

## **3D SYSTEMS CORPORATION CORPORATE GOVERNANCE GUIDELINES**

### **Introductory Statement and Responsibilities of the Board of Directors**

The Board of Directors (the “Board”) provides direction for the management of the business and affairs of the corporation. Among other things, the Board, directly or through its committees, performs the following specific functions:

- Selects, evaluates and determines the compensation of the Chief Executive Officer;
- Oversees the selection, retention and compensation of qualified senior executives;
- Reviews and approves the corporation’s strategic plans and the annual operating plans and budgets;
- Oversees plans for management succession;
- Advises management on significant issues facing the corporation;
- Reviews and approves significant corporate actions;
- Oversees the financial reporting process, communications with stockholders, and the corporation’s legal and regulatory compliance program;
- Nominates directors and establishes procedures for effective corporate governance; and
- Reviews the major risks facing the corporation and provides guidance to management to develop strategies to address these risks.

It is the responsibility of management, in the exercise of their fiduciary duties to the corporation and its stockholders, to directly manage the corporation’s business and affairs in an effective and ethical manner. The Chief Executive Officer is the leader of management and vested with the authority to make final decisions on behalf of management.

The Board has adopted these Corporate Governance Guidelines as a framework within which the Board’s and senior management’s respective responsibilities are addressed.

### **Board Composition & Director Qualifications**

#### *Number, Election and Term of Directors*

The number of directors comprising the Board is determined from time to time in accordance with the corporation’s By-Laws. The directors are authorized to fill vacancies on the Board arising from newly created directorships and to fill other vacancies on the Board. Otherwise, the directors are elected by the stockholders.

In accordance with the By-Laws of the corporation, each director is elected by the vote of the majority of the votes cast with respect to the nominee at any meeting for the election of directors at which a quorum is present, provided, however, that if, as determined by the secretary of the corporation, on the tenth (10th) day preceding the date the corporation first mails its notice of meeting for such meeting to the stockholders, the number of nominees exceeds the number of directors to be elected (a “Contested Election”), the directors shall be elected by the vote of a plurality of the votes cast.

In order for any incumbent director to become a nominee of the Board for further service on the Board, such person must submit an irrevocable resignation, contingent on (i) that person not receiving a majority of the votes cast in an election that is not a Contested Election, and (ii) acceptance of that resignation by the Board in accordance with the policies and procedures adopted by the Board for such purpose. In the event an incumbent director fails to receive a majority of the votes cast in an election that is not a Contested Election, the Corporate Governance and Nominating Committee, or such other committee designated by the Board, shall make a recommendation to the Board as to whether to accept or reject the resignation of such incumbent director, or whether other action should be taken. The Board shall act on the resignation, taking into account the Corporate Governance and Nominating Committee’s recommendation, and publicly disclose (by a press release and filing an appropriate disclosure with the Securities and Exchange Commission) its decision regarding the resignation and, if such resignation is rejected, the rationale behind the decision within ninety (90) days following certification of the election results. The Corporate Governance and Nominating Committee in making its recommendation and the Board in making its decision each may consider any factors and other information that they consider appropriate and relevant. If a majority of the members of the Corporate Governance and Nominating Committee are required to submit their resignations as provided above, the independent directors on the Board who were not required to submit their resignations will act as a committee to consider the resignation offers and recommend to the Board whether or not to accept them. If the Board accepts a director’s resignation pursuant to these Corporate Governance Guidelines, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board may fill the resulting vacancy pursuant to Section 3.02 of the By-Laws of the corporation or may decrease the size of the Board pursuant to Section 3.01 of the By-Laws of the corporation. If a director’s resignation is not accepted by the Board pursuant to these Corporate Governance Guidelines, such director will continue to serve until the next annual meeting and until such director’s successor shall have been duly elected and qualified, or his or her earlier resignation or removal.

The Corporate Governance and Nominating Committee reviews the size and composition of the Board and makes recommendations to the Board as appropriate.

### *Independence*

A majority of the directors comprising the Board shall be independent directors. An “independent” director is a director who is determined by the Board, affirmatively, to have no material relationship with the corporation consistent with listing standards of the New York Stock Exchange, Inc. (the “Listing Standards”). The Board has adopted the standards set forth on Attachment A to these Guidelines to assist it in making determinations of a director’s independence.

## *Board Membership Criteria*

The Board is responsible for selecting nominees for election to the Board by the stockholders. Based upon its periodic evaluation of the Board's performance and composition, the Corporate Governance and Nominating Committee determines the need and criteria for new directors. In general, the corporation seeks as directors individuals with substantial management experience who possess the highest personal values, judgment and integrity, an understanding of the environment in which the corporation does business, and diverse experience with the key business, financial and other challenges that the corporation faces. Stockholders may submit written recommendations for nominees by providing the person's name and appropriate background and biographical information to the Chairman of the Corporate Governance and Nominating Committee in care of the Secretary of the corporation at 333 Three D Systems Circle, Rock Hill, SC 29730.

The Board has adopted written policies and procedures relating to stockholder recommendations of nominees for the Board and a statement of qualifications that the Corporate Governance and Nominating Committee will consider, at a minimum, in recommending to the Board potential new Board members or the continued service of existing members. Those documents are posted on the corporation's web site at [www.3dsystems.com/investor/corporate-governance](http://www.3dsystems.com/investor/corporate-governance).

In addition, in considering the re-nomination of existing directors, the Corporate Governance and Nominating Committee shall take into consideration: (i) each director's contribution to the Board; (ii) any material change in the director's employment or responsibilities with any other organization; (iii) the director's ability to attend meetings and fully participate in the activities of the Board and the committees of the Board on which the director serves; (iv) whether the director has developed any relationships with the corporation or another organization, or other circumstances have arisen, that might make it inappropriate for the director to continue serving on the Board; and (v) the director's age and length of service on the Board.

Directors are required to inform the Corporate Governance and Nominating Committee of any material changes in employment or responsibilities with any other organization. As applicable, the Corporate Governance and Nominating Committee will review the appropriateness of a director's continued service on the Board and will recommend to the Board whether to request such director's resignation.

Management directors must obtain approval from the Corporate Governance and Nominating Committee before becoming a director of another for-profit organization. Non-management directors must notify the Corporate Governance and Nominating Committee before becoming a director of another for-profit organization. A director's service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties.

## **Board Committees**

### *Number, Structure and Independence of Committees*

The Board has five standing committees: Executive, Audit, Compensation, Corporate Governance and Nominating and Technology. Members of the Audit, Compensation and Corporate

Governance and Nominating Committees are expected to meet the relevant standard of independence for members set forth in the Listing Standards and applicable law.

Each standing committee is governed by its own charter, which is approved by the committee as well as by the Board. The charters set forth the purposes, duties and responsibilities of each committee, and its membership requirements. The standing committee charters are posted on the corporation's website at [www.3dsystems.com/investor/corporate-governance](http://www.3dsystems.com/investor/corporate-governance). Annually, each of the standing committees evaluates its performance and the adequacy of its charter.

The Board may from time to time establish and dissolve other committees having such purposes, duties, responsibilities and membership as the Board deems necessary or appropriate. These committees may operate with or without a charter.

#### *Assignment of Committee Members and Chairs*

Committee membership and committee chairmanships are determined by the Board, taking into account the recommendations of the Corporate Governance and Nominating Committee.

### **Meeting Responsibilities**

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

Board and committee meetings are generally held on a pre-determined schedule, with additional meetings scheduled as needed. Board members are expected to prepare for, attend and participate in all Board and applicable committee meetings, unless prevented from doing so by unavoidable conflicts, emergency, illness or other extraordinary circumstances.

#### *Board Meeting Agendas*

The Chairman, in consultation with the CEO and the corporate secretary, prepares an agenda for each Board meeting. Each Board member is encouraged to suggest items to include on the agenda.

#### *Distribution and Review of Board Materials*

Directors should review and devote appropriate time to studying Board and committee materials. Information and materials for Board consideration, including the agenda, are generally distributed to directors at least three days in advance of a Board meeting, with additional time provided for materials on complex issues to give directors an opportunity to adequately review such materials prior to the meeting in order to facilitate active and informed discussion at the meeting. However, it is recognized that there may be occasions when an important issue arises without time for written background materials to be circulated within this time frame or the subject matter is not appropriate for written materials.

#### *Executive Sessions of Non-Management Directors*

The Board convenes executive sessions of non-management directors without the corporation's management on a regular basis. One of the non-management directors presides at such Board

executive sessions. In addition, if the Board includes non-management directors who are not independent in accordance with the Listing Standards and these Corporate Governance Guidelines, the independent directors shall meet at least annually.

### **Codes of Conduct and Ethics**

The Board has adopted a Code of Conduct for all employees to foster a common set of fundamental values and operating principles. The Board has also adopted a Code of Ethics for Senior Financial Executives and Directors to promote honest and ethical conduct, appropriate disclosure in the corporation's public filings with the Securities and Exchange Commission and compliance with applicable governmental rules and regulations. The Board, through the Corporate Governance and Nominating Committee, oversees procedures for administering and promoting compliance with the Code of Conduct and the Code of Ethics. Both Codes are posted on the corporation's website at [www.3dsystems.com/investor/corporate-governance](http://www.3dsystems.com/investor/corporate-governance).

### **Board Access to Management and Independent Advisors**

The corporation's senior management team attends Board meetings on a regular basis, both to make special presentations and as a discussion resource, and senior management is available to provide information and participate in committee meetings. Board members have access to all members of management, but are expected to use appropriate discretion in contacting such persons individually.

The Board and each Board committee (consistent with the provisions of its charter) has authority to engage and obtain advice and assistance from independent legal, financial and other advisors as deemed necessary and appropriate for the discharge of its responsibilities, at the expense of the corporation.

### **Director Compensation and Stock Ownership**

Director compensation is set by the Board, based upon the recommendation of the Corporate Governance and Nominating Committee. Employee directors are not paid additional compensation for their services as directors. The Corporate Governance and Nominating Committee shall periodically review the compensation of non-employee directors.

In addition to receiving cash director fees, a portion of the non-employee directors' compensation consists of equity-based compensation. The Board believes that a portion of director compensation should consist of equity-based compensation to assist in aligning directors' interests with the long-term interests of stockholders. However, the corporation's equity plan for directors limits the value of any award of shares made to an eligible director.

Non-employee directors are required to retain all shares of Common Stock that have been awarded to them under the corporation's equity plans for directors as long as they remain a director of the corporation, except that they may:

- (a) Make a gift or other transfer of any shares of Common Stock awarded or acquired under the corporation's equity plans for directors to members of their immediate

family or to a trust or other form of indirect ownership established by the director for his or her benefit or for the benefit of the members of his or her immediate family (provided that (i) the purpose of such transfer is either estate or tax planning, (ii) the director shall continue to be deemed a beneficial owner of such transferred shares and shall retain voting and investment control over such shares while he or she remains a director of the corporation and (iii) the beneficiary shall execute an agreement with the corporation, in form and substance satisfactory to counsel to the corporation, pursuant to which such beneficiary shall be obligated to hold the shares so transferred in accordance with the terms and conditions of the plan under which they were awarded and containing such other terms and considerations as may be required by counsel to the corporation). For the purpose of these stock ownership requirements, the term “immediate family” shall have the meaning set forth in Rule 16a-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the term “beneficial owner” shall have the meaning set forth in Rule 16a-1 under the Exchange Act, other than for purposes of determining beneficial ownership of more than ten percent of any class of equity securities.

- (b) Sell up to 50% of the shares of Common Stock covered by any award in order to satisfy any tax obligation arising from such grant or grants.

### **Director Orientation and Continuing Education**

On or before his or her election to the Board, each new director participates in an orientation meeting with senior management and is provided a basic package of orientation materials. In addition, directors are regularly provided information pertaining to relevant industry developments and issues. Directors are encouraged to participate in continuing education programs to assist them in performing their Board responsibilities.

### **Annual Evaluation of the CEO**

The Compensation Committee conducts an annual review of the CEO’s performance, approves corporate goals and objectives relevant to CEO compensation, evaluates the CEO’s performance in light of those goals and objectives and, together with the other independent directors (if so directed by the Board), determines and approves the CEO’s compensation level based on this evaluation.

### **Succession Planning**

The Corporate Governance and Nominating Committee is responsible for reviewing and assisting with the development of executive succession plans, evaluating and making recommendations to the Board regarding potential candidates to become CEO, and evaluating and approving candidates to fill other senior executive positions. In addition, the Corporate Governance and Nominating Committee considers succession planning in the event of the CEO’s death or retirement. At least annually, the CEO reports to the Corporate Governance and Nominating Committee to discuss his or her potential successor and the procedure for the timely and efficient transfer of his or her responsibilities.

## **Board and Committee Evaluations**

The Corporate Governance and Nominating Committee is responsible for conducting, and presenting to the Board, an annual self-evaluation process for the Board and its committees. The Board will discuss the results of the self-evaluations to determine whether the Board and its committees are functioning effectively and whether any actions should be taken to improve their effectiveness.

## **Incentive Compensation Clawbacks**

If the Board or an appropriate Board committee has determined that any fraud or intentional misconduct by one or more executive officers caused, directly or indirectly, the Company to restate its financial statements, subject to applicable law, the Board shall take, in its sole discretion, such action as it deems necessary to remedy the misconduct and prevent its recurrence. The Board, subject to applicable law, may require reimbursement of any bonus or incentive compensation awarded to such officers and/or effect the cancellation of unvested restricted stock or outstanding stock option awards previously granted to such officers in the amount by which such compensation exceeded any lower payment that would have been made based on the restated financial results.

## **Say-on-Pay Frequency**

After having reviewed the results at the 2017 Annual Meeting of the Stockholders of the advisory vote on the frequency with which say-on-pay advisory proposals shall be submitted to the stockholders of the Corporation and noting that a majority of the shares voted have voted for an annual say-on-pay vote, except as may otherwise be determined by the Board or required by applicable law, it is the policy of the Board that such proposals be submitted to the stockholders annually.

## **Periodic Review of Guidelines**

The Corporate Governance and Nominating Committee periodically reviews these Guidelines and the committee charters as a whole, and recommends changes to the Board as appropriate. The current version of these Guidelines as approved and adopted by the Board is posted on the corporation's website at [www.3dsystems.com/investor/corporate-governance](http://www.3dsystems.com/investor/corporate-governance).

**Attachment A**

The Corporate Governance and Nominating Committee annually reviews the independence of all directors, and reports its findings to the Board. Such reviews are undertaken in accordance with the requirements of the applicable Listing Standards and other applicable legal requirements in effect at the time of the review. Based upon the report and the directors' consideration, the Board determines which directors shall be deemed independent.

A director will be deemed independent if the Board affirmatively determines that he or she has no material relationship with the corporation or any of its subsidiaries or affiliates ("3D Systems") either directly or as a partner, shareholder or officer of an organization that has a relationship with 3D Systems. Ownership of stock of the corporation is not, in itself, inconsistent with a finding of independence. The Board has established the following guidelines to assist it in determining director independence:

The following persons shall not be considered independent:

- (a) a director who is employed by 3D Systems for the current year or has been so employed during any of the past three years;
- (b) a director who received any direct compensation from 3D Systems in excess of \$120,000 during any twelve month period within the last three years, other than compensation for director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (c) a director who has an immediate family member who receives, or during any twelve-month period within the last three years has received, more than \$120,000 per year in direct compensation as an executive officer of 3D Systems other than pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (d) a director who is an immediate family member of an individual who is, or has been in any of the past three years, employed by 3D Systems as an executive officer;
- (e) a director who is a current employee, or who is an immediate family member of an individual who is a current executive officer of a company to which 3D Systems made, or from which 3D Systems received, payments for property or services in an amount which, in any single fiscal year for the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;
- (f) a director who is, or who has an immediate family member who is, or has been within the last three years, employed as an executive officer of another company where any of 3D Systems' present executive officers at the same time serves or served on that entity's compensation committee; or

- (g) a director who is a current partner or employee of a firm that is 3D Systems' internal or external auditor, or who has an immediate family member who is a current partner of such a firm or is a current employee of such a firm and personally works on 3D Systems' audit, or the director or his or her immediate family member was a partner or employee of such a firm and personally worked on 3D Systems' audit at any time during any of the past three years.

An "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.

The term "executive officer" has the same meaning specified for the term "officer" in Rule 16a-1(f) under the Exchange Act.

References to "company" include any parent or subsidiary in a consolidated group with such company or such other company as is relevant to any determination under the independence standards set forth in the Listing Standards.

In applying the test in section (e) above, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year of such other company. Contributions to tax exempt organizations shall not be considered payments for purposes of section (e), but 3D Systems will disclose, either on or through its website or in its annual proxy statement or annual report on Form 10-K if 3D Systems does not file an annual proxy statement, any such contributions made by 3D Systems to any tax exempt organization in which any independent director serves as an executive officer, if, within the preceding three years, contributions in any single fiscal year from 3D Systems to the organization exceeded the greater of \$1 million, or 2% of such tax exempt organization's consolidated gross revenues. If this disclosure is made on or through 3D Systems' website, 3D Systems must disclose that fact in its annual proxy statement or annual report, as applicable, and provide the website address. The Board will consider the materiality of any such relationship in determining the independence of a director.