

**cādence**<sup>®</sup>

# **Worldwide Code of Business Conduct**

for Cadence Design Systems, Inc. and All of Its Subsidiaries





## Table of Contents

Introduction .....	3
Raising Concerns or Questions / Reporting Possible Misconduct .....	3
Audits and Investigations.....	3
No Retaliation .....	4
Diversity and Inclusion .....	4
Anti-Discrimination and Harassment-Free Workplace .....	4
Global Health and Safety.....	4
Confidential Information .....	4
Confidential Employee Information .....	5
Accuracy of Records and Reports .....	5
Conflicts of Interest .....	6
Business Opportunities.....	7
Buying / Selling Cadence Stock and Other Securities .....	7
Public Disclosure .....	8
Providing or Accepting Gifts, Entertainment, Meals or Travel-Related Expenses and Charitable Contributions .....	8
Providing Political Contributions .....	8
Fair Dealing / Competition .....	8
Compliance with Laws .....	9
Failure to Comply / Consequences .....	9
Questions.....	9
Monitoring Compliance.....	9
Waivers .....	9
Amendments.....	9



## Introduction

Cadence's Worldwide Code of Business Conduct describes how we deal with customers, suppliers, vendors, agents, government officials and entities and others.

Compliance with this Code is your responsibility as an employee and is a condition to your continued employment. You are also responsible for promoting a culture of ethics and compliance and overseeing compliance by individuals you manage.

This Code also applies to Cadence's Board of Directors and certain contractors and consultants who work at or provide services to Cadence, and compliance with this Code is a condition to continued service.

In addition to the general principles discussed here, there are specific policies and procedures that apply to financial matters which are posted [here](#) and to proprietary information, employment, communication with non-Cadence individuals and other issues which are posted [here](#). You are required to review these specific policies and procedures.

## Raising Concerns or Questions / Reporting Possible Misconduct

You must report possible misconduct promptly, including illegal activities, unethical business practices, violations of this Code or Cadence's other policies and any concerns about corporate governance, accounting, internal accounting controls or audit matters. Failure to report misconduct is a violation of this Code.

If you have concerns or questions about this Code or the course of action to take in any situation, contact your supervisor, your Human Resources partner or the Office of the Chief Legal Officer.

The way to report a concern is by:

- (i) email to the Chief Legal Officer at [generalcounsel@cadence.com](mailto:generalcounsel@cadence.com)
- (ii) voicemail to the Chief Legal Officer at +(408) 944-7068
- (iii) anonymous email located [here](#)
- (iv) anonymous telephone hotline located [here](#) (where your message will be electronically altered to ensure your anonymity)

If you have a concern about the conduct of:

- (i) an executive officer, contact the Chief Legal Officer at [generalcounsel@cadence.com](mailto:generalcounsel@cadence.com) or the Audit Committee Chair at [auditchair@cadence.com](mailto:auditchair@cadence.com);
- (ii) a member of the Board of Directors other than the Audit Committee Chair, contact the Audit Committee Chair at [auditchair@cadence.com](mailto:auditchair@cadence.com) and the Chief Legal Officer at [generalcounsel@cadence.com](mailto:generalcounsel@cadence.com);
- (iii) the Chief Legal Officer, contact the Audit Committee Chair at [auditchair@cadence.com](mailto:auditchair@cadence.com); or
- (iv) the Audit Committee Chair, contact the Corporate Governance and Nominating Committee Chair at [cgnchair@cadence.com](mailto:cgnchair@cadence.com) or another member of the Corporate Governance and Nominating Committee and the Chief Legal Officer at [generalcounsel@cadence.com](mailto:generalcounsel@cadence.com).

## Audits and Investigations

There may be times when you are questioned or asked to provide information in connection with internal audits or investigations or other legal matters. In such cases, you are required to cooperate and to tell the truth.

## Q&A

### If I work for a subsidiary of Cadence Design Systems, Inc., am I subject to this Code?

Yes. This is a worldwide Code of Business Conduct and it applies to Cadence's subsidiaries worldwide and its employees, directors and certain contractors and consultants.

### Should I report a possible violation of this Code even if I am not certain whether a violation is occurring?

Yes. You are required to report in good faith possible violations and raise questions.

When in doubt about the course of action, contact the Office of the Chief Legal Officer.



### Who should I contact if I need more information?

Contact the Human Resources Department or the Office of the Chief Legal Officer.

### What should I do if a customer provides or asks that I provide confidential information?

You cannot disclose confidential information to a customer, supplier, vendor or competitor unless a written agreement (such as a non-disclosure agreement) protecting the confidential information has been executed.

You also cannot receive confidential information from a customer, supplier, vendor or competitor unless a written agreement (such as a non-disclosure agreement) protecting the confidential information has been executed.

If you are not sure whether a written agreement has been executed, contact the Office of the Chief Legal Officer.

## No Retaliation

Cadence does not tolerate retaliation for reporting in good faith any possible misconduct or for participating in an investigation of possible misconduct. Retaliation is a violation of this Code and must be reported to the Human Resources department or the Office of the Chief Legal Officer.

## Diversity and Inclusion

Cadence believes diversity and inclusion are important, and welcomes your unique identities and abilities and diverse backgrounds. Cadence strives to provide a professional, healthy and productive work environment.

## Anti-Discrimination and Harassment-Free Workplace

Cadence is committed to providing a work environment free of discrimination and harassment.

Cadence does not and will not tolerate discrimination or harassment based on race, color, national origin, ancestry, sex, gender identity characteristics or expression, sexual orientation, age, religion, creed, physical or mental disability, medical condition, marital status, military service or veteran status, or any other characteristic protected by applicable law.

Cadence also does not tolerate discrimination or harassment of non-Cadence personnel with whom Cadence has a business, service or professional relationship.

If you believe you have witnessed discrimination or harassment or believe you have been discriminated against or harassed, immediately notify your supervisor or Human Resources partner.

## Global Health and Safety

Cadence is committed to providing a safe and healthy work environment for you and non-Cadence personnel.

You are expected to perform your work in compliance with health and safety laws, regulations and policies of your work location. When you are working at customer locations, you must follow the customer's health and safety requirements. You must immediately report workplace injuries, illnesses or unsafe conditions, including conditions that are likely to result in injury or illness, to your supervisor or Human Resources partner.

## Confidential Information

### What is Confidential Information

Confidential information includes technology, products, concepts, valuable ideas, trade secrets, technical information, strategies, business and product plans, customer and employee information, as well as other information about Cadence that is not publicly disclosed.

Confidential information may also include information received from or relating to third parties that Cadence has or is contemplating a relationship, such as current or potential customers, suppliers or strategic partners, as well as companies Cadence is considering to acquire, invest or enter into a strategic relationship.

### Protection of Confidential Information

You must protect confidential information. You may only use confidential information for Cadence business purposes and disclosure must be limited to those (both inside and outside Cadence) who have a need to know for business purposes.

You must use the confidential information received from third parties only for the specific purpose for which it was disclosed and consistent with the terms of the applicable nondisclosure agreement.

Cadence's confidential information must be protected from contamination by the wrongful introduction or use of confidential or proprietary information from others. You must not use the intellectual property of others if you do not have the legal right to do so.

In addition, if confidential information is sent across international borders, you must ensure that Cadence complies with applicable export laws and restrictions.

### Protection of Confidential Information After Departure

Your obligation to protect confidential information continues even after you leave Cadence. You must return all confidential information in your possession when you leave Cadence, wherever that information is located.

### Protection under the U.S. Defend Trade Secrets Act

The U.S. Defend Trade Secrets Act will provide you with immunity for the disclosure of trade secrets under certain circumstances. You will not have criminal or civil liability under U.S. federal or state trade secret law for the disclosure of a trade secret that is made:

- (i) in confidence to a U.S. federal, state or local government official or to an attorney, when such disclosure is only for the purpose of reporting or investigating a suspected violation of the law; or
- (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

If you file a lawsuit for retaliation by Cadence for reporting a suspected violation of the U.S. Defend Trade Secrets Act, you may disclose the trade secret to your attorney and may use the trade secret information in a court proceeding, provided that you file the document containing the trade secret under seal and do not disclose the trade secret, except under a court order.

### Confidential Employee Information

Cadence only collects, uses and maintains employee information that is required for business or legal reasons. Cadence provides you with the ability to access your personnel files. Cadence does not release your employee information without your approval except to verify employment or to satisfy legitimate investigatory or legal requirements.

### Accuracy of Records and Reports

You are expected to be accurate and honest in completing all reports of any kind (including customer billing and documentation, product documentation, financial documentation and reports, expense reimbursement reports, time reported / hours worked, export documentation, etc.).

No false or misleading entries are to be made in Cadence's books or records, and no undisclosed or unrecorded account, fund or asset is to be established for any Cadence business purpose.

No payment on Cadence's behalf is to be made without adequate supporting documentation or made for any purpose other than as described in the supporting documents.

## Q&A

### What should I do if I learn or suspect that Cadence may be infringing the intellectual property rights of someone else?

Contact the Office of the Chief Legal Officer.

### What should I do if I have a question about the sale or shipment of Cadence products or technologies across international borders?

Contact the Government Relations and Export group.

### What is a trade secret?

It is Cadence's confidential information.

### If I need more information about the U.S. Defend Trade Secrets Act, who should I contact?

Contact the Office of the Chief Legal Officer.

### Where do I go if I have questions about expense reimbursement or procedures for meals and travel?

Please see [Cadence's Global Travel and Expense Reimbursement Policy](#) and/or talk to your supervisor, your Human Resources partner or the Office of the Chief Legal Officer.

### Who do I contact if I have questions about what is a “conflict of interest”?

Since it is not possible to describe every situation in which a conflict of interest may arise, contact the Office of the Chief Legal Officer with any questions you may have.

### What if I own stock in a mutual fund that is a stockholder of a company entering into a contract with Cadence? Do I need to obtain pre-approval?

No. You do not need to obtain pre-approval if you do not control the investment decisions of the mutual fund.

### What if I am a Cadence employee and I own a company that plans to enter into a contract with Cadence or invoice Cadence? Do I need to obtain pre-approval?

Yes. You must submit a pre-approval request.

### Do I need to submit a pre-approval request if I volunteer at my child’s school after business hours?

If you volunteer at your child’s school during non-Cadence business hours and volunteering will not interfere with your responsibilities at Cadence or the days or time that you are required to work at Cadence, then pre-approval is not required.

## Conflicts of Interest

A conflict of interest is any activity, relationship or interest that is or appears to be inconsistent with or opposed to the best interests of Cadence or that gives an appearance of divided loyalty.

An appearance of a conflict of interest or an actual conflict of interest must be appropriately disclosed and approved. You may be required to stop the conduct in question or reverse the conduct if the conflict is not appropriately disclosed and approved.

Since conflicts of interest may not always be clear, contact the Office of the Chief Legal Officer with any questions you may have.

### Disclosure and Pre-Approval Process

Any situation, transaction or relationship that you are involved in that may give rise to an actual, apparent or potential conflict of interest must be disclosed by you to the Office of the Chief Legal Officer and approval must be obtained from the following individuals prior to your engagement in such situation, transaction or relationship:

- (i) Supervisor;
- (ii) Human Resources partner;
- (iii) Senior Vice President of your business unit; and
- (iv) Chief Legal Officer.

The form to request pre-approval is located [here](#).

If you are an executive officer, and you are involved in a situation, transaction or relationship that may give rise to an actual, apparent or potential conflict of interest, you are required to: (i) report it to the Chief Legal Officer who will then convey the information to the Corporate Governance and Nominating Committee and (ii) obtain a determination from the Corporate Governance and Nominating Committee.

If you are a member of the Board of Directors and you are involved in a situation, transaction or relationship that may give rise to an actual, apparent or potential conflict of interest, you are required to: (i) report it to the Chair of the Corporate Governance and Nominating Committee (or if the Chair of this committee is the person with the actual or potential conflict of interest, a disinterested member of this committee must be contacted) who will then convey the information to the Corporate Governance and Nominating Committee and (ii) obtain a determination from the Corporate Governance and Nominating Committee.

### Examples of Conflicts of Interest Where Disclosure and Pre-Approval Are Required

#### Transactions with Cadence

- ▶ If you are an employee and you seek to do business or compete with Cadence.
- ▶ If you are an employee and you have a company or you are associated with a company that seeks to do business or compete with Cadence.

#### Additional Non-Cadence Employment or Second Job

- ▶ If you will be employed by an entity or another party other than Cadence.
- ▶ If you want to use any Cadence assets, such as computers, phones, internet access, copy machines or conference rooms, for your non-Cadence employment or second job.

#### Volunteering, Advising, Consulting, Contracting or Other Non-Cadence Activities

- ▶ If you plan to be involved in any activity that lessens or can reasonably be seen as lessening your time commitment and attention to Cadence during business hours and days.
- ▶ If you plan to serve as a board member, advisor, consultant or contractor for yourself or any other party while employed by Cadence.

## Family Members

- ▶ If you plan to conduct Cadence business with a person to whom you are related by blood or marriage, or with a business or entity that is controlled by or is subject to significant interest by a person to whom you are related by blood or marriage.
- ▶ If you plan to hire a person to whom you are related by blood or marriage.
- ▶ If you will directly or indirectly supervise or manage a person to whom you are related by blood or marriage.

## Family or Household Members Working at a Competitor

- ▶ If you are an employee and a person to whom you are related by marriage or lives in the same home as you works at a competitor of Cadence and his or her responsibility overlaps with your area of responsibility at Cadence.

Information about entities that would be considered competitors of Cadence are provided in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the U.S. Securities and Exchange Commission located [here](#).

These are only examples and are not complete. If you have questions about a situation not covered here, contact your Human Resources Partner or the Office of the Chief Legal Officer.

## Business Opportunities

You are not to: (a) take for yourself any business opportunity discovered through the use of Cadence property or information or your position with Cadence; (b) use Cadence property or information or your position at Cadence for personal gain; or (c) compete with Cadence for business opportunities.

## Disclosure and Pre-Approval Process

You may be allowed to pursue the business opportunity if you present it to the individuals listed below and a determination is made that allows you to pursue the business opportunity.

The determination will be made by the:

- Chief Executive Officer; and
- Chief Legal Officer.

If you are an executive officer or a member of the Board of Directors, the determination will be made by the members of the Corporate Governance and Nominating Committee or another committee of disinterested directors to whom the determination is delegated.

## Buying / Selling Cadence Stock and Other Securities

If you possess material, non-public information regarding Cadence or any other publicly-traded company (such as current or potential customers, competitors, suppliers, affiliates or strategic partners, as well as companies Cadence is considering for an acquisition, an investment, a divestiture or any other strategic relationship), you must refrain from trading or recommending a purchase, sale or other disposition of Cadence stock or other derivative Cadence securities or the stock or other securities of the other publicly-traded company until such information has been publicly disclosed.

Under Cadence's Securities Trading Policy, executive officers, certain employees and the Board of Directors are also subject to blackout periods during which they are prohibited from buying or selling Cadence stock or other derivative Cadence securities.

You are required to review and comply with Cadence's Securities Trading Policy, which is posted [here](#).

## Q&A

### Do I need to submit a pre-approval request if I am pursuing an educational degree or doing research at a university while I am at Cadence?

Yes. You must submit a pre-approval request.

### Do I need to submit a pre-approval request if my significant other works at a competitor of Cadence and oversees a product that directly competes with a product that I oversee on at Cadence?

Yes. You must submit a pre-approval request.

### Who do I contact if I have questions about what is a "business opportunity"?

Contact the Office of the Chief Legal Officer.

### What is material, non-public information?

It is information about a company that has not been publicly disclosed that could reasonably be expected to be important to a person making a decision to buy or sell stock or other securities in such company.

When in doubt, contact the Office of the Chief Legal Officer.

**If I am at an industry conference and someone is asking me about Cadence's financial guidance and financial projections, can I answer the question?**

No. Only designated spokespersons are authorized to answer those type of questions. Please refer the person to the Chief Financial Officer or the Investor Relations group.

**Is the pre-approval process requirement part of the Anti-Corruption Policy?**

Yes. Violations of the pre-approval process is a violation of the Anti-Corruption Policy.

**Are travel expenses considered gifts?**

Yes. Anything of value can be considered a gift.

**Can I avoid the pre-approval process requirement if I pay for the gifts, meals, entertainment or travel by myself and do not seek reimbursement from Cadence?**

No.

**What should I do if a customer requests entertainment or a meal in a venue that seems inappropriate?**

Just because a customer makes a request does not mean there is a legitimate business purpose for it. You are required to use good judgment and suggest an alternative or remove yourself from this situation.

Contact your Human Resources partner or the Office of the Chief Legal Officer if you have additional questions.

## Public Disclosure

If you receive an inquiry from the investment community, including analysts, institutional investors or managers or investment advisors, direct such inquiry to the Chief Financial Officer or the Investor Relations group. The spokespersons listed in [Cadence's Guidelines for Public Disclosures](#) are the only individuals at Cadence authorized to disclose information to those individuals.

If you receive an inquiry from the media, direct such inquiry to the Corporate Communications group.

## Providing or Accepting Gifts, Entertainment, Meals or Travel-Related Expenses and Charitable Contributions

The U.S. Foreign Corrupt Practices Act and the laws of many countries in which Cadence does business prohibit bribery and have restrictions on payment which, if ignored, impose civil and criminal liability for both you and Cadence.

Cadence has no tolerance for corruption in connection with any of its business dealings.

As a result, Cadence's Anti-Corruption Policy provides rules and procedures for providing or accepting gifts, entertainment, meals, travel-related expenses or anything of value and charitable contributions.

The Chief Legal Officer oversees Cadence's Anti-Corruption Policy.

You are required to review and comply with this policy, which is posted [here](#). You are also required to complete anti-corruption trainings that are provided to you.

### Disclosure and Pre-Approval Process

Prior to providing or accepting anything of value to/from a government official or a current or prospective customer, supplier, vendor or competitor, you must determine if:

- (i) there is a legitimate business purpose for it;
- (ii) it complies with [Cadence's Anti-Corruption Policy](#); and
- (iii) you need pre-approval.

The form to request pre-approval is located [here](#).

### Providing Political Contributions

If you or anyone acting on behalf of Cadence would like to make a donation to a political party, candidate, initiative or campaign on behalf of Cadence, approval must be obtained in advance of the donation from the Chief Legal Officer and the Chief Financial Officer.

The form to request pre-approval is located [here](#).

### Fair Dealing / Competition

Competition laws throughout the world are designed to foster a competitive marketplace and prohibit activities that restrain trade. Violations of competition laws can result in large fines and imprisonment.

Since actions taken with other companies that restrain competition may violate competition laws:

- ▶ You may not enter into any agreement with current or potential competitors concerning prices, contract terms, sales or marketing practices or plans, or research and development plans or other competitively significant terms.



**Who is considered a competitor?**

A company who makes or intends to make products or services that compete with Cadence.

**How should I respond if a competitor wants to collaborate? What should I do if I am not sure whether a subject can be discussed with a competitor?**

You must end the conversation and seek guidance from the Office of the Chief Legal Officer.

- ▶ You may not enter into any agreement with a supplier, customer or competitor that prohibits or restricts dealing with a certain supplier, customer or competitor.
- ▶ You may not enter into agreements or understandings that control the prices charged.
- ▶ You must obtain approval from the Office of the Chief Legal Officer before participating in a standard-setting organization or a similar organization on behalf of Cadence.
- ▶ You may not discuss competitive policies or practices in trade associations, seminars, standard-setting organizations or other industry groups.

**Compliance with Laws**

When acting on behalf of Cadence, you are expected to act in accordance with all applicable laws, rules and regulations and refrain from illegal activities.

**Failure to Comply / Consequences**

Failure to comply with this Code is a violation of this Code and may result in disciplinary action, including termination of your employment or relationship with Cadence.

Where Cadence determines that a violation of this Code has occurred, appropriate corrective and disciplinary action will be taken, including termination of employment or relationship with Cadence.

**Questions**

If you have questions about this Code, contact your supervisor, your Human Resources partner or the Office of the Chief Legal Officer at [generalcounsel@cadence.com](mailto:generalcounsel@cadence.com).

**Monitoring Compliance**

The Chief Executive Officer and the Chief Legal Officer, under the supervision of the Board of Directors, will monitor and audit compliance of this Code. The Chief Legal Officer will periodically provide reports to the Board of Directors or the Audit Committee that include information on alleged violations and the actions taken.

**Waivers**

Cadence does not expect to grant waivers of this Code except in very limited circumstances.

Any waivers are to be granted, in writing, only by the Chief Executive Officer or the Chief Legal Officer or their respective designees after the disclosure of all material facts.

Any waiver for an executive officer or a member of the Board of Directors is to be made, in writing, only by the Board of Directors, after disclosure of all material facts by the individual seeking the waiver.

Cadence will publicly disclose any such waiver with respect to a member of the Board of Directors or executive officer in accordance with applicable law.

**Amendments**

Amendments to this Code must be approved by the Corporate Governance and Nominating Committee of Cadence's Board of Directors.



**cādence<sup>®</sup>**

© 2020 Cadence Design Systems, Inc. All rights reserved worldwide. Cadence, the Cadence logo, and the other Cadence marks found at [www.cadence.com/go/trademarks](http://www.cadence.com/go/trademarks) are trademarks or registered trademarks of Cadence Design Systems, Inc. All other trademarks are the property of their respective owners.

