

# Bottomline Technologies

## Corporate Governance Guidelines

The Corporate Governance Guidelines of the Board of Directors (the “Board”) of Bottomline Technologies (de), Inc., a Delaware corporation (the “Company”), are intended to embody the principles by which the Board operates and to reflect the Board’s commitment to monitor the effectiveness of policy and decision-making at the Board and management level. These guidelines are not intended to interpret any federal or state law or regulation, or the Certificate of Incorporation or By-Laws of the Company. In the event of any conflict between these guidelines and the Certificate of Incorporation or By-Laws of the Company, the provisions set forth in the Certificate of Incorporation or By-Laws, as applicable, shall control.

### Board Responsibilities

The Board is the ultimate decision-making authority within the Company, except with respect to those matters, including the election of directors, that are reserved for the Company’s shareholders. The Board’s primary functions are to:

- ❖ Oversee the management of the Company
- ❖ Establish an environment that promotes timely and effective disclosure and ensures the Company’s business is conducted with the highest standards of ethical conduct and in compliance with applicable laws and regulations
- ❖ Review and approve the Company’s strategic, financial, and other corporate plans
- ❖ Oversee strategic and financial risks and exposures associated with the Company’s business strategy, policy matters and regulatory environment
- ❖ Evaluate the integrity of the Company’s accounting, financial and reporting systems and internal controls
- ❖ Manage conflicts of interests
- ❖ Select the Chairman of the Board and the Chief Executive Officer and review succession planning

The business of the Company is conducted by management under the oversight of the Board. The roles of the Board and management are related, but distinct. The Company’s business strategy is developed and implemented under the leadership and direction of the Chief Executive Officer. The members of the Board are elected by the shareholders to oversee management’s performance on behalf of the shareholders and to evaluate the performance of the Chief Executive Officer and management.

In performing its general oversight function, the Board reviews and assesses the Company’s strategic and business planning as well as management’s approach to addressing significant risks and challenges facing the Company. As part of this function, the Board reviews and discusses reports submitted to the Board by management with respect to the Company’s performance, as well as significant events, issues and risks that may affect the Company’s business or financial performance. In performing its oversight function, the Board and its members will maintain frequent, active and open communication and discussions with the Chief Executive Officer.

### Board Membership Standards

Candidates for Board membership must be committed to devote the time and effort necessary to be productive members of the Board. Nominees for Board members will be selected on the basis of their experience, background, judgment, integrity, ability to make independent analytical inquiries, understanding of the Company’s business environment, personal accomplishments, and willingness to devote adequate time to Board and committee duties. In selecting nominees for Board members, the Board will endeavor to establish Board member diversity and to maintain a mix that includes, but is not limited to, the following areas

of core competency: accounting and finance; business judgment; management; talent acquisition and development; industry knowledge; international business; leadership; and strategic vision.

A majority of the Board's members will be independent, as such term is defined by the Nasdaq Marketplace Rules. No Board member will qualify as "independent" unless the Board affirmatively determines the member does not have a relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Board member.

Board members who are not sitting chief executive officers of publicly held companies should not serve on the board of more than three (3) publicly held companies, unless the Board determines additional service would not impair the ability of such Board member to effectively serve on the Board. Any Board member who is a sitting chief executive officer of a publicly held company may sit on the boards of only two (2) publicly held companies, unless the Board determines such simultaneous service would not impair the ability of such Board member to effectively serve on the Board. The Nominations and Corporate Governance ("NCG") Committee and the Board will consider the nature of and time involved in a Board member's service on other boards in evaluating the suitability of individual Board candidates and members and making its recommendations to Company shareholders. Service on boards and/or committees of other organizations should be consistent with the Company's conflict of interest policies.

The Company's Code of Ethics establishes our legal and ethical standards of behavior, and supports our commitment to human, rights, respectful treatment of others and equal opportunity. Board members adhere to the Code of Ethics, which is reviewed and approved annually.

### **Board Candidates**

The Board is responsible for selecting candidates for membership on the Board and in recommending them for election by the shareholders at any meeting of shareholders or for appointment by the Board to fill any vacancies on the Board. The Board will periodically consider whether the size of the Board is appropriate given the Company's present circumstances and the Board's present composition. The Board delegates to the NCG Committee the management of the identification and screening process of Board candidates. To assist in the identification and evaluation of qualified Board candidates, the NCG Committee may from time to time engage a search firm.

Shareholders may recommend individuals to the NCG Committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date such recommendation is made, to our Nominations and Corporate Governance Committee, c/o Corporate Secretary, Bottomline Technologies, Corporate Drive, Portsmouth, New Hampshire 03801. Assuming appropriate biographical and background material has been provided on a timely basis, the NCG Committee will evaluate shareholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others.

In addition, the NCG Committee is responsible for evaluating each incumbent Board member as part of its annual process for recommending Board member nominees to the Board. In determining whether to recommend a Board member for re-election, the NCG Committee considers relevant factors including the member's history of attendance and participation in meetings,

contributions to the activities of the Board, and the results of Board self-evaluations. Final approval of a candidate is determined by the full Board.

## Board Committees

There shall be an NCG Committee, Audit Committee, Leadership Development and Compensation (“LDC”) Committee, and such other committees as the Board deems advisable. The purpose and responsibilities of each of these committees are outlined in written committee charters adopted by the Board. The Board may, subject to limitations in the Company’s By-Laws, appoint such additional standing or temporary committees from time to time as the Board sees fit, delegating to such committees all or part of the Board’s powers except as prohibited by applicable law.

Committee chairs may be appointed by the Board or by any other means the Board determines is in the best interest of the Company. Each member of the Audit Committee, the LDC Committee and the NCG Committee will be an “independent” Board member, as such term is defined by the Nasdaq Marketplace Rules, and will otherwise satisfy all applicable requirements with respect to membership on such committees, provided the Board may elect to take advantage of any available exception from such requirements provided in the Nasdaq Marketplace Rules.

## Board and Committee Meetings

### ❖ Board Meeting Agendas and Materials

The Chairman of the Board sets the agenda for each Board meeting in consultation with the Chief Executive Officer and other Board members. Information relevant to the Board’s understanding of matters to be discussed at an upcoming Board meeting will be distributed to the members of the Board sufficiently in advance of the meeting to permit meaningful review, and members are expected to review these meeting materials in advance of the meeting and to be prepared to discuss the issues presented.

### ❖ Meeting Attendance

Board members are expected to devote the time and effort necessary to properly discharge that member’s responsibilities. The full Board will hold at least four regularly-scheduled meetings per year, with additional meetings held as necessary. Accordingly, each Board member is expected to attend all meetings of the Board and all meetings of committees of which the Board member is a member. The Board recognizes meetings occasionally may need to be scheduled on short notice when the participation of a member of the Board is not possible, and schedule conflicts may arise from time to time preventing a member of the Board from attending a regularly scheduled Board meeting. However, the Board expects each member to make every possible effort to keep such absences to a minimum and to manage his or her individual schedules so as to attend Board and committee meetings in person. Board members are also encouraged and expected to attend the Company’s annual meeting of shareholders.

### ❖ Board Access to Management and Independent Advisors

Board members shall have complete access to the Company’s management team. Members of the management team who can help to explain items being acted upon, provide insights into factors affecting their respective areas of the Company’s business,

and who the Chief Executive Officer feels should be exposed to the Board, shall attend meetings of the Board as recommended by, and at the discretion of, the Board and the Chief Executive Officer.

The Board, in its sole discretion, shall have access to and the authority to retain, including approval of fees and other terms of retention, such legal, accounting, financial and other advisors as it deems necessary for the fulfillment of its responsibilities.

#### ❖ Executive Sessions of Board Members

The non-management Board members shall periodically meet in executive sessions without management present in connection with scheduled in-person meetings of the Board and at any such times as they deem necessary or appropriate.

### **Board Compensation**

Board compensation, including the form and amount of such compensation, shall be recommended to the Board by the LDC Committee and approved by the Board with such modifications as the Board deems appropriate. The Board believes a meaningful portion of Board members' compensation should be in equity of the Company to further the direct correlation of the economic interests of members of the Board and the Company's shareholders. Board members who are also members of management will receive no additional compensation for their service as directors.

### **Retirement and Tenure**

The Board does not believe it should limit the number of terms an individual may serve as a Board member or a fixed retirement age is appropriate, provided that all Board members continue to be subject to the membership standards described above. Directors who have served on the Board for an extended time period are often able to provide valuable contributions and insight into the Company's operations based on their experience with, and understanding of, the Company's business, history and objectives.

### **Board and Officer Share Ownership Guidelines**

The Board believes it is in the best interest of the Company and its shareholders to create alignment between the Company's directors and executive officers and the long-term performance of the Company. Accordingly, the Board has established a Share Ownership Policy for directors and executive officers which is publicly available in the corporate governance section of the Company's website.

### **Succession Planning and Chief Executive Officer Performance Evaluation**

The Board views the selection of the Company's Chief Executive Officer as one of its most important responsibilities. The Chief Executive Officer reports to the NCG Committee on succession planning. The NCG Committee, in consultation with the Chairman of the Board and the Chief Executive Officer, provides, on an ongoing basis, recommendations to the full Board as to the Company's plan of succession for the Chief Executive Officer in the event of his or her death, disability, removal or resignation.

### **Annual Performance Evaluation of Board and Committees**

The NCG Committee shall at least annually oversee a self-evaluation by the Board and each of its committees and report to the Board with respect to whether the Board and its committees are functioning effectively. The full Board should discuss the results and determine what, if any, actions should be taken to improve the effectiveness of the Board or any committee thereof.

### **Corporate Communications**

The Board believes management has the primary responsibility to communicate with investors, the press, employees and other constituencies involved with the Company, and to set policies for these communications. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies involved with the Company, but should only do so with the knowledge of the Chief Executive Officer and, absent unusual circumstances or as contemplated by the committee charters, only at the request of the Chief Executive Officer.

Shareholders who wish to send communications on any topic to the Board should address such communications to our Board of Directors, c/o Corporate Secretary, Bottomline Technologies, 325 Corporate Drive, Portsmouth, New Hampshire 03801.

### **Effective Date**

These guidelines will be periodically reviewed by the Board and may be amended from time to time.

As adopted by the Board of the Company, February 13, 2020.