



## **CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors of PTC Inc. (the "Company") believes that a fundamental ingredient of business success and corporate ethical conduct is quality corporate governance. Accordingly, the Board of Directors (the "Board") has adopted these Corporate Governance Guidelines.

### **SELECTION AND COMPOSITION OF BOARD OF DIRECTORS**

#### **Independence**

At least a majority of members of the Board shall qualify as "Independent" in accordance with the applicable Independence Rules and pursuant to the Board's evaluation of whether a director has any other relationship with the Company that, in the judgment of the Board, would interfere with the director's exercise of independent judgment in carrying out such person's responsibilities as a director. The Board shall evaluate each director's independence not less than once a year and when a director's circumstances change such that an independence review is considered appropriate by the Board.

For purposes of these Guidelines, "Independence Rules" means the applicable independence rules of the Nasdaq Stock Market and, in the case of membership on a committee of the Board, any additional independence provisions of the Nasdaq Stock Market and the Securities Exchange Act of 1934 that may be applicable to membership on such committee.

A person may not serve as a member of the PTC Board or its Compensation and People Committee if such service creates a compensation interlock. A compensation interlock exists if a PTC executive officer serves as a director or member of the compensation committee of any entity at which the person is an executive officer.

#### **Composition of the Board**

The Board believes the Board should neither be too small to maintain the necessary expertise and independence nor too large to function efficiently.

The Corporate Governance Committee is responsible for periodically reviewing the appropriate size and composition of the Board as a whole in light of its current composition and the Company's future objectives and challenges. The Corporate Governance Committee is also responsible for periodically reviewing the skills and characteristics of individual Board members, including consideration of individual skills, experience, and perspective which the Board believes will best serve the interests of the Company and its stockholders.

#### **Selection of New Directors**

The Board is ultimately responsible for presenting director nominees for election by the stockholders. The Board delegates to the Corporate Governance Committee responsibility for identifying, evaluating, and nominating candidates for director positions. Among the items the Committee considers are diversity as to gender, race, ethnicity, and LGBTQ+, and



professional experience, expertise, and other individual qualities and attributes that the Committee believes will best serve the needs of the of the Board, the Company and its stockholders.

### **Conflicts and Other Boards**

The Board recognizes that sitting on the Board of Directors of a public company is a significant responsibility. Accordingly, the Board believes that directors must be able to dedicate sufficient time and resources for the diligent performance of their duties on the Company's behalf and should not hold positions that conflict with their responsibilities to the Company.

**Limitation on Service on Other Boards.** The Board believes that it is prudent that members of the Company's Board limit the number of public company boards on which they serve. Accordingly, the following limits apply, unless a majority of the independent members of the Board approves otherwise: (1) a director that is not a chief executive officer of public company may serve on the boards of not more than four other public companies, and (2) a director that is a chief executive officer of a public company may serve on the board of not more than two public companies other than PTC.

**Proposed Service on Other Boards.** In the event a director wishes to accept an invitation to serve on the board of another company, the director shall consult the Chairman of the Board, the Lead Independent Director, and the Company's Chief Executive Officer (the "Consulting Directors") before accepting such invitation to serve on the board of the other company. If the Consulting Directors believe the director's service on the other board is competitively sensitive or creates a conflict of interest (together, a "Conflict of Interest") and the director wishes to accept such service, the director shall tender such director's resignation to the Company before accepting such service, which resignation the Board may accept or reject in its sole discretion. If the director wishing to accept service on another board is a Consulting Director, the decision as to whether service on the other board will create a Conflict of Interest shall be made solely by the other Consulting Directors.

**Notification of Change in Employment.** In the event of a change in a director's occupation or employer, the director shall notify the Consulting Directors of such change. If the Consulting Directors believe such change in occupation or employer creates a Conflict of Interest, the Consulting Directors shall so notify the director and the director shall promptly, but in no event more four (4) business days after such notice, tender the director's resignation from the Board, which resignation the Board may accept or reject in its sole discretion. If the director whose occupation or employment has changed is a Consulting Director, the decision as to whether such creates a Conflict of Interest shall be made solely by the other Consulting Directors.

### **Annual Election of Directors**

All directors shall be subject to election by the stockholders each year.



### **Consequences of Failure of Director to Receive Majority of Votes for Election**

Any incumbent nominee for director in an uncontested election (that is, an election where the number of nominees does not exceed the number of directors to be elected) who receives a greater number of "Withhold" votes than votes "For" election (a "Majority Against Vote") shall promptly tender his or her resignation following certification of the stockholder vote.

The Corporate Governance Committee (or, if a majority of the members of the Committee received a Majority Against Vote in the same election, the independent members of the Board who did not receive a Majority Against Vote acting as such Committee) will promptly consider the tendered resignation and will recommend to the Board whether or not to accept it. In making this recommendation, the Committee will consider all factors it deems relevant including, without limitation, the apparent reasons why stockholders voted against the director, the length of service and qualifications of the director tendering the resignation, the director's contributions to the Company, whether by accepting such resignation the Company will no longer be in compliance with any applicable law, contract or governing document, and whether or not accepting the resignation is in the best interests of the Company and its stockholders. The Committee shall also consider, and may make recommendations to the Board regarding, the apparent reason(s) for the Majority Against Vote.

The Board will use its best efforts to act on the Committee's recommendation within 90 days following certification of the stockholder vote. In considering the Committee's recommendation, the Board will consider the factors considered by the Committee and any additional information and factors the Board believes to be relevant. The Company will promptly publicly disclose the Board's decision and the principal reasons therefor in a press release or in a report filed with or furnished to the Securities and Exchange Commission.

No director who received a Majority Against Vote may participate in the Committee recommendation or Board consideration regarding whether to accept the tendered resignation. However, such director shall remain active and engaged in all other Committee and Board activities, deliberations, and decisions during this process.

### **Chairman of the Board; Lead Independent Director**

The Board may appoint a Chairman of the Board at its discretion. The Chairman need not meet the Independence Rules. If the Chairman is not Independent, the Board shall appoint a Lead Independent Director that meets the Independence Rules. The Board has adopted a [Lead Independent Director Charter](#) that establishes the responsibilities of such Lead Independent Director if one is appointed.

### **Director Term Limits; Mandatory Retirement Age**

The Board does not believe it should establish term limits or a mandatory retirement age for directors or otherwise mandate the retirement of directors based on factors that are not directly related to a director's capacity to serve effectively. While such measures result in the addition of new directors who could contribute new ideas and viewpoints, such measures have the disadvantage of forcing the loss of the contribution of directors who over time have developed extensive insight into the Company and its operations. The Board believes that an ongoing process of review of the needs and the skills and experience of existing Board members will ensure appropriate membership on the Board, without arbitrarily forcing the removal of valuable directors.



## **DIRECTOR RESPONSIBILITIES**

### **Oversight**

The Board is elected by the stockholders to oversee management and to ensure that the long-term interests of the stockholders are being served. Directors must exercise their business judgment, consistent with their fiduciary duties, to act in a manner they reasonably believe is in the best interests of the Company and its stockholders. In fulfilling that responsibility, directors may ask such questions and conduct such investigations as they deem appropriate and may request the assistance of outside advisors. The Board may reasonably rely on the information provided to them by the Company's senior executives and outside advisors and auditors.

### **Attendance at Board and Committee Meetings**

Directors are expected to regularly attend Board meetings and meetings of committees on which they serve and to spend the time necessary to prepare for such meetings to properly discharge their responsibilities.

### **Attendance at Annual Meeting of Stockholders**

The Board believes that it is important that all members of the Board attend the Annual Meeting of Stockholders and all directors are expected to do so.

### **Risk Oversight**

The Board takes its oversight responsibilities with respect to the risks facing the Company seriously and has delegated to the Board committees oversight of management of certain of the Company's risks. In furtherance of its risk oversight of the Company's ethics and compliance program, the full Board receives periodic reports from the Company's Chief Compliance Officer, not less than once a year, on the operation and effectiveness of the Company's ethics and compliance program.

### **Conflicts**

With respect to any matter under discussion by the Board or a committee, a director must disclose any potential conflict of interest such director may have and, if appropriate, refrain from voting on a matter in which such director may have a conflict.

### **Confidentiality**

Directors have an obligation to protect and keep confidential all non-public information related to the Company and the Board unless and until the Company has authorized public disclosure (or unless otherwise required by law or regulation), whether or not marked as confidential. Confidential information includes information provided to directors in connection with meetings of the Board and its committees and discussed at such meetings, deliberations by the Board and its committees, and all non-public information entrusted to or obtained by a director by reason of such person's position on the Board, such as information regarding the strategy, business, finances and operations of the Company and third parties, minutes, reports and materials of the Board and its committees, other documents identified as confidential by the Company and all other non-public information



provided by the Company. Directors may not use Confidential Information for personal benefit or to benefit other persons or entities other than the Company. Directors shall refrain from disclosing Confidential Information to anyone outside the Company, specifically including any principal or employee of any entity or person that employs the director or has sponsored the director's election to the Board, except with Company's authorization or as otherwise may be required by applicable law. The obligations described above continue even after service on the Board has ended. Any questions or concerns about potential disclosures should be directed to the General Counsel, who then may communicate with the Chief Executive Officer or the Chairman of the Board regarding such potential disclosures.

### **Code of Business Conduct and Ethics**

Members of the Board are expected to adhere to the Company's **Code of Business Conduct and Ethics** to the extent applicable in connection with such person's activities relating to the Company and to lead by example by exhibiting ethical behavior. This obligation includes adherence to the Company's policies with respect to conflicts of interest, trading in PTC securities, and respect for and compliance with applicable laws.

### **Speaking on behalf of the Company**

The Board believes that management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate on the Company's behalf with third parties. It is expected that Board members will do this with the advance knowledge of, and consultation with, management. All such communications with third parties will be undertaken in compliance with Regulation FD and all other applicable laws and regulations.

## **MEETINGS OF THE BOARD AND COMMITTEES**

### **Committees of the Board**

The Board will establish committees from time to time to facilitate and assist in the execution of its responsibilities. These committees shall generally address issues that, because of their complexity and technical nature, level of detail and time requirements or because of proper corporate governance principles, are more effectively addressed at committee meetings rather than at larger Board meetings.

The Board will have at all times the following standing committees: an Audit Committee, a Compensation and People Committee, and a Corporate Governance Committee. All members of the Audit, Compensation and People, and Corporate Governance Committees will be independent directors. Committee members and committee chairs will be appointed by the Board annually upon the recommendation of the Corporate Governance Committee.

The Board may establish or maintain additional committees as it deems appropriate and delegate to such committees such responsibilities and authority as permitted by applicable laws and the Company's By-Laws.

Each of the committees will have its own written charter. The charters will set forth the purpose, authority and responsibilities of the committee, committee structure and provide for periodic reports by the committee to the Board. The charters of each such committee



will be reviewed annually by the respective committee.

## Meetings

**Board Meetings.** The Chairman of the Board and, if applicable, the Lead Independent Director, will determine the frequency and length of Board meetings in consultation with other members of the Board. It is the Board's view that regular meetings at appropriate intervals are desirable for the performance of the Board's responsibilities. In addition to regularly scheduled meetings, additional unscheduled meetings may be called upon appropriate notice at any time to address other matters.

**Committee Meetings.** The Chairman of each committee, in consultation with the committee members, the Board and senior management, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The agendas and meeting minutes of the committees will be shared with the full Board. Any director that is not a member of a particular committee may attend any committee meetings with the concurrence of the committee Chairman.

**Attendance by PTC Employees by Invitation.** The Board may request that PTC executives and other PTC employees that do not serve on the Board attend all or any portion of a Board or committee meeting and will schedule presentations by such employees who can provide additional insight based on their involvement in the matter or their particular expertise.

## Agendas and Meeting Materials

Agendas and other information are important to the Board's understanding of the business to be conducted at a Board or committee meeting. The Chairman of the Board, the Lead Independent Director, if applicable, and the Chair of each committee (as the case may be) shall, in consultation with the appropriate directors and management, develop the agenda for each meeting. Agendas and accompanying materials should be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting. Each Board member is free to suggest the inclusion of items on the agenda and each Board member is free to raise subjects that are not on the agenda for that meeting.

## Executive Sessions

It is the Board's view that it is important that the Board of Directors meet in sessions both with and without management present. Accordingly, the outside directors will meet in regular executive sessions and, in accordance with Nasdaq Stock Market Rules, the independent directors will meet in executive sessions not less than twice a year.

## BOARD COMPENSATION AND PERFORMANCE

### Director Compensation

The Board is responsible for establishing director compensation. The Board believes that directors should be fairly compensated for undertaking the responsibilities associated with serving as a director. At the same time, director compensation should be consistent with market practices generally.



The Board delegates to the Corporate Governance Committee responsibility for periodically assessing market practices for director compensation. The Board reviews and establishes director compensation annually.

### **Director and Executive Stock Ownership Requirements**

The Board believes that the interests of the directors and executive officers should be aligned with the interests of stockholders. Accordingly, the Board has adopted a **Director Stock Ownership Policy** that requires each non-employee director to own PTC stock valued at not less than 5x their annual cash retainer. The Board has also adopted an **Executive Stock Ownership Policy** that requires the Chief Executive Officer to own PTC stock valued at not less than 6x the CEO's annual base salary and other Section 16 officers of the Company to own PTC stock valued at not less than 3x such officer's annual base salary.

### **Performance Evaluations**

The Board, with assistance from the Corporate Governance Committee, conducts an annual self-evaluation to determine whether the Board and its committees are functioning effectively. It is the Board's policy that at least once every three years such self-evaluation be externally facilitated. The Board will discuss the results of the evaluation to determine any actions that could improve Board and committee performance.

### **Orientation and Continuing Education**

**Orientation.** The Chief Executive Officer and General Counsel are responsible for developing and providing orientation programs designed to familiarize new directors with the Company's businesses, strategies, challenges, and policies.

**Continuing Education.** Directors are expected to keep abreast of the Company's business and markets. Accordingly, a continuing education process for directors is maintained. This process includes written materials on the Company's products, businesses, markets, and initiatives; meetings with and presentations by senior management; and regular updates on relevant legal, accounting and governance matters by both internal and external advisors.

The Board believes that additional professional director continuing education can be valuable to directors. Accordingly, the Company will reimburse directors for the expenses associated with participation in such continuing education programs.

### **CEO EVALUATION & SUCCESSION PLANNING**

The Board shall establish performance objectives annually for the CEO. In addition, the Board shall receive regular updates from management concerning the Company's progress toward achieving corporate goals.

The Board delegates to the Compensation and People Committee responsibility for evaluating the CEO's compensation, which evaluation includes review of the CEO's performance against the annual performance objectives for the year.

The Board has charged the Corporate Governance Committee with developing and maintaining a CEO succession plan to ensure continuity of leadership for the Company.



The plan is periodically reassessed to maintain alignment with the Company's evolving business strategy and corporate objectives and to ensure appropriate development opportunities are being provided to internal candidates.

#### **ACCESS TO MANAGEMENT AND ADVISORS**

Each director is encouraged to keep informed of the affairs of the Company between board meetings through direct contact with members of senior management. Each director shall have complete access to any such employee.

The Board and each Board committee shall have the power to hire legal, accounting, financial or other advisors as they may deem necessary in their best judgment, without the need to obtain the prior approval of any officer of the Company. The Secretary of the Company will arrange for payment of the appropriate invoices of any such third party.

#### **PERIODIC REVIEW OF GUIDELINES**

The Board, with the assistance of the Corporate Governance Committee, shall review these Corporate Governance Guidelines not less than once a year to determine whether any changes are appropriate.

*Approved by the Board September 7, 2023*