. When voting to recommend the frequency of the Company’s “say-on-pay” vote, stockholders should be aware that they are not voting “for” or “against” our board of directors’ recommendation to vote for a frequency of every year for holding future say-on-pay votes. Rather, stockholders will be casting votes to recommend a say-on-pay vote which may be every year, once every two years or once every three years, or they may abstain entirely from voting on the proposal.

The option on the frequency of the say-on-pay vote that receives the most votes from stockholders will be considered by the Compensation Committee as the stockholders’ recommendation as to the frequency of future say-on-pay votes . However, the outcome of this advisory vote on the frequency of the say-on-pay vote is not binding on us or our board of directors. Nevertheless, our board of directors will review and consider the outcome of this vote when making determinations as to when the say-on-pay vote will again be submitted to stockholders for approval at an annual meeting of stockholders.

Vote Required for Approval

The advisory approval of the frequency of the say-on-pay vote requires a majority of the shares present in person or represented by proxy and entitled to vote on each proposal at the annual meeting. As this is an advisory vote, the result will not be binding on the Company, our board of directors or the Compensation Committee, although our Compensation Committee will consider the outcome of the vote when evaluating our compensation principles, design and practices.

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS A VOTE OF "ONE YEAR" WITH RESPECT TO THE FREQUENCY OF HOLDING FUTURE ADVISORY VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The material in this report shall not be deemed to be (i) "soliciting material," (ii) "filed" with the SEC, (iii) subject to Regulations 14A or 14C of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or (iv) subject to the liabilities of Section 18 of the Exchange Act. This report shall not be deemed incorporated by reference into any of our other filings under the Exchange Act or the Securities Act of 1933, as amended (the "Securities Act"), except to the extent the Company specifically incorporates it by reference into such filing.

Role of the Audit Committee

The audit committee operates under a written charter adopted by the board of directors in connection with the Company's initial public offering, which provides that its functions include the oversight of the quality of the Company's financial reports and other financial information and its compliance with legal and regulatory requirements; the appointment, compensation and oversight of the Company's independent registered public accounting firm including reviewing their independence, reviewing and approving the planned scope of the Company's annual audit; reviewing and pre-approving any non-audit services that may be performed by the Company's independent registered public accounting firm; reviewing with management and the Company's independent registered public accounting firm the adequacy of internal financial controls; and reviewing the Company's critical accounting policies and estimates, and the application of U.S. generally accepted accounting principles. The audit committee held eight meetings during fiscal year 2014.

The audit committee oversees the Company's financial reporting process on behalf of the board of directors. Management is responsible for the Company's internal controls, financial reporting process and compliance with laws and regulations and ethical business standards. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements and an independent audit of the Company's internal control over financial reporting, both in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). The audit committee's responsibility is to monitor and oversee this process.

Review of Audited Financial Statements for Fiscal Year Ended July 31, 2014

The audit committee reviewed and discussed the Company's audited financial statements for the fiscal year ended July 31, 2014 with management. The audit committee discussed with KPMG the matters required to be discussed under the PCAOB standards.

The audit committee received the written disclosures and the letter from KPMG required by PCAOB regarding KPMG's communications with the audit committee concerning independence (Communication with Audit Committees Concerning Independence) and the audit committee has discussed with KPMG its independence from the Company and its management.

The Company's management has established and the audit committee has reviewed and approved procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submission by the Company's employees, received through established procedures, of concerns regarding questionable accounting or auditing matters. Based on the audit committee's review and discussions with management and KPMG, the audit committee recommended to the board of directors that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2014 for filing with the SEC. Members of the audit committee rely without independent verification on the information provided to them and on the representations made by management and the independent auditor. Accordingly, the audit committee oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the audit committee's considerations and discussions referred to above do not assure that the audit of the Company's financial statements has been carried out in accordance with the standards of the PCAOB, that the consolidated financial statements are presented in accordance with U.S. generally accepted accounting principles or that KPMG is in fact "independent."

THE AUDIT COMMITTEE

Clifton Thomas Weatherford (Chair)

John Cavoores

Craig Conway

11

INFORMATION ABOUT THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our board of directors, which is elected by our stockholders, is responsible for directing and overseeing our business and affairs. In carrying out its responsibilities, the board of directors selects and monitors our top management, provides oversight of our financial reporting processes and determines and implements our corporate governance policies.

Our board of directors and management are committed to good corporate governance to ensure that we are managed for the long-term benefit of our stockholders, and we have a variety of policies and procedures to promote such goals. To that end, during the past year, our management periodically reviewed our corporate governance policies and practices to ensure that they remain consistent with the requirements of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), SEC rules and the listing standards of the New York Stock Exchange (“NYSE”).

Besides verifying the independence of the members of our board of directors and committees (which is discussed in the section titled “Independence of the Board of Directors” below), at the direction of our board of directors, we also:

- Intend to periodically review and make necessary changes to the charters for our audit, compensation and nominating and corporate governance committees;
- Have established disclosures control policies and procedures in accordance with the requirements of the Sarbanes-Oxley Act and the rules and regulations of the SEC;
- Have a procedure for receipt and treatment of anonymous and confidential complaints or concerns regarding audit or accounting matters in place; and
- Have a code of business conduct and ethics that applies to our officers, directors and employees.

In addition, we have adopted a set of corporate governance guidelines. The NCG committee is responsible for reviewing our corporate governance guidelines from time to time and reporting and making recommendations to the board of directors concerning corporate governance matters. Our corporate governance guidelines address such matters as:

- Director Independence - Independent directors must constitute at least a majority of our board of directors;
- Monitoring Board Effectiveness - The board of directors must conduct an annual self-evaluation of the board of directors and its committees;
- Chairman of the Board - The roles and responsibilities of the Chairman of the Board are generally described in our corporate governance guidelines, as described under the section titled, “Chairman of the Board” below;
- Executive Sessions of Directors - The Chairman of the Board regularly leads meetings among non-employee directors without management present;
- Board Access to Independent Advisors - Our board of directors as a whole, and each of its committees separately, have authority to retain independent consultants, counselors or advisors as each deems necessary or appropriate; and
- Board Committees - All members of the audit, compensation and NCG committees are independent in accordance with applicable NYSE criteria.

Copies of our corporate governance guidelines, code of business conduct and ethics and committee charters can be found on our Internet website at www.guidewire.com under “About Guidewire/Investor Relations/Corporate Governance.”

Meetings of the Board of Directors

Our board of directors held nine regular and special meetings in fiscal year 2014. During their respective terms of service, each director attended at least 75% of all meetings of the board of directors and the committees on which they served at the time, which were held during fiscal year 2014. Under our corporate governance guidelines, directors are expected to be active and engaged in discharging their duties and to keep themselves informed about our business and operations. Directors are also expected to try to attend our annual meeting of stockholders, all meetings of the board of directors and all meetings of the committees on which they serve.

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics that applies to all of our directors, officers and employees, including our Chief Executive Officer (“CEO”), principal financial officer and principal accounting officer. During fiscal year 2014, no waivers were granted from any provision of the code of business conduct and ethics.

A copy of our code of business conduct and ethics is available on our Internet website at www.guidewire.com under “About Guidewire/Investor Relations/Corporate Governance” and may also be obtained without charge by contacting our Corporate Secretary at Guidewire Software, Inc., 1001 E. Hillsdale Blvd., Suite 800, Foster City, CA 94404. We intend to post any amendments to or waivers from our code of business conduct and ethics (to the extent applicable to our CEO, principal financial officer or principal accounting officer) on our website.

Stockholder Communications with the Board of Directors

Stockholders and other parties interested in communicating directly with the board of directors may do so by writing to: Board of Directors, c/o Guidewire Software, Inc., 1001 E. Hillsdale Blvd., Suite 800, Foster City, CA 94404.

Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of our audit committee and handled in accordance with applicable procedures established by the audit committee.

Independence of the Board of Directors

Consistent with our corporate governance guidelines and NYSE rules, our board of directors has determined that, as of the date of this proxy statement, six out of the seven members of our board of directors are “independent,” the one non-independent member being Marcus S. Ryu, our President and Chief Executive Officer. In addition, all members of the audit, compensation and NCG committees satisfy such independence criteria.

Structure of the Board of Directors

The positions of Chief Executive Officer and Chairman of the Board are separated. The board of directors believes that separating these roles provides the right foundation to pursue strategic and operational objectives while maintaining effective oversight and objective evaluation of corporate performance. Our Chairman of the Board, Craig Conway, is independent.

Chairman of the Board

The duties of the Chairman of the Board include: (i) collaborating with the Chief Executive Officer on the Company's strategy, product road map, management organization, acquisitions and legal matters, (ii) reviewing meeting agendas of the board of directors in consultation with the Chief Executive Officer, (iii) presiding over meetings of the board of directors, (iv) approving meeting schedules to ensure that there is sufficient time for discussion of all items, (v) serving as a liaison between our Chief Executive Officer and our board of directors, and (vi) leading the board of directors' annual evaluation process of the Chief Executive Officer.

Executive Sessions

The board of directors regularly holds executive sessions without the presence of executive management. The sessions are scheduled and led by our Chairman of the Board. Any director can request additional executive session(s) be scheduled.

Director Attendance at Annual Stockholder Meetings

Directors are encouraged, but not required, to attend our Annual Stockholder Meeting.

Board's Role in Risk Oversight

Our board of directors has overall responsibility for our risk oversight with a focus on the most significant risks. The board of director's risk oversight process builds upon management's risk assessment and mitigation processes. Our enterprise risk management program is overseen by our general counsel and chief financial officer. Individual risks are identified and prioritized based on their overall impact to the organization in the context of significance and likelihood. The most significant risks are then identified to the board of directors and each significant risk is individually evaluated, including a review of mitigating activities related to such risk and a discussion is undertaken between the board of directors and management. The management team communicates regularly with the board of directors, through the audit committee, regarding management's ongoing enterprise risk management assessments. The board of directors also receives committee reports from each of the standing committees of the board of directors periodically to assist it in overseeing the Company's enterprise risk management. The board of directors also considers and discusses with management the processes in place relating to enterprise risk management and any potential changes to be made to such processes going forward. Additional review or reporting of enterprise risks is conducted as needed or as requested by the board of directors or any of its committees.

Compensation Plans Risk Assessment

As part of its oversight function, our board of directors and our Compensation Committee in particular, along with our management team, considers potential risks when reviewing and approving various compensation plans, including executive compensation. Based on this review, our Compensation Committee has concluded that such compensation plans, including executive compensation, do not encourage risk taking to a degree that is reasonably likely to have a materially adverse impact on us or our operations.

Whistleblower Procedures

In accordance with the Sarbanes-Oxley Act, we have established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission of concerns regarding accounting or auditing matters. If an individual has a concern regarding questionable accounting, internal accounting controls or auditing matters, or the reporting of fraudulent financial information, such individual may report his or her concern by sending a letter (which may be anonymous at the discretion of the reporting person), to us at our principal executive offices to the attention of the general counsel or, if such individual is uncomfortable reporting to the general counsel, to the attention of the chair of the audit committee. Individual employees may also report their concerns by telephone or online (which may be anonymous at the discretion of the reporting person) by using our ethics reporting system available on our Intranet website.

Committees of the Board of Directors

The board of directors uses committees to work on certain issues in more detail than would be reasonable at a meeting of the full board of directors. Each committee reviews the progress and results of its meetings with the full board of directors and makes recommendations to the board of directors as and when appropriate. The board of directors presently has three standing committees: an audit committee, a compensation committee and an NCG committee. Each director who served on a committee attended at least 75% of all meetings of each such committee on which they served at the time, as held during fiscal year 2014. Each of the three standing committees of the board of directors described below operates pursuant to a written committee charter that is available to stockholders on our Internet website at www.guidewire.com under "About Guidewire/Investor Relations/Corporate Governance."

Audit Committee

The audit committee currently consists of:

Clifton Thomas Weatherford (Chair)

John Cavoores

Craig Conway

The audit committee met eight times in fiscal year 2014. Each of Messrs. Cavoores, Conway and Weatherford: (1) is "independent" as defined by current NYSE listing standards and (2) meet the independence requirements of Rule 10A of the Exchange Act. Mr. Weatherford qualifies as a "financial expert" as defined by SEC rules. Pursuant to its charter, the audit committee is responsible for the oversight of the quality and integrity of our financial statements, our compliance with legal and regulatory requirements, the qualifications and independence of our independent auditors, the performance of our independent auditors and other significant financial matters. In discharging its duties, the audit committee:

- Has the sole authority to appoint, compensate, retain, oversee and terminate the independent auditors;
- Reviews and approves the scope of the annual audit;
- Reviews and pre-approves the engagement of our independent auditors to perform audit and non-audit services and related fees;
- Reviews the integrity of our financial reporting process;
- Reviews our financial statements, disclosures and filings with the SEC;
- Reviews and approves an annual report of the audit committee for inclusion in this proxy statement;
- Reviews disclosures from our independent auditors regarding independence standards;
- Reviews and, if appropriate, approves, related-party transactions;
- Oversees procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission of concerns regarding accounting or auditing matters; and
- Annually reviews and assesses its performance and the adequacy of its charter.

Compensation Committee

The Compensation Committee currently consists of:

Guy Dubois (Chair)
Andrew Brown
Craig Conway
Paul Lavin

One of the current members of the Compensation Committee, Craig Conway, intends to resign from the Compensation Committee prior to the date of the annual meeting. The Compensation Committee met four times in fiscal year 2014. The board of directors has determined that each of the members of the Compensation Committee is: (1) a “non-employee director” as defined in Rule 16b-3 promulgated under the Exchange Act, (2) an “outside director” as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended, and (3) “independent” as defined by current NYSE listing standards.

The Compensation Committee's specific responsibilities include the following:

- Oversight of our compensation and benefits policies generally;
- Evaluate the performance of our executives and review our management succession plans;
- Oversee and set compensation for our executive officers;
- Acting as administrator of our equity compensation plans;
- Review and approve an annual discussion and analysis on executive compensation for inclusion in this proxy statement;
- Review and approve any employment, severance and change of control agreements with our senior executives, as well as any other compensation arrangements; and
- Annually review and assess its performance and the adequacy of its charter.

Nominating and Corporate Governance Committee

The NCG committee currently consists of:

Craig Conway (Chair)
Andrew Brown
John Cavoore
Guy Dubois
Paul Lavin
Clifton Thomas Weatherford

The NCG committee met two times in fiscal year 2014. The board of directors has determined that each of the members of the NCG committee is “independent” as defined under current NYSE listing standards. Pursuant to its charter, the NCG committee is responsible for, among other things:

- Making recommendations to our board of directors regarding nominees to the board of directors proposed for election by our stockholders as well as individuals to be considered to fill any vacancies that may occur on the board of

directors;

- Evaluating and recommending to our board of directors any revisions to our corporate governance guidelines;
- Establishing criteria for membership on the board of directors and its committees, including criteria as to director independence;
- Overseeing the process for evaluating the performance of our board of directors and its committees;
- Evaluating the current composition, organization and governance of our board of directors and its committees, determining future requirements and making recommendations to our board of directors for approval;
- Reviewing conflicts of interest policies; and
- Annually reviewing and evaluating its performance, including compliance with its charter.

Consideration of Director Nominees

14

Stockholder Nominees. Our bylaws permit stockholders to nominate directors for consideration at our annual stockholder meeting. For a description of this process, see “ Questions and Answers About the Annual Meeting, the Proxy Materials and Voting Your Shares - How can stockholders submit a proposal for inclusion in our proxy statement for the 2015 annual meeting? ” above. If any materials are provided by a stockholder in connection with the nomination of a director candidate, such materials are forwarded to the NCG committee. The NCG committee's policy is to consider properly submitted stockholder nominations. In evaluating all director nominations, the NCG committee seeks to balance an individual's knowledge, experience and capabilities and compliance with the membership criteria set forth below under “Director Qualifications.”

Director Qualifications. Our corporate governance guidelines apply membership criteria to nominees recommended by the NCG committee for a position on our board of directors. These include judgment, diversity, skills, background and experience in light of the board of directors' present composition and the current challenges and needs of the board of directors and its committees. The NCG committee also takes into account the independence, financial literacy and financial expertise standards required under our corporate governance guidelines and committees' charters and applicable laws and regulations, and the ability of the candidate, in light of the candidate's present activities and our corporate governance guidelines, to devote the necessary time and attention to serving as a director and a committee member. Each director must represent the interests of all stockholders. While we take into account diversity of background and experience, we do not have a formal policy that requires nominees to meet specific criteria.

Identifying and Evaluating Nominees for Directors. The NCG committee utilizes a variety of methods to identify and evaluate director nominees. The NCG committee plans to assess the appropriate size of the board of directors from time to time and whether any vacancies are expected. In the event that vacancies are anticipated or otherwise arise, the NCG committee decides whether to fill such vacancies and, if so, considers various potential candidates. Candidates may come to the attention of the NCG committee through current board of director members, professional search firms engaged by the NCG committee, stockholders or others. These candidates may be evaluated at meetings of the NCG committee and may be considered at any point during the year.

INFORMATION REGARDING COMPENSATION OF DIRECTORS
AND EXECUTIVE OFFICERS

Director Compensation

We believe that a combination of cash and equity compensation is appropriate to attract and retain the individuals we desire to serve on our board of directors and that this approach is comparable to the policies of our peers. More specifically, our cash compensation policies are designed to encourage frequent and active interaction between our directors and our executives, both during and between formal meetings, as well as to compensate our directors for their time and effort. Further, we believe that it is important to align the long-term interests of our non-employee directors with those of the Company and its stockholders and that awarding equity compensation to, and thereby increasing ownership of our common stock by, our non-employee directors is an appropriate means to achieve this alignment.

Our non-employee directors receive an annual cash retainer for board and committee service in addition to equity compensation, as set forth in further detail in the table below. Our non-employee directors do not receive fringe or other benefits. Directors who are also one of our employees are not entitled to additional compensation for serving as a director.

Position	Annual Cash Retainer (\$) ⁽¹⁾	Annual Equity Compensation ⁽²⁾
Board of Directors Membership	50,000	Stock options with a Black-Scholes value of \$75,000 and restricted stock units ("RSUs") with a value of \$75,000
Chairman of the Board of Directors ⁽³⁾	100,000	None
Audit Committee		
Chair	15,000	None
Member	5,000	None
Compensation Committee		
Chair	10,000	None
Member	2,500	None
Nominating and Corporate Governance Committee		
Chair	None	None
Member	None	None

(1) The annual cash retainers are payable in quarterly installments.

Except as otherwise stated, each option and RSU vests in equal monthly installments over one year with a

(2) vesting commencement date of December 5, 2013, provided such non-employee director continues to be a service provider to the Company.

(3) The Chairman of our board of directors receives a \$100,000 annual cash retainer for service as Chairman as well as a \$50,000 annual cash retainer for service as a member of our board of directors.

The table below shows the compensation received by each of our non-employee directors during the fiscal year ended July 31, 2014 ("fiscal year 2014"). Marcus Ryu and Ken Branson were two of our employees during fiscal year 2014 and did not receive any additional compensation for their services as our directors during this time. Mr. Ryu was a named executive officer for fiscal year 2014 and information regarding his compensation for such year is presented below in the "Summary Compensation Table - 2014".

DIRECTOR COMPENSATION TABLE

Name	Fees	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Total (\$)
	Earned or Paid in Cash (\$)			
Andrew Brown ⁽²⁾	33,777	75,020	74,980	183,777

Edgar Filing: Guidewire Software, Inc. - Form DEF 14A

John Cavoores ⁽³⁾	54,960	75,020	74,980	204,960
Craig Conway ⁽⁴⁾	150,000	75,020	74,980	300,000
Guy Dubois ⁽⁵⁾	57,419	75,020	74,980	207,419
Paul Lavin ⁽⁶⁾	20,019	56,233	54,926	131,178
Craig Ramsey ⁽⁷⁾	32,036	75,020	74,980	182,036
Clifton Thomas Weatherford ⁽⁸⁾	65,000	75,020	74,980	215,000

16

The amounts shown reflect the aggregate grant date fair value of stock options and RSUs granted during fiscal year 2014, determined in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 718. These amounts do not represent the actual amounts paid to or realized by the

- (1) non-employee directors during fiscal year 2014. Pursuant to SEC rules, these amounts exclude the impact of estimated forfeitures related to service-based vesting conditions. See Note 7 of the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended July 31, 2014 regarding assumptions underlying valuation of equity awards.
Andrew Brown was appointed to our board of directors on December 5, 2013 and was appointed to its compensation committee on March 10, 2014. As of July 31, 2014, Mr. Brown held an option to purchase 4,308 shares of our common stock (of which, 1,795 shares subject to the option were unvested) and 683 unvested RSUs.
- (2) As of July 31, 2014, Mr. Cavoeres held options to purchase 10,244 shares of our common stock (of which, 1,795 shares subject to the options were unvested) and 683 unvested RSUs.
- (3) Mr. Conway was appointed as Chairman of our board of directors on December 8, 2010. As of July 31, 2014, Mr. Conway held options to purchase 13,147 shares of our common stock (of which, 1,795 shares subject to the option were unvested) and 64,746 unvested RSUs.
- (4) As of July 31, 2014, Mr. Dubois held an option to purchase 4,308 shares of our common stock (of which, 1,795 shares subject to the option were unvested) and 683 unvested RSUs.
- (5) Paul Lavin was appointed to our board of directors on March 10, 2014 and was appointed to its compensation committee on June 4, 2014. As of July 31, 2014, Mr. Lavin held an option to purchase 2,621 shares of our common stock (of which, 1,457 shares subject to the option were unvested) and 588 unvested RSUs.
- (6) Craig Ramsey resigned from our board of directors effective March 10, 2014. As of July 31, 2014, Mr. Ramsey had no outstanding equity awards.
- (7) As of July 31, 2014, Mr. Weatherford held options to purchase 10,244 shares of our common stock (of which, 1,795 shares subject to the option were unvested) and 13,683 unvested RSUs.
- (8)

Compensation Committee Interlocks and Insider Participation

During our fiscal year ended July 31, 2014, none of our executive officers served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the following Compensation Discussion and Analysis and, based on such review and discussions, the Compensation Committee recommended to our board of directors that this Compensation Discussion and Analysis be included in this proxy statement.

THE COMPENSATION COMMITTEE

Andrew Brown
Craig Conway
Guy Dubois, Chair
Paul Lavin

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis provides information about the material components of our executive compensation program for:

✦ Marcus Ryu, our President and Chief Executive Officer (our “CEO”);

✦ Karen Blasing, our Chief Financial Officer (our “CFO”);

✦ Jeremy Henrickson, our Former Vice President, Product Development;

Priscilla Hung, our Chief Administrative Officer;

Michael Polelle, our Chief Customer Officer; and

Scott Roza, our Senior Vice President, Worldwide Sales.

We refer to these executive officers collectively in this Compensation Discussion and Analysis and the related compensation tables as the "Named Executive Officers." Mr. Henrickson resigned from the Company as our Vice President, Product Development, on July 18, 2014, but continued to provide services to the Company during a transition period that ended September 15, 2014.

This Compensation Discussion and Analysis provides an overview of our executive compensation philosophy, the overall objectives of our executive compensation program, and each element of compensation that we provide. In addition, we explain how and why the compensation committee of our board of directors (the "Compensation Committee") arrived at the specific compensation policies and decisions involving our Named Executive Officers during fiscal year 2014.

This Compensation Discussion and Analysis contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation plans and arrangements. The actual compensation plans and arrangements that we adopt may differ materially from currently anticipated plans and arrangements as summarized in this Compensation Discussion and Analysis.

Executive Compensation Philosophy and Objectives

We operate in a highly competitive business environment, which is characterized by frequent technological advances, rapidly changing market requirements and the emergence of new market entrants. To succeed in this environment, we need to attract a highly talented and seasoned team of technical, sales, marketing, operations and other business professionals.

We compete with many other companies in seeking to attract and retain a skilled management team. To meet this challenge, we have embraced a compensation philosophy of offering our executive officers compensation and benefit packages that are fair and reasonable, competitive within our market, focused on long-term value creation, and reward the achievement of our strategic, financial and operational objectives.

Accordingly, we have oriented our executive compensation program to observe the following basic principles and objectives:

- provide total compensation opportunities that enable us to recruit and retain executive officers with the experience and skills to manage our growth and lead us to the next stage of development;
- provide total compensation opportunities that are consistent with our business goals;
- provide cash compensation that is market-based and, in the case of cash-based incentives, establishes a direct and meaningful link between business results, individual performance and rewards;
- provide equity-based compensation that enables our executive officers to share in our financial results and that establish a clear alignment between their interests and the interests of our stockholders;
- provide a core level of welfare and other benefits; and
- maintain compensation policies and practices that reinforce a culture of ownership, excellence and responsiveness.

Compensation Program Design

To date, the compensation of our executive officers, including the Named Executive Officers, has typically consisted of base salary, a cash bonus opportunity and equity compensation in the form of stock options, RSUs subject to performance-based vesting conditions (“Performance-Vesting RSUs”) and RSUs subject to time-based vesting conditions (“Time-Vesting RSUs”). Of these components, only base salary is fixed while the other components are variable based on the performance of both the Company and the individual executive officer, measured against specific objectives that are determined in advance.

The key component of our executive compensation program has been equity awards in the form of stock options to purchase shares of our common stock, Performance-Vesting RSUs and Time-Vesting RSUs. As a public company, we use stock options, Performance-Vesting RSUs and Time-Vesting RSUs, and may also use other types of equity-based awards as we deem appropriate, to offer our employees, including our executive officers, long-term equity incentives that align their interests with the long-term interests of our stockholders.

We also have offered cash compensation in the form of base salaries to reward individual contributions and compensate our executive officers for their day-to-day responsibilities and annual cash bonuses to drive and incentivize our executive officers to achieve our short-term strategic and operational objectives.

In addition to these elements of our executive compensation program, we also provide executive officers, including our Named Executive Officers, with certain other indirect benefits, including participation in certain post-employment compensation arrangements. For a description of these other features of our compensation program, please refer to the section below entitled “Welfare and Other Benefits”.

We evaluate our philosophy and compensation programs as circumstances require, and at a minimum, we review executive compensation annually. As part of this review process, we apply our values and the objectives outlined above, while also considering whether our proposed compensation ensures that we remain competitive for talent, that we meet our retention objectives and that our cost of replacement for a key employee is reasonable.

Compensation-Setting Process

Role of the Compensation Committee

The Compensation Committee is responsible for overseeing our executive compensation program and for determining the compensation of our executive officers, including the Named Executive Officers. In addition, the Compensation Committee provides strategic direction to management regarding the overall corporate compensation philosophy. The Compensation Committee operates pursuant to a written charter that has been approved by our board of directors.

Typically, in the first quarter of each fiscal year, the Compensation Committee reviews the compensation of our executive officers, decides whether to recommend any adjustments to their base salaries, designs an executive bonus plan, including the corporate and individual performance measures, as applicable, and objectives to be used for purposes of determining their annual cash bonuses for the current fiscal year, and determines whether to recommend any equity awards. In addition, at that time, the Compensation Committee evaluates the performance of the Company, as well as the individual performance of each executive officer, as applicable, to determine whether to recommend cash bonuses for the previous fiscal year and, if so, the amount of any such bonuses. These recommendations are then submitted to our board of directors, which determines whether to approve the recommendations.

In determining executive compensation for fiscal year 2014, the Compensation Committee reviewed and considered various market data presented by its executive compensation advisor, Radford, as well as our overall financial plan. The Compensation Committee did not strictly target any specific levels of pay. Instead, the comparative market data provided by Radford was used primarily as a reference point and one factor among others in the decision-making process.

Role of Senior Management

Typically, the Compensation Committee seeks the input of our CEO when discussing the performance of and compensation for our other executive officers, including the other Named Executive Officers. In this regard, our CEO reviews the performance of the other executive officers, including the other Named Executive Officers, annually and presents to the Compensation Committee his conclusions and other input as to their compensation, including base

salary adjustments, cash bonus payouts, and equity awards. The Compensation Committee uses this input as one factor in its deliberations to determine the compensation of our executive officers.

While our CEO typically attends meetings of the Compensation Committee, the Compensation Committee meets outside the presence of our CEO when discussing his compensation and when discussing certain other matters, as well. Decisions with respect to our CEO's compensation are made by the Compensation Committee.

The Compensation Committee also works with our CFO and our Vice President of Human Resources and Administration in evaluating the financial, accounting, tax and retention implications of our executive compensation plans and arrangements.

Role of Compensation Consultant

The Compensation Committee is authorized to retain the services of one or more executive compensation advisors, as it sees fit, in connection with the oversight of our executive compensation program. For fiscal year 2014, the Compensation Committee engaged Radford to provide it with information, recommendations, and other advice relating to executive compensation on an ongoing basis. During fiscal year 2014, Radford performed the following projects for the Compensation Committee:

- a review of our general compensation principles for fiscal year 2014;
- an assessment of our executive officers' total compensation, as well as each individual compensation component, including an analysis of cash compensation and equity compensation as compared to a composition of our peer group (described below);
- analyzed pay survey data;
- provided advice regarding best practices and compensation trends, including proxy advisory firms' evolving positions on executive pay;
- provided market data for employment agreements with our executive officers; and
- performed a risk analysis of our compensation arrangements.

Radford served at the discretion of the Compensation Committee and did not provide any non-compensation-related services to the Company during fiscal year 2014.

Comparative Market Data

To assist the Compensation Committee during its annual review of the competitiveness of compensation levels and the appropriate mix of compensation elements to our executive officers, including our Named Executive Officers, Radford uses comparative market data on compensation practices and programs as well as guidance on industry best practices. The Compensation Committee, with guidance from Radford and input from senior management, determines the composition of our peer group and reevaluates this group on an annual basis. The evaluation of the peer group generally occurs in March of each year. In 2013, the Compensation Committee determined that our peer group for the fiscal year ending July 31, 2014 annual compensation review would consist of 23 public U.S.-based technology companies in the software industry with location, size (based on the number of employees and/or recent equity market capitalization) and business characteristics that we believe are comparable to us and who compete with us for executive talent. For fiscal year 2014, market data was also collected from the 2014 Radford Global Technology Survey, focusing on software and internet companies with revenues between \$100M and \$750M. Below is a list of the companies in our peer group for fiscal year 2014:

Fiscal Year 2014 Peer Group Companies

- Advent Software
- Aspen Technology
- aetnahealth
- CommValut Systems
- comScore
- Concur Technologies
- Cornerstone OnDemand
- FireEye
- Fleetmatics
- Imperva

- LogMeIn
- Medidata Solutions
- NetSuite
- OpenTable

19

- Qlik Technologies
- RealPage
- ServiceNow
- SolarWinds
- Splunk
- SS&C Technologies
- Synchronoss Technologies
- Tableau Software
- The Ultimate Software Group

Executive Compensation Program Elements

The following describes each element of our executive compensation program, the rationale for each and how compensation amounts and awards are determined.

Base Salary

We provide our executive officers, including the Named Executive Officers, with base salaries to compensate them for their day-to-day responsibilities. Generally, the initial base salaries of our executive officers are established through arm's-length negotiation at the time the individual executive officer is hired, taking into account his or her qualifications, experience and prior salary level.

Thereafter, the Compensation Committee reviews and recommends adjustments, as necessary or appropriate, to the base salaries of our executive officers on an annual basis. In doing so, the Compensation Committee exercises its judgment and discretion and considers several factors, including our overall financial and operational results for the prior fiscal year, the performance and ranking of the individual executive officer, the executive officer's potential to contribute to our long-term strategic goals, his or her role and scope of responsibilities within our Company, his or her individual experience and skills, the officer's compensation as compared to similarly situated executives at comparable companies in our peer group, and the input of our CEO. No specific formula is applied to determine the weight of each criterion.

In September 2013, the Compensation Committee reviewed the base salaries of our executive officers and management team, including the Named Executive Officers, and made recommendations to our board of directors to adjust the base salaries for each of our Named Executive Officers in view of their performance during the fiscal year ended July 31, 2013 and to set each executive officer's total cash compensation (consisting of base salary and short-term incentive bonus target opportunity) generally between the 25 to 40th percentile of our peer group's total compensation, which was then adjusted either above or below the targeted pay philosophy based on each executive officer's performance job criticality, experience and skills set. Subsequently, our board of directors approved increases to their annual base salaries, effective November 1, 2013, as follows:

Named Executive Officer	Fiscal Year 2013 Base Salary	Fiscal Year 2014 Base	Increase (\$)
	(\$)	Salary Effective November 1, 2013 (\$)	
Marcus Ryu	350,000	400,000	50,000
Karen Blasing	265,000	291,200	26,200
James Henrickson	239,656	253,556	13,900
Priscilla Hung	235,000	246,200	11,200
Michael Polelle	—	270,000	—
Scott Roza	—	225,000	—

Mr. Polelle was hired on April 14, 2014 and Mr. Roza was hired on November 15, 2013 and as a result, did not receive salary increases.

Senior Executive Incentive Bonus Plan

Our Senior Executive Incentive Bonus Plan (the "Bonus Plan") applies to certain key executives, including all the Named Executive Officers, except for Scott Roza, as selected by the Compensation Committee. The Bonus Plan provides for bonus payments based upon the attainment of performance targets established by the Compensation

Committee and related to financial and operational metrics with respect to the Company or any of its subsidiaries (the “Performance Goals”), which would include the achievement of specified financial or operational metrics or objectives. For fiscal year 2014, Scott Roza was eligible to participate in an individualized fiscal year 2014 sales commission plan (the “Commission Plan”), as described below.

Any bonuses paid under the Bonus Plan are based upon objectively determinable bonus formulas that tie such bonuses to one or more performance targets relating to the Performance Goals. The bonus formulas are adopted in each performance period by the Compensation Committee and communicated to each executive officer. No bonuses shall be paid under the Bonus Plan unless and until the Compensation Committee makes a determination with respect to the attainment of the performance objectives. Notwithstanding the foregoing, we can adjust or pay bonuses under the Bonus Plan based on achievement of individual performance goals or pay bonuses (including, without limitation, discretionary bonuses) to executive officers under the Bonus Plan based upon such other terms and conditions as the Compensation Committee may in its discretion determine.

Each executive officer participating in the Bonus Plan has a targeted bonus opportunity set for each performance period. The Performance Goals will be measured at the end of each performance period after our financial reports have been published or such other appropriate time as the Compensation Committee determines. If the Performance Goals are met, payments will be made as soon as practicable following the end of each performance period. Subject to the rights contained in any agreement between the executive officer and the Company, an executive officer must be employed by the Company on the bonus payment date in order to be eligible to receive a bonus payment.

Target Bonus Opportunities

In September 2013, the Compensation Committee reviewed the target bonus and commission opportunities of our executive officers and management team, including the applicable Named Executive Officers, and adjusted target bonus and commission opportunities, as applicable, for each of our Named Executive Officers in view of their performance during the fiscal year ending July 31, 2013 and to set each Named Executive Officer's total cash compensation (consisting of base salary and short-term incentive bonus target opportunity) generally between the 25 to 40th percentile of our peer group's total compensation. In setting these target bonus and commission opportunities, the Compensation Committee also exercised its judgment and discretion and considered several factors, including our Company's overall financial and operational results for the prior fiscal year, the performance and ranking of the individual executive officer, the executive officer's potential to contribute to our long-term strategic goals, his or her role and scope of responsibilities within our Company, his or her individual experience and skills, the Compensation Committee's sense of competitive market practices for annual bonuses and the recommendations of our CEO. Subsequently, our board of directors approved increases or decreases to their target bonus and commission opportunities, effective November 1, 2013, as applicable, as follows:

Named Executive Officer	Fiscal Year 2013 Bonus Opportunity (\$)	Fiscal Year 2014 Target Bonus/Commission Opportunity Effective November 1, 2013 (\$)	Increase (\$)
Marcus Ryu	300,000	400,000	100,000
Karen Blasing	95,000	104,800	9,800
Jeremy Henrickson	60,000	76,100	16,100
Priscilla Hung	75,000	73,900	(1,100)
Michael Polelle	—	180,000, pro-rated from the date of hire	—
Scott Roza	—	225,000, pro-rated from the date of hire	—

Since Mr. Polelle was hired on April 14, 2014 and Mr. Roza was hired on November 15, 2013, they did not receive changes to their bonus opportunities.

For our Named Executive Officers who are eligible to participate in the Bonus Plan, 100% of such executive officer's bonus was based on our Company's performance during fiscal year 2014 as measured against the corporate financial and operational metrics described below (the "Company Performance Factor"). Our board of directors determined this allocation to be appropriate because it linked each executive officer's potential bonus opportunity to corporate performance, thereby motivating him or her to focus his or her efforts on successfully executing our annual operating plan. The formula for the bonus calculation was as follows:

Target Cash Bonus Opportunity x
 Company Performance Factor
 Company Performance Factor

In fiscal year 2014, the bonuses of our executive officers, including the Named Executive Officers, who participated in our Bonus Plan were based on the performance of our Company during fiscal year 2014 as measured against the following pre-established corporate financial and operational metrics, which the board of directors deemed to be critical to enhancing stockholder value:

Net Annual Recurring Revenue (the goal of this metric is to maximize recurring license bookings);

Key Customer Wins (the goal of this metric is to win customers in the most important key segments); and

Non-GAAP Operating Income (the goal of this metric is to achieve or exceed our margin targets).

The target level for each of the metrics comprising the Company Performance Factor (as well as the threshold and maximum payout levels) and the weighting of each metric were set by our board of directors at levels which reflected expected growth over the prior year and desired achievement in key strategic areas. In the case of both the Net Annual Recurring Revenue metric and the Non-GAAP Operating Income metric, if our Company's actual achievement was less than the threshold amount, the performance factor for each metric was zero. Achievement between the threshold amount and the metric cap resulted in a performance factor between 0% and 150%, with 100% being paid out at target. Amounts over the metric cap resulted in a performance factor of 150%.

In the case of Key Customer Wins, points were awarded based on the achievement of certain goals enumerated at the beginning of the fiscal year. For instance, in the case of Key Customer Wins, contracting with customers of a certain size or in a certain geographic area during the course of the fiscal year resulted in points. The determination to award such points in any given situation was recommended by the CEO and approved by the Compensation Committee. For purposes of calculating fiscal year 2014 bonuses, the Company Performance Factor was the sum of the performance factor for each of the three metrics described above, with each metric given a relative weight of 33.3%.

Fiscal Year 2014 Bonus Decisions

After the conclusion of fiscal year 2014, the Committee evaluated our financial and operational performance for the fiscal year and determined that we had achieved a Company Performance Factor of 130%, which was based on our actual performance against the Net Annual Recurring Revenue metric, against the Key Customer Wins metric, and against the Non-GAAP Operating Income metric. Based on overall performance, the Compensation Committee approved cash bonuses for the applicable Named Executive Officers as follows:

Named Executive Officer	Fiscal Year 2014 Target		Cash Bonus (\$)
	Bonus Opportunity Effective November 1, 2013 (\$)	Company Performance Factor (%)	
Marcus Ryu	400,000	130	487,500
Karen Blasing	104,800	130	133,055
Jeremy Henrickson	76,100	130	—
Priscilla Hung	73,900	130	96,428
Michael Polelle	180,000, pro-rated from the date of hire	130	70,200

These bonuses to the Named Executive Officers for fiscal year 2014 were paid in fiscal year 2015, in accordance with normal Company practice. Mr. Henrickson did not receive a cash bonus for fiscal year 2014 because he resigned from the Company before the bonus payment date.

Sales Commission Plan

Because much of Mr. Roza's responsibilities are focused on the sale of our products, the Compensation Committee determined that it would be more appropriate for Mr. Roza to participate in the Commission Plan with terms that correspond to the results achieved by his sales team rather than in the Bonus Plan described above. Mr. Roza therefore

earned commissions based on his team's attainment of bookings quotas and achievement of license and maintenance revenue. The commission target for Mr. Roza was determined by the Compensation Committee based in part on the recommendations of our CEO.

For fiscal year 2014, Mr. Roza was deemed to have earned an amount equal to \$175,214 based on his quota and revenue attainment for such year. Mr. Roza's sales commissions are paid on a monthly basis.

Equity Compensation

We use equity awards to incentivize and reward our executive officers, including the Named Executive Officers, for long-term corporate performance based on the value of our common stock and, thereby, to align their interests with those of our stockholders.

To date, we have used stock options, Performance-Vesting RSUs and Time-Vesting RSUs as our principal equity award vehicles. We believe that stock options provide a strong reward for growth in the market price of our common stock as the entire value of stock options depends on future stock price appreciation, as well as a strong incentive for our executive officers to remain employed with the Company as they require continued employment through the vesting period. Stock options generally have a 10 year term and vest monthly over four years, subject to an equity award holder's continued employment

through each applicable vesting date. We also believe that Performance-Vesting RSUs and Time-Vesting RSUs provide a strong retention incentive for our executive officers, provide a moderate reward for growth in the market price of our common stock, and, because they use fewer shares than stock options, are less dilutive to our stockholders. Consistent with our compensation objectives, we believe this approach aligns our executive officers' efforts and contributions with our long-term interests and allows them to participate in any future appreciation in value of our common stock. We also believe that stock options, Performance-Vesting RSUs and Time-Vesting RSUs serve as effective retention tools due to vesting requirements that are based on continued service with the Company. Since fiscal year 2013, we have granted our Named Executive Officers Performance-Vesting RSUs as well as Time-Vesting RSUs. Time-Vesting RSUs generally vest quarterly over four years, subject to an equity award holder's continued employment through each applicable vesting date. The Performance-Vesting RSUs vest based on the satisfaction of both a time condition over four years (25% cliff vesting on the first anniversary of the vesting commencement date and the remaining portion vesting in equal quarterly installments over the three years thereafter) (the "Time Condition") as well as a performance condition (the "Performance Condition"). For the Performance-Vesting RSUs, the Performance Condition is tied to the achievement of our budget targets for revenue: (i) at the threshold revenue amount, 50% of the target number of Performance-Vesting RSUs would be eligible to vest; (ii) at the target revenue amount, 100% of the target number of Performance-Vesting RSUs would be eligible to vest; and (iii) at the maximum revenue amount, 150% of the target number of Performance-Vesting RSUs would be eligible to vest. If these revenue targets are not attained, then none of the Performance-Vesting RSUs would be eligible to vest. If the revenue targets are attained, then the Performance-Vesting RSUs eligible to vest that had previously satisfied the Time Condition will vest and any such Performance-Vesting RSUs remaining will vest as the Time Condition is satisfied. For fiscal year 2014, the Company exceeded the target revenue amount, which resulted in 109% of the target number of Performance-Vesting RSUs satisfying the Performance Condition.

Typically, the size and form of the initial equity awards for our executive officers have been established through arm's-length negotiation at the time the individual executive officer was hired. In formulating these awards, our board of directors has considered, among other things, the prospective role and responsibility of the executive officer, the amount of equity-based compensation held by the executive officer at his or her former employer, the cash compensation received by the executive officer, the Compensation Committee's sense of the competitive market for similar positions, and the need to create a meaningful opportunity for reward predicated on the creation of long-term stockholder value. The equity awards granted to Messrs. Polelle and Roza in connection with their hiring are set forth in the "Summary Compensation Table - 2014" and the "Grants of Plan-Based Awards Table - 2014" below.

Thereafter, the Compensation Committee has reviewed the equity holdings of our executive officers annually and periodically recommended to our board of directors the grant of equity awards in the form of stock options and/or Performance-Vesting RSUs and Time-Vesting RSUs to our executive officers to ensure that their overall equity position was consistent with our compensation objectives. The Compensation Committee has not applied a rigid formula in determining the size of these equity awards; however, the Compensation Committee has targeted equity awards for each executive officer such that his or her annual equity awards are generally around the 75th percentile of our peer group's annual equity awards and such that 20% of the total equity awards are in the form of stock options, 40% of the total equity awards are in the form of Performance-Vesting RSUs and 40% of the total equity awards are in the form of Time-Vesting RSUs. The Compensation Committee did not strictly benchmark against our peer group, but used its discretion as appropriate, when determining the size of equity awards. In conducting this review and making award recommendations in fiscal year 2014, the Compensation Committee also exercised its judgment and discretion and considered several factors, including our overall financial and operational results for the prior fiscal year, the performance and ranking of the individual executive officer, the executive officer's potential to contribute to our long-term strategic goals, his or her role and scope of responsibilities within the Company, his or her individual experience and skills, the amount of equity-based compensation already held by the executive officer (and the amount that was vested and unvested), the Compensation Committee's sense of competitive market practices for equity compensation, and, if applicable, the recommendations of our CEO.

In September 2013, our board of directors approved stock options, Performance-Vesting RSUs and Time-Vesting RSUs to certain of our executive officers, including certain of the Named Executive Officers, in recognition of their

contributions to the Company during fiscal year 2013 and to achieve our retention objectives. Accordingly, in September 2013, equity awards were granted to Messrs. Ryu and Henrickson and Ms. Blasing and Hung, as set forth in the "Summary Compensation Table - 2014" and the "Grants of Plan-Based Awards Table - 2014" below.

Compensation Mix

In determining the amount of base salary, cash bonuses and equity compensation awarded to each Named Executive Officer, the Compensation Committee does not apply any rigorous percentage of any one element in relation to the overall compensation package. Rather, the Compensation Committee looks at the overall compensation package and the relative amount of each element on an individual basis for each Named Executive Officer to determine whether such amounts and mix of components further the basic principles and objectives of our overall compensation program.

Welfare and Other Benefits

We have established a tax-qualified Section 401(k) retirement plan for all employees who satisfy certain eligibility requirements, including requirements relating to age and length of service. Under this plan, employees may elect to defer their current compensation by up to the statutory limit (\$17,500 in calendar year 2014) and contribute to the plan. We currently match any contributions made to the plan by our employees, including executive officers, up to a maximum of \$4,000 per participant. We intend for the plan to qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") so that contributions by employees to the plan, and income earned on plan contributions, are not taxable to employees until withdrawn from the plan.

In addition, we provide other employee welfare and benefit programs to our executive officers, including the Named Executive Officers, on the same basis as all of our full-time employees in the country in which they are resident. These benefits include medical, dental, and vision benefits, medical and dependent care flexible spending accounts, short-term and long-term disability insurance, accidental death and dismemberment insurance and basic life insurance coverage.

We design our employee welfare and benefit programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee welfare and benefit programs as needed based upon regular monitoring of applicable laws and practices and the competitive market.

We do not provide perquisites to our executive officers, except in limited situations where we believe it is appropriate to assist an individual in the performance of his or her duties, to make our executive officers more efficient and effective, and for recruitment and retention purposes.

In the future, we may provide perquisites or other personal benefits in limited circumstances, such as where we believe it is appropriate to assist an individual executive officer in the performance of his or her duties, to make our executive officers more efficient and effective, and for recruitment, motivation, or retention purposes. All future practices with respect to perquisites or other personal benefits will be approved and subject to periodic review by the Compensation Committee.

Executive Agreements and Termination of Employment Arrangements

We have entered into executive agreements with each of the Named Executive Officers, except for Mr. Henrickson, which terms are substantially similar. As of July 31, 2014, these executive agreements provided for three-year employment terms. In addition, each agreement sets forth the terms and conditions of employment of each of Messrs. Ryu, Polelle and Roza and Ms. Blasing and Hung, including position, base salary, target annual bonus/commission opportunity and standard employee benefit plan participation.

These executive agreements also contain provisions that provide for certain payments and benefits in the event of a termination of employment, including an involuntary termination of employment within two months before or 12 months following a change in control of the Company.

We entered into an offer letter with Mr. Henrickson in connection with his hiring, which set forth his initial position, base salary, equity grant and standard employee benefit plan participation. Mr. Henrickson's offer letter did not provide for any severance benefits.

For a summary of the material terms and conditions of the post-employment compensation terms applicable to our Named Executive Officers, see "Post-Employment Compensation" below.

Our philosophy is that outside of a change in control context, severance protections are only appropriate in the event an executive officer is involuntarily terminated by us without cause. In addition, we believe that the occurrence or potential occurrence of a change in control transaction will create uncertainty regarding the continued employment of our executive officers. This uncertainty results from the fact that many change in control transactions result in significant organizational changes, particularly at the senior executive level. In order to encourage executive officers to remain employed with us during an important time when their prospects for continued employment following the transaction are often uncertain, we provide our executive officers with additional severance protections during a change in control protection period, as mentioned above. We also provide severance protections in connection with a change in control to help ensure that executive officers can objectively evaluate change in control transactions that may be in the best interest of our stockholders, despite the potential negative consequences such transactions may have on them personally. Further, we provide severance protections if an executive officer voluntarily terminates employment with us for good reason in connection with a change in control because we believe that a voluntary termination for good reason is essentially equivalent to an involuntary termination by us without cause. We believe that the severance benefits provided to our executive officers under their executive agreements are appropriate in light of the severance protections available to similarly-situated executive officers at companies in our peer group and are an important component of each executive officer's overall compensation as they help us to attract and retain our key executives who could have other job alternatives that may appear to them to be more attractive absent these protections.

Other Compensation Policies

Stock Ownership Guidelines

Currently, we have not implemented a policy regarding minimum stock ownership requirements for our executive officers, including the Named Executive Officers.

Compensation Recovery Policy

Our 2011 Stock Plan provides that if we are required to prepare an accounting restatement due to our material noncompliance, as a result of misconduct, with any financial reporting requirement under the securities laws, then any equity award holder who is an individual subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002 must reimburse us for the amount of any equity award received by such individual under the 2011 Stock Plan during the 12-month period following the first public issuance or filing with the SEC, as the case may be, of the financial document embodying such financial reporting requirement.

Currently, we have not implemented a broader policy regarding retroactive adjustments to any cash or equity-based incentive compensation paid to our executive officers and other employees where the payments were predicated upon the achievement of financial results that were subsequently the subject of a financial restatement. We intend to adopt a general compensation recovery, or clawback, policy covering our annual and long-term incentive award plans and arrangements once the SEC adopts final rules implementing the requirement of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Derivatives Trading and Hedging Policy

Our Named Executive Officers, employees, and directors are subject to our insider trading policy. Under this policy all of our executive officers, employees, and directors are prohibited from engaging in transactions in publicly-traded options and other derivative securities with respect to our securities, including any hedging or similar transactions.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Section 162(m) of the Code generally disallows public companies a tax deduction for federal income tax purposes of remuneration in excess of \$1 million paid to the chief executive officer and each of the three other most highly compensated executive officers (other than the chief financial officer) in any taxable year. Generally, remuneration in excess of \$1 million may only be deducted if it is “performance-based compensation” within the meaning of the Code.

In this regard, the compensation income realized upon the exercise of stock options granted under a stockholder-approved stock option plan generally will be deductible so long as the options are granted by a committee whose members are non-employee directors and certain other conditions are satisfied. On the other hand, compensation income realized upon the vesting of a restricted stock or RSU award generally will not be deductible unless the award qualifies as “performance-based compensation.”

In approving the amount and form of compensation for our executive officers, the Compensation Committee will consider all elements of the cost to us of providing such compensation, including the potential impact of Section 162(m) of the Code. Accordingly, the Compensation Committee may, in its judgment, authorize compensation payments that do not comply with an exemption from the deductibility limit when it believes that such payments are appropriate to attract and retain executive talent.

Taxation of “Parachute” Payments

Sections 280G and 4999 of the Code provide that executive officers and directors who hold significant equity interests and certain other service providers may be subject to significant additional taxes if they receive payments or benefits in connection with a change in control of the company that exceeds certain prescribed limits, and that the company (or a successor) may forfeit a deduction on the amounts subject to this additional tax. We have not agreed to provide any executive officer, including any Named Executive Officer, with a “gross-up” or other reimbursement payment for any tax liability that the executive officer might owe as a result of the application of Sections 280G or 4999 of the Code.

Accounting for Stock-Based Compensation

We follow Financial Accounting Standards Board Accounting Standards Codification Topic 718 (“ASC Topic 718”) for our stock-based compensation awards. ASC Topic 718 requires companies to measure the compensation expense for all share-based payment awards made to employees and directors, including stock options, restricted stock awards, and RSU awards, based on the grant date “fair value” of these awards. This calculation is performed for accounting purposes and reported in the compensation tables below, even though our executive officers may never realize any value from their awards. ASC Topic 718 also requires companies to recognize the compensation cost of their stock-based compensation awards in their income statements over the period that an executive officer is required to render service in exchange for the option or other stock-based award.

Summary Compensation Table - 2014

The following table summarizes and explains the compensation that we paid to, or that was earned by, each of the Named Executive Officers during our fiscal year ended July 31, 2014 and during fiscal year ended July 31, 2013 for Messrs. Ryu and Henrickson and Meses. Blasing and Hung (each of whom was a Named Executive Officer in fiscal year 2013) and during fiscal year ended July 31, 2012 for Mr. Ryu and Ms. Blasing (each of whom was a Named Executive Officer in fiscal year 2012).

Name and Principal Position	Year	Base Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$) ⁽²⁾	Total (\$)
Marcus Ryu ⁽³⁾ President and Chief Executive Officer	2014	387,500	—	1,500,001	1,998,453	487,500	4,446	4,377,900
	2013	337,500	—	967,500	1,463,052	312,000	2,449	3,082,501
	2012	300,000	—	—	763,880	199,500	2,462	1,265,842
Karen Blasing ⁽⁴⁾ Chief Financial Officer	2014	284,650	—	1,122,480	303,147	133,055	4,663	1,847,995
	2013	261,250	—	387,000	250,811	98,800	2,562	1,000,423
	2012	250,000	—	—	—	113,050	2,595	365,645
Jeremy Henrickson ⁽⁵⁾ Vice President, Product Development	2014	250,081	—	935,400	216,448	—	4,440	1,406,369
	2013	236,157	—	516,000	334,414	62,400	2,410	1,151,381
Priscilla Hung ⁽⁶⁾	2014	243,400	—	935,400	216,448	96,428	4,427	1,496,103

Edgar Filing: Guidewire Software, Inc. - Form DEF 14A

Chief Administrative Officer	2013	230,001	—	645,000	418,016	78,000	2,398	1,373,415
Michael Polelle ⁽⁷⁾	2014	80,827	50,000	1,096,200	168,228	70,200	4,407	1,469,862
Chief Customer Officer								
Scott Roza ⁽⁸⁾	2014	160,240	—	1,717,500	786,499	175,214	4,857	2,844,310
Senior Vice President, Worldwide Sales								

25

- The amounts shown reflect the aggregate grant date fair value of RSUs and stock options granted, respectively, determined in accordance with FASB ASC Topic 718. These amounts do not represent the actual amounts paid to or realized by the Named Executive Officers during the fiscal years presented. Pursuant to SEC rules, these
- (1) amounts exclude the impact of estimated forfeitures related to service-based vesting conditions. See Note 7 of the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended July 31, 2014, regarding assumptions underlying valuation of equity awards for 2014 and 2013. Details regarding equity awards that are still outstanding can be found in the “Outstanding Equity Awards at Fiscal Year 2014 Year End” table. The amounts reported in the “All Other Compensation” column consist of life insurance premiums and 401(k) matching contributions paid by the Company on behalf of each Named Executive Officer. Fiscal year 2014 amounts are comprised of \$4,000 of 401(k) matching and \$446 of life insurance premiums for Mr. Ryu; \$4,217
 - (2) of 401(k) matching and \$446 of life insurance premiums for Ms. Blasing; \$4,000 of 401(k) matching and \$440 of life insurance premiums for Mr. Henrickson; \$4,000 of 401(k) matching and \$427 of life insurance premiums for Ms. Hung; \$4,277 of 401(k) matching and \$130 of life insurance premiums for Mr. Polelle, and \$4,580 of 401(k) matching and \$277 of life insurance premiums for Mr. Roza.
 - (3) Effective November 1, 2013, Mr. Ryu's base salary increased to \$400,000 from \$350,000 and target bonus increased to \$400,000 from \$300,000.
 - (4) Effective November 1, 2013, Ms. Blasing's base salary increased to \$291,200 from \$265,000 and target bonus increased to \$104,800 from \$95,000.
 - (5) Effective November 1, 2013, Mr. Henrickson's base salary increased to \$253,556 from \$239,656 and target bonus increased to \$76,100 from \$60,000. Mr. Henrickson resigned from the Company on July 18, 2014.
 - (6) Effective November 1, 2013, Ms. Hung's base salary increased to \$246,200 from \$235,000 and target bonus decreased to \$73,900 from \$75,000.
 - (7) Mr. Polelle was hired April 14, 2014, with a base salary of \$270,000 and target bonus of \$180,000, pro-rated from his date of hire. Mr. Polelle received a signing bonus of \$50,000.
 - (8) Mr. Roza was hired November 15, 2013, with a base salary of \$225,000 and target commission of \$225,000, pro-rated from his date of hire.

Grants of Plan-Based Awards - 2014

The following table presents information concerning grants of plan-based awards to each of the Named Executive Officers during the fiscal year ended July 31, 2014.

Name	Grant Date ⁽¹⁾	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽²⁾		Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares or Units (#)	All Other Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Share)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)				
Marcus Ryu										
Annual Bonus Opportunity	—	—	400,000	600,000	—	—	—	—	—	—
Time-Vesting RSUs ⁽⁴⁾	9/17/2013	—	—	—	—	—	31,211	—	—	1,500,001
Incentive Stock Option ⁽⁶⁾	9/17/2013	—	—	—	—	—	—	2,080	48.06	51,546
Non-Qualified Stock Option ⁽⁶⁾	9/17/2013	—	—	—	—	—	—	87,881	48.06	1,946,907
Karen Blasing										
Annual Bonus Opportunity	—	—	104,800	157,200	—	—	—	—	—	—
Performance-Vesting RSUs ⁽³⁾	9/13/2013	—	—	—	6,000	12,000	18,000	—	—	561,240
Time-Vesting RSUs ⁽⁴⁾	9/13/2013	—	—	—	—	—	12,000	—	—	561,240
Incentive Stock Option ⁽⁶⁾	9/13/2013	—	—	—	—	—	—	2,138	46.77	51,714
Non-Qualified Stock Option ⁽⁶⁾	9/13/2013	—	—	—	—	—	—	11,862	46.77	251,433
Jeremy Henrickson										
Annual Bonus Opportunity	—	—	76,100	114,150	—	—	—	—	—	—
Performance-Vesting RSUs ⁽³⁾	9/13/2013	—	—	—	5,000	10,000	15,000	—	—	467,700
Time-Vesting RSUs ⁽⁴⁾	9/13/2013	—	—	—	—	—	10,000	—	—	467,700
Incentive Stock Option ⁽⁶⁾	9/13/2013	—	—	—	—	—	—	1,875	46.77	45,352
Non-Qualified Stock Option ⁽⁶⁾	9/13/2013	—	—	—	—	—	—	8,125	46.77	171,095
Priscilla Hung										
Annual Bonus Opportunity	—	—	73,900	110,850	—	—	—	—	—	—
Performance-Vesting RSUs ⁽³⁾	9/13/2013	—	—	—	5,000	10,000	15,000	—	—	467,700
	9/13/2013	—	—	—	—	—	10,000	—	—	467,700

Time-Vesting RSUs

(4)											
Incentive Stock Option ⁽⁶⁾	9/13/2013	—	—	—	—	—	—	1,875	46.77	45,352	
Non-Qualified Stock Option ⁽⁶⁾	9/13/2013	—	—	—	—	—	—	8,125	46.77	171,095	
Michael Polelle											
Annual Bonus Opportunity	—	—	180,000	270,000	—	—	—	—	—	—	—
Time-Vesting RSUs ⁽⁵⁾	6/4/2014	—	—	—	—	—	—	30,000	—	—	1,096,200
Incentive Stock Option ⁽⁷⁾	6/4/2014	—	—	—	—	—	—	8,570	36.54	146,120	
Non-Qualified Stock Option ⁽⁷⁾	6/4/2014	—	—	—	—	—	—	1,430	36.54	22,108	
Scott Roza											
Annual Bonus Opportunity	—	—	225,000	337,500	—	—	—	—	—	—	—
Time-Vesting RSUs ⁽⁵⁾	12/5/2013	—	—	—	—	—	—	37,500	—	—	1,717,500
Incentive Stock Option ⁽⁷⁾	12/5/2013	—	—	—	—	—	—	8,732	45.80	183,893	
Non-Qualified Stock Option ⁽⁷⁾	12/5/2013	—	—	—	—	—	—	28,768	45.80	602,606	

- (1) Each grant was approved by our board of directors or Compensation Committee on the grant date indicated. The amounts shown represent the target and maximum amount of potential cash bonus awards provided for under the Bonus Plan. The target amounts are pre-established as a fixed dollar amount. The maximum amounts
- (2) represent the greatest payout that could have been made if the pre-established performance level was met or exceeded and was equal 150% of the target amounts.
Represents awards of Performance-Vesting RSUs granted under our 2011 Stock Plan. Performance-Vesting RSUs vest 25% on the first anniversary of the vesting commencement date of September 13, 2013 and the remaining vest in equal quarterly installments over the three years thereafter, assuming the attainment of certain
- (3) Performance Conditions, which were attained. The Performance Conditions required achievement of fiscal year 2014 revenue of at least a threshold amount for 50% of the target Performance-Vesting RSUs to vest, a target amount for 100% of the target Performance-Vesting RSUs to vest and a maximum amount for 150% of the target Performance-Vesting RSUs to vest. If the threshold amount is not achieved, 0% of the target Performance-Vesting RSUs may vest.
- (4) Time-Vesting RSUs granted under our 2011 Stock Plan vest quarterly over four years, subject to the executive officer's continued employment through each applicable vesting date.
Time-Vesting RSUs granted for new hires under our 2011 Stock Plan vest 25% after one year of service and
- (5) then in equal quarterly installments over the next three years, subject to the executive officer's continued employment through each applicable vesting date.
- (6) Stock options granted under our 2011 Stock Plan have a 10 year term and vest monthly over four years, subject to the executive officer's continued employment through each applicable vesting date.
Stock options granted to new hires under our 2011 Stock Plan have a 10 year term and vest 25% after one year
- (7) and in equal monthly installments over the next three years, subject to the executive officer's continued employment through each applicable vesting date.

Outstanding Equity Awards at Fiscal Year 2014 Year End

The following table provides information regarding outstanding equity awards, including stock options and RSUs, and applicable market values at the end of fiscal year 2014.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR 2014 YEAR END

Name	Grant Date	Option Awards				Stock Awards		Performance-Based		
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Time-Based	Market Value of Shares or Units of Stock that Have Not Vested ⁽¹⁵⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Other Rights That Have Not Vested (\$) ⁽¹⁵⁾	
Marcus Ryu	8/16/2007	(1)	200,000	—	2.74	8/16/2017	—	—	—	—
	12/21/2009	(1)	160,000	—	3.92	12/21/2019	—	—	—	—
	12/8/2010	(4)	—	—	—	—	31,250	1,265,625	—	—
	3/9/2011	(5)	—	—	—	—	—	—	164,777	6,673,469
	7/21/2011	(2)	150,000	—	7.50	7/21/2021	—	—	—	—
	9/14/2011	(3)	197,524	—	8.65	9/14/2021	—	—	—	—
	9/5/2012	(2)	—	56,876	32.25	9/5/2022	—	—	—	—
	9/5/2012	(6)	—	—	—	—	—	—	16,875	683,438
	9/17/2013	(2)	18,741	71,220	48.06	9/17/2023	—	—	—	—
	9/17/2013	(8)	—	—	—	—	25,359	1,027,040	—	—
Karen Blasing	7/21/2011	(2)	6,251	—	7.50	7/21/2021	—	—	—	—
	7/21/2011	(7)	—	—	—	—	7,813	316,427	—	—
	9/5/2012	(2)	1,125	9,751	32.25	9/5/2022	—	—	—	—
	9/5/2012	(6)	—	—	—	—	—	—	6,750	273,375
	9/13/2013	(2)	2,916	11,084	46.77	9/13/2023	—	—	—	—
	9/13/2013	(8)	—	—	—	—	9,750	394,875	—	—
	9/13/2013	(9)	—	—	—	—	—	—	12,000	486,000
	12/8/2010	(4)	—	—	—	—	7,500	303,750	—	—
	7/21/2011	(2)	24,056	—	7.50	7/21/2021	—	—	—	—
	7/21/2011	(7)	—	—	—	—	9,375	379,688	—	—
Jeremy Henrickson	9/5/2012	(2)	10,999	13,001	32.25	9/5/2022	—	—	—	—
	9/5/2012	(6)	—	—	—	—	—	—	9,000	364,500
	9/13/2013	(2)	2,083	7,917	46.77	9/13/2023	—	—	—	—
	9/13/2013	(8)	—	—	—	—	8,125	329,063	—	—
	9/13/2013	(9)	—	—	—	—	—	—	10,000	405,000
	12/8/2010	(4)	—	—	—	—	7,500	303,750	—	—
Priscilla Hung	3/9/2011	(5)	—	—	—	—	—	—	4,688	189,864
	7/21/2011	(2)	7,500	—	7.50	7/21/2021	—	—	—	—
	7/21/2011	(7)	—	—	—	—	9,375	379,688	—	—
	9/5/2012	(2)	13,749	16,251	32.25	9/5/2022	—	—	—	—

Edgar Filing: Guidewire Software, Inc. - Form DEF 14A

	9/5/2012	(6)	—	—	—	—	—	11,250	455,625
	9/13/2013	(2)	2,083	7,917	46.77	9/13/2023	—	—	—
	9/13/2013	(8)	—	—	—	—	8,125	329,063	—
	9/13/2013	(9)	—	—	—	—	—	10,000	405,000
Michael	6/4/2014	(10)	—	10,000	36.54	6/4/2024	—	—	—
Polelle	6/4/2014	(11)	—	—	—	—	30,000	1,215,000	—
Scott Roza	12/5/2013	(12)	—	37,500	45.80	12/5/2023	—	—	—
	12/5/2013	(13)	—	—	—	—	37,500	1,518,750	—

29

- (1) The time-based vesting condition has been met and the option is fully-vested and exercisable.
- (2) Option vests over a period of four years in equal monthly installments commencing on the grant date.
- (3) 50% of the option vests on September 14, 2013 and the remaining 50% vests in equal monthly installments over two years thereafter, subject to continued service as CEO of the Company through each such vesting date.
- (4) Time-Vesting RSUs vest in equal quarterly installments over four years, commencing on December 15, 2010.
- (5) Performance-Vesting RSUs vest in equal quarterly installments over four years, commencing on March 15, 2011 assuming the attainment of performance conditions, which were attained.
Performance-Vesting RSUs vest over four years (25% after 1 year, then in equal quarterly installments thereafter), commencing on September 15, 2012, assuming attainment of pre-defined financial results for fiscal year 2013, which were attained.
- (6) Time-Vesting RSUs vest in equal quarterly installments over four years, commencing on September 15, 2011.
- (7) Time-Vesting RSUs vest in equal quarterly installments over four years, commencing on September 15, 2013. Performance-Vesting RSUs vest over four years (25% after 1 year, then in equal quarterly installments thereafter), commencing on September 15, 2013, assuming attainment of pre-defined financial results for fiscal year 2014, which were attained.
- (8) Option vests over a period of four years (25% after one year, then in equal monthly installments thereafter), commencing on April 14, 2014.
- (9) Time-Vesting RSUs vest over a period of four years (25% after one year, then in equal quarterly installments thereafter), commencing on June 15, 2014.
- (10) Option vests over a period of four years (25% after one year, then in equal monthly installments thereafter), commencing on November 15, 2013.
- (11) Time-Vesting RSUs vest over a period of four years (25% after one year, then in equal quarterly installments thereafter), commencing on December 15, 2013.
- (12) Options granted prior to 2012 contain an early exercise feature subject to the Company's right of repurchase.
- (13) The amounts shown are based on a price of \$40.50 per share, which was the closing price of our common stock as reported on NYSE on July 31, 2014.

Option Exercises and Stock Vested at Fiscal Year End - 2014

The following table presents certain information concerning the exercise of options by each of the Named Executive Officers during the fiscal year ended July 31, 2014, as well as information regarding stock awards that vested during the fiscal year.

Name	Options Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#) ⁽²⁾	Value Realized on Vesting (\$) ⁽³⁾
Marcus Ryu	50,600	852,103	301,177	13,738,737
Karen Blasing	55,472	2,192,337	13,750	628,793
Jeremy Henrickson	61,018	2,482,747	31,375	1,433,551
Priscilla Hung	47,150	1,923,068	39,375	1,799,255

- (1) The value realized upon the exercise of stock options is calculated by (a) subtracting the option exercise price from the market value on the date of exercise to get the realized value per share, and (b) multiplying the realized value per share by the number of shares underlying options exercised.
- (2) Represents shares of common stock released during fiscal year 2014.
- (3) The value realized upon vesting of RSUs is calculated by multiplying the number of RSUs vested by the prior day's closing price of common stock on the vest date.

Pension Benefits and Non-qualified Deferred Compensation

We do not provide a pension plan for our employees and none of our Named Executive Officers participated in a non-qualified deferred compensation plan during the year ended July 31, 2014.

Post-Employment Compensation

Our executive officers, including the Named Executive Officers, have certain agreements or other arrangements with the Company providing for payments or benefits in the event of a termination of employment or in connection with a change in control. As of July 31, 2014, there are no other agreements with our executive officers for payments or benefits beyond those described.

Involuntary Termination of Employment

Pursuant to executive agreements in effect as of July 31, 2014, entered into by each Named Executive Officer (except for Mr. Henrickson) and the Company, in the event that the employment of Messrs. Ryu, Polelle or Roza or Meses. Blasing or Hung are terminated without cause (as defined in the

applicable executive agreements), and subject to such executive officer delivering a fully effective release of claims, he or she will be entitled to cash severance equal to: (i) one times in the case of Mr. Ryu; 0.5 times in the case of Mr. Polelle and Ms. Blasing and Hung and 0.25 times in the case of Mr. Roza, the executive officer's then current base salary and (ii) one times in the case of Mr. Ryu and 0.5 times in the case of Ms. Blasing and Hung, the executive officer's target annual bonus, payable over 12 months in the case of Mr. Ryu; six months in the case of Ms. Blasing and Hung; and in a lump sum in the case of Messrs. Polelle and Roza. In addition, Mr. Ryu and Ms. Blasing and Hung will be entitled to a monthly payment equal to our contribution towards health insurance for 12 months in the case of Mr. Ryu and six months in the case of Ms. Blasing and Hung.

Involuntary Termination of Employment in Connection with a Change in Control

Pursuant to executive agreements in effect as of July 31, 2014, in the event that the employment of Messrs. Ryu, Polelle or Roza or Ms. Blasing or Ms. Hung are terminated without cause or such executive resigns for good reason (as defined in the applicable executive agreements) in the two month period prior to or 18 month period after, in the case of Mr. Ryu, and 12 month period after, in the case of Messrs. Polelle and Roza and Ms. Blasing and Hung, a change in control, then in lieu of the severance described above, and subject to such executive officer delivering a fully effective release of claims, he or she will be entitled to cash severance equal to 1.5 times in the case of Mr. Ryu; one times in the case of Mr. Polelle and Ms. Blasing and Hung; and 0.5 times in the case of Mr. Roza, the sum of the executive officer's then current base salary and target bonus, or commission, as applicable, payable in a single lump sum, plus a monthly payment equal to our contribution towards health insurance for 18 months in the case of Mr. Ryu; 12 months in the case of Mr. Polelle and Ms. Blasing and Hung; and 6 months in the case of Mr. Roza. In addition, the vesting of all stock options, RSUs and other stock based awards held by Mr. Ryu, and any stock options and RSUs granted to Ms. Hung as of and prior to December 31, 2012, will immediately accelerate and become fully vested upon such termination. The vesting of all other stock options, RSUs and other stock based awards held by Ms. Hung will accelerate as if such executive officer had completed an additional 12 months of service with us. Similarly, the vesting of all stock options, RSUs and other stock based awards held by Messrs. Polelle and Roza and Ms. Blasing will accelerate as if such executive officer had completed an additional 12 months of service with us.

The payments and benefits provided under the executive agreements in effect as of July 31, 2014, in connection with a change in control may not be eligible for a federal income tax deduction for the Company pursuant to Section 280G of the Code. These payments and benefits also may be subject to an excise tax under Section 4999 of the Code. If the payments or benefits payable to Messrs. Ryu, Polelle, or Roza or Ms. Blasing or Hung in connection with a change in control would be subject to the excise tax on golden parachutes imposed under Section 4999 of the Code, then those payments or benefits will be reduced if such reduction would result in a higher net after-tax benefit to such officer.

Potential Payments Upon Termination or Change in Control

The table below reflects, as applicable, cash severance, equity acceleration and continuation of health benefits payable to our Named Executive Officers in connection with (1) the termination of his or her employment relationship without cause not in connection with a change in control, (2) upon a change in control of our Company and no termination of employment (assuming that all equity awards will be assumed or continued or substituted by the successor entity) and (3) upon an involuntary termination of employment (i.e., a termination without cause or resignation for good reason), in either case, within 2 months prior or within 18 or 12 months following, as applicable, a change in control, and assuming, in each case, that the applicable triggering event(s) occurred on July 31, 2014, and that all equity awards will be assumed or continued or substituted by the successor entity). Mr. Henrickson is not contractually entitled to any payments upon a termination or change in control of our Company. See section titled "Post-Employment Compensation."

Name	Benefit	Termination without Cause Not in Connection with a Change in Control (\$) ⁽¹⁾	Change in Control (\$)	Involuntary Termination in Connection with a Change in Control (\$)
	Cash Severance	800,000	⁽¹⁾ —	1,200,000 ⁽²⁾
Marcus Ryu		—	—	18,718,736 ⁽³⁾

	Equity				
	Acceleration				
	Health Benefits	18,050	(4)	—	27,075 (5)
	Total	818,050		—	19,945,811
	Cash Severance	198,000	(6)	—	396,000 (7)
Karen Blasing	Equity	—		—	1,305,113 (8)
	Acceleration				
	Health Benefits	8,568	(9)	—	17,137 (10)
	Total	206,568		—	1,718,250
	Cash Severance	160,050	(6)	—	320,100 (7)
Priscilla Hung	Equity	—		—	2,290,842 (11)
	Acceleration				
	Health Benefits	8,568	(9)	—	17,137 (10)
	Total	168,618		—	2,628,079
	Cash Severance	135,000	(12)	—	450,000 (7)
Michael Polelle	Equity	—		—	430,272 (8)
	Acceleration				
	Health Benefits	—		—	16,363 (10)
	Total	135,000		—	896,635
	Cash Severance	56,250	(13)	—	225,000 (14)
Scott Roza	Equity	—		—	2,088,261 (8)
	Acceleration				
	Health Benefits	—		—	— (15)
	Total	56,250		—	2,313,261

- (1) Represents 12 months' continuation of Mr. Ryu's base salary and payment of 1 times his target annual bonus opportunity.
- (2) Represents 1.5 times the sum of Mr. Ryu's base salary and target annual bonus opportunity.
- (3) Represents the value of the acceleration of 100% of Mr. Ryu's unvested RSUs and stock options, based on the closing price of our common stock as reported on the NYSE on July 31, 2014, which was \$40.50.
- (4) Represents 12 months of payment of COBRA premiums for Mr. Ryu.
- (5) Represents 18 months of payment of COBRA premiums for Mr. Ryu.
- (6) Represents 6 months' continuation of the executive's base salary and payment of 0.5 times the executive's target annual bonus opportunity.
- (7) Represents one times the sum of the executive's base salary and target annual bonus opportunity.
Represents the value of the acceleration of the portion of the executive's RSUs and options that would have
- (8) vested if the executive had provided an additional 12 months of service, based on the closing price of our common stock as reported on the NYSE on July 31, 2014, which was \$40.50.
- (9) Represents 6 months of payment of COBRA premiums for the executive.
- (10) Represents 12 months of payment of COBRA premiums for the executive.
Represents the value of the acceleration of (i) 100% of Ms. Hung's unvested option awards and RSUs granted prior to December 31, 2012 and (ii) with respect to all other unvested option award and RSUs held by Ms.
- (11) Hung, the portion of Ms. Hung's RSUs and options that would have vested if Ms. Hung had provided an additional 12 months of service, based on the closing price of our common stock as reported on the NYSE on July 31, 2014, which was \$40.50.
- (12) Represents 6 months' continuation of Mr. Polelle 's base salary.
- (13) Represents 3 months' continuation of Mr. Roza's base salary.
- (14) Represents 0.5 times the sum of Mr. Roza's base salary and target annual commission opportunity.
- (15) Eligible for 6 months of COBRA premiums, but does not participate in Company's health plan.

Employee Stock Plan

Prior to becoming a public company, we maintained several equity compensation plans. In connection with our initial public offering, we discontinued using those equity compensation plans and adopted our 2011 Stock Plan (the "2011 Plan"). We now grant all stock options, Performance-Vesting RSUs and Time-Vesting RSUs and other equity awards under the 2011 Plan.

As of July 31, 2014, we had reserved 11,703,962 shares of our common stock for the issuance of awards under the 2011 Plan. The 2011 Plan provides that the number of shares reserved and available for issuance under the plan will increase each January 1, by up to 5% subject to board approval of the outstanding number of shares of our common stock on the immediately preceding December 31. This number is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The shares we issue under the 2011 Plan will be authorized but unissued shares or shares that we reacquire. The shares of common stock underlying any awards under the 2011 Plan or our prior stock plans that are forfeited, canceled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without any issuance of stock, expire or are otherwise terminated (other than by exercise) are added back to the shares of common stock available for issuance under the 2011 Plan.

The 2011 Plan is administered by the Compensation Committee. The Compensation Committee has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2011 Plan. Persons eligible to participate in the 2011 Plan will be those employees, non-employee directors and consultants as selected from time to time by the Compensation Committee in its discretion.

The 2011 Plan permits the granting of both options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and options that do not so qualify. The option exercise price of each option will be determined by the Compensation Committee but may not be less than 100% of the fair market value of the common stock on the date of grant. The term of each option will be fixed by the Compensation Committee and may

not exceed ten years from the date of grant. The Compensation Committee will determine at what time or times each option may be exercised.

The Compensation Committee may award stock appreciation rights subject to such conditions and restrictions as it may determine. Stock appreciation rights entitle the recipient to shares of common stock equal to the value of the appreciation in our stock price over the exercise price. The exercise price is the fair market value of the common stock on the date of grant.

The Compensation Committee may award restricted shares of common stock and RSUs under the 2011 Plan subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified vesting period. The Compensation Committee may also grant shares of common stock that are free from any restrictions under the 2011 Plan. Unrestricted stock may be granted to participants in recognition of past services or other valid consideration and may be issued in lieu of cash compensation due to such participant.

The Compensation Committee may grant performance share awards to participants, which entitle the recipient to receive shares of common stock upon the achievement of certain performance goals and such other conditions as the Compensation Committee shall determine.

The Compensation Committee may grant cash-based awards under the 2011 Plan to participants, subject to the achievement of certain performance goals.

The Compensation Committee may grant awards of restricted stock, RSUs, performance shares or cash-based awards under the 2011 Plan that are intended to qualify as “performance-based compensation” under Section 162(m) of the Code. Those awards would only vest or become payable upon the attainment of performance goals that are established by the Compensation Committee and related to one or more performance criteria. The performance criteria

that would be used with respect to any such awards include: earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of our common stock, economic value-added, funds from operations or similar measure, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, stockholder returns, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of stock, sales or market shares, number of customers, number of new customers or customer references, operating income and net annual recurring revenue, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. Stock options and stock appreciation rights with respect to no more than 2,500,000 shares of common stock may be granted to any individual grantee during any one calendar year period.

The 2011 Plan provides that upon the effectiveness of a “change in control” as defined in the 2011 Plan, all awards will be assumed or continued or substituted by the successor entity. If a successor entity does not assume, continue or substitute awards, then all such awards will accelerate and become fully vested and exercisable and will terminate prior to the effective time of the change in control and will terminate at the time of the change in control. In the event of such termination, such holders of options and stock appreciation rights will be given notice and an opportunity to exercise such awards. Alternatively, we may make or provide for a cash payment to participants holding options and stock appreciation rights equal to the difference between the per share cash consideration payable to stockholders in the sale event and the per share exercise price of the options or stock appreciation rights.

Our board of directors may amend or discontinue the 2011 Plan and the Compensation Committee may amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose, but no such action may adversely affect rights under an award without the holder's consent. Certain amendments to the 2011 Plan require the approval of our stockholders.

No awards may be granted under the 2011 Plan after the date that is 10 years from the effectiveness of the plan.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation and bylaws contain provisions that limit the personal liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation provides that we indemnify our directors to the fullest extent permitted by Delaware law. In addition, our amended and restated bylaws provide that we indemnify our directors and officers to the fullest extent permitted by Delaware law. Our amended and restated bylaws also provide that we shall advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity, regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by the board of directors. With certain exceptions, these agreements provide for indemnification for related expenses including, among others, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty of care. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an

action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

Equity Compensation Plan Information

The following table summarizes information about common stock that may be issued upon the exercise of options, warrants and rights under all of our equity compensation plans as of July 31, 2014.

	Number of Securities to be Issued upon Exercise of Outstanding Options ⁽³⁾ , Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)	
Equity compensation plans approved by stockholders ⁽¹⁾	2,400,253	\$ 11.24	11,703,962	(2)

(1) The number of shares available under our 2011 Stock Plan increases on January 1 of each year by up to 5% of the outstanding shares of common stock on the immediately preceding December 31.

(2) Includes 1,037,153 shares that were issued pursuant to RSU awards that were canceled as net settlement for the tax liability related to RSU vesting. Under the terms of our 2011 Stock Plan these shares are available for issuance in future equity awards.

(3) Excludes 3,384,221 shares subject to restricted stock units and performance stock units outstanding as of July 31, 2014 that were issued under the 2011 plan.

OWNERSHIP OF GUIDEWIRE SOFTWARE, INC. COMMON STOCK

The following table sets forth, as of the record date, the shares of our common stock beneficially owned by:

- Each person known by us to own beneficially more than 5% of our common stock;
- Each individual who served as a director or named executive officer during fiscal year 2014; and
- All directors and executive officers as a group.

Beneficial ownership is determined in accordance with SEC rules, which generally attribute beneficial ownership of securities to each person who possesses, either solely or shared with others, the power to vote or dispose of those securities. Shares of common stock subject to stock options that are currently exercisable or unexercisable, and RSUs that vest, within sixty days of the record date, are deemed outstanding for purposes of computing the percentage ownership of the person holding such options and/or RSUs, but are not deemed outstanding for computing the percentage of any other person. The percentage of beneficial ownership for the following table is based on 69,521,696 shares of common stock outstanding as of the record date. To our knowledge, except as indicated in the footnotes to this table and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock.

Name and Address ⁽¹⁾	Shares Beneficially Owned Number of Shares of Common Stock	Percent of Class (%)
5% Stockholders:		
Baron Capital Group ⁽²⁾	4,491,404	6.46
T. Rowe Price Associates, Inc. ⁽³⁾	3,723,154	5.36
The Vanguard Group ⁽⁴⁾	3,706,272	5.33
Directors and Executive Officers:		
Marcus S. Ryu ⁽⁵⁾	823,975	1.17
Karen Blasing ⁽⁶⁾	12,491	*
Jeremy Henrickson ⁽⁷⁾	47,846	*
Priscilla Hung ⁽⁸⁾	27,751	*
Michael Polelle	—	*
Scott Roza ⁽⁹⁾	10,956	*
Andrew Brown ⁽¹⁰⁾	5,946	*
John Cavoore ⁽¹¹⁾	22,366	*
Craig Conway ⁽¹²⁾	83,806	*
Guy Dubois ⁽¹³⁾	6,721	*
Paul Lavin ⁽¹⁴⁾	3,679	*
Clifton Thomas Weatherford ⁽¹⁵⁾	34,882	*
All directors and executive officers as a group ⁽¹⁶⁾	1,080,419	1.54

- * Less than 1%.
- (1) Unless noted otherwise in the footnotes, all addresses are c/o Guidewire Software, Inc., 1001 E. Hillsdale Blvd., Suite 800, Foster City, CA 94404.
Based solely on information reported on a Schedule 13G filed with the SEC on February 14, 2014 by BAMCO, Inc. (“BAMCO”), Baron Capital Group, Inc. (“BCG”), Baron Capital Management, Inc. (“BCM”) and Ronald Baron.
 - (2) BAMCO and BCM are subsidiaries of BCG and Ronald Baron owns a controlling interest in BCG. The principal business address of BAMCO, BCG, BCM and Mr. Baron is 767 Fifth Avenue, 49th Floor, New York, NY 10153.
Based solely on information reported on a Schedule 13G filed with the SEC on February 11, 2014, by T. Rowe Price Associates, Inc., consists of 3,723,154 shares beneficially held by T. Rowe Price Associates Inc., 973,189
 - (3) shares for which T. Rowe Price Associates, Inc. possess sole voting power. T. Rowe Price Associates, Inc. is the beneficial owner of 3,723,154 shares as a result of acting as investment adviser to various investment companies. The principal address for T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, MD 21202.
Based solely on information reported on a Schedule 13G filed with the SEC on February 11, 2014, by The Vanguard Group, consists of 3,706,272 shares beneficially held by The Vanguard Group, 77,449 shares for which
 - (4) The Vanguard Group possess sole voting power, 3,633,323 shares for which The Vanguard Group possess sole dispositive power and 72,949 shares for which The Vanguard Group possess shared dispositive power. The principal address for The Vanguard Group is 100 Vanguard Boulevard, Malvern, PA 19355.
 - (5) Includes 734,770 shares that may be acquired within 60 days of the record date through the exercise of stock options that will be vested and released within 60 days of the record date.
 - (6) Includes 10,449 shares that may be acquired within 60 days of the record date through the exercise of stock options that will be vested and released within 60 days of the record date.
 - (7) Includes 21,097 shares that may be acquired within 60 days of the record date through the exercise of stock options that will be vested and released within 60 days of the record date.
 - (8) Includes 26,447 shares that may be acquired within 60 days of the record date through the exercise of stock options that will be vested and released within 60 days of the record date.
 - (9) Includes 9,656 shares that may be acquired within 60 days of the record date through the exercise of stock options that will be vested and released within 60 days of the record date and 500 shares held in the name of the spouse.
 - (10) Includes 4,308 shares that may be acquired within 60 days of the record date through the exercise of stock options and 273 RSU shares that will be vested and released within 60 days of the record date.
 - (11) Includes 10,244 shares that may be acquired within 60 days of the record date through the exercise of stock options and 273 RSU shares that will be vested and released within 60 days of the record date.
 - (12) Includes 13,147 shares that may be acquired within 60 days of the record date through the exercise of stock options and 13,085 RSU shares that will be vested and released within 60 days of the record date.
 - (13) Includes 4,308 shares that may be acquired within 60 days of the record date through the exercise of stock options and 273 RSU shares that will be vested and released within 60 days of the record date.
 - (14) Includes 2,621 shares that may be acquired within 60 days of the record date through the exercise of stock options and 236 RSU shares that will be vested and released within 60 days of the record date.
 - (15) Includes 10,244 shares that may be acquired within 60 days of the record date through the exercise of stock options and 273 RSU shares that will be vested and released within 60 days of the record date.
 - (16) Includes 847,291 shares that may be acquired within 60 days of the record date through the exercise of stock options by the current directors and Named Executive Officers and 14,413 RSU shares that will be vested and released to the current directors and Named Executive Officers within 60 days of the record date.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Transactions with Our Executive Officers and Directors

Stock Option Awards

The grants of certain stock options and RSUs to our directors and executive officers and related equity compensation policies are described above in “Information Regarding Compensation of Directors and Executive Officers” and “Compensation Discussion and Analysis.”

Employment Agreements

We have entered into agreements containing compensation, termination and change of control provisions, among others, with certain of our executive officers as described in “Compensation Discussion and Analysis-Executive Agreements and Termination of Employment Arrangements.”

Indemnification of Officers and Directors

We have also entered into indemnification agreements with each of our directors and executive officers. The indemnification agreements and our certificate of incorporation and bylaws require us to indemnify our directors and executive officers to the fullest extent permitted by Delaware law.

Our amended and restated certificate of incorporation and bylaws contain provisions that limit the personal liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- Any breach of the director's duty of loyalty to us or our stockholders;
- Any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- Unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- Any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation provides that we indemnify our directors to the fullest extent permitted by Delaware law. In

addition, our amended and restated bylaws provide that we indemnify our directors and officers to the fullest extent permitted by Delaware law. Our amended and restated bylaws also provide that we shall advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity, regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by the board of directors. With certain exceptions, these agreements provide for indemnification for related expenses including, among others, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

Policies and Procedures for Related Party Transactions

We have adopted a formal written policy that our executive officers, directors and principal stockholders, including their immediate family members and affiliates, are not permitted to enter into a related party transaction with us without the prior consent of our audit committee or other independent members of our board of directors in the case it is inappropriate for our audit committee to review such transaction due to a conflict of interest. Any request for us to enter into a transaction with an executive officer, director, principal stockholder or any of such persons' immediate family members or affiliates, in which the amount involved exceeds \$120,000, must first be presented to our audit committee for review, consideration and approval. All of our directors, executive officers and employees are required to report to our audit committee any such related party transaction. In approving or rejecting the proposed agreement, our audit committee shall consider the relevant facts and circumstances available to and deemed relevant by the audit committee, including, but not limited to the risks, costs and benefits to us, the terms of the transaction, the availability of other sources for comparable services or products and, if applicable, the impact on a director's independence. Our audit committee shall approve only those agreements that, in light of known circumstances, are in, or are not inconsistent with, our best interests, as our audit committee determines in the good faith exercise of its discretion.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file reports of ownership on Form 3 and changes in ownership on Forms 4 or 5 with the SEC. Such officers, directors and 10% stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) reports they file. Based solely upon our review of the copies of such forms provided to us and written representations from our executive officers and directors with respect to our 2014 fiscal year, we believe that all Section 16(a) filing requirements during fiscal year 2014 were complied with.

ADDITIONAL INFORMATION

Other Matters

We know of no other matters to be submitted at the 2014 annual meeting of stockholders. If any other matters properly come before the annual meeting of stockholders, it is the intention of the proxy holders to vote the shares they represent as the board of directors may recommend.

THE BOARD OF DIRECTORS

/s/ Marcus S. Ryu

MARCUS S. RYU

President and Chief Executive Officer

Dated: October 30, 2014

