

# Corporate Governance Guidelines

(As last amended on September 1, 2011)

The Board oversees the management of Synopsys' business operations, and ensures the long-term interests of Synopsys' stockholders are served. The Board has established a governance framework to meet these obligations in compliance with applicable laws and regulations. These practices have developed over a period of years, and will be reviewed by the Board from time to time as appropriate.

## Composition of the Board

**Selection of Chairperson. Selection of Chairperson.** The Chairperson shall be appointed periodically by the Board based on the recommendation of the Corporate Governance and Nominating Committee. The positions of Chairperson and Chief Executive Officer may be held by the same person. In the event that such positions are held by the same person, the Board shall appoint a Lead Independent Director based on the recommendation of the Corporate Governance and Nominating Committee.

**Annual Election of Directors; Term Limits.** Directors stand for reelection every year, and are not subject to term limits. Directors who have served on the Board for an extended period provide valuable insight into Synopsys' business and operations based on this experience.

**Board Membership Criteria.** Our Board members bring with them decades of experience in the software, semiconductor, manufacturing and distribution industries. The Corporate Governance and Nominating Committee is responsible for evaluating, and then reviewing with the Board, the requisite skills and characteristics of Board nominees as well as the composition of the Board as a whole. This assessment will include consideration of individual skills, experience and perspectives that will help create an outstanding, dynamic and effective Board. The Corporate Governance and Nominating Committee will periodically review the appropriate size of the Board.

## Director Independence

**Independent Directors.** Director independence is a cornerstone of good corporate governance, enabling the Board to objectively exercise oversight, evaluate performance and provide strategic direction. Our Board members provide the CEO and the rest of the management team unbiased input, while acting as a sounding board for new ideas. Except during periods of temporary vacancies, a majority of Synopsys' Board must qualify as independent directors in accordance with the applicable federal securities laws and rules of The NASDAQ Stock Market.

**Lead Independent Director.** The Lead Independent Director (if appointed), along with the Chairperson of the Board, establishes the agenda for regular Board meetings, serves as chairperson of regular Board meetings when the Chairperson is absent, presides at executive sessions, serves as a liaison between the CEO and the independent directors, and encourages dialogue between the independent directors and management. The Lead Independent Director (if appointed) also establishes the agenda for meetings of the independent directors and performs such other duties as the Board may establish or delegate.

**Executive Sessions.** The Board's policy is to have regularly convened executive sessions of the independent directors.

**Access to Employees.** The Board is given access to Synopsys employees in order to ensure that directors can ask all questions and glean all information necessary to fulfill their duties. Management is encouraged to invite Synopsys personnel to any Board meeting at which their presence and expertise would be helpful to the Board.

## Majority Voting in Election of Directors

In an uncontested election, any nominee for Director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "Majority Withheld Vote") shall promptly submit to the Board an offer of resignation, which resignation offer shall be conditioned upon acceptance by the Board, following certification of the stockholder vote for consideration by the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee shall promptly (i) consider the resignation offer and the appropriate response based on the best interests of the Company and, if known, the reasons for the Majority Withheld Vote, and (ii) make a recommendation to the Board (which may include accepting the resignation, maintaining the director but addressing what the Corporate Governance and Nominating Committee believes to be the underlying cause of the withheld votes, maintaining the director but resolving that the director will not be re-nominated in the future for election or rejecting the resignation). The Board will act on the Corporate Governance and Nominating Committee's recommendation within 90 days following certification of the stockholder vote. Thereafter, the Company will publicly disclose the decision reached by the Board and the reasons therefor.

Any Director who offers his or her resignation pursuant to this provision shall not participate in the Corporate Governance and Nominating Committee or Board deliberations regarding whether to accept the resignation offer. However, if each member of the Corporate Governance and Nominating Committee received a Majority Withheld Vote at the same election or if the only Directors who did not receive a Majority Withheld Vote in the same election constitute three or fewer Directors, then all Directors may participate in the action regarding whether to accept the resignation offers, with each director who is required to offer his or her resignation in accordance with this policy recusing him or herself from the Corporate Governance and Nominating Committee's and Board's deliberations and voting with respect to his or her individual offer to resign.

## Committees of the Board

**Number of Committees.** The Board currently has three committees: (i) Audit, (ii) Compensation, and (iii) Corporate Governance and Nominating. Each committee shall comply with the independence and other requirements established by the applicable federal securities laws and rules of The NASDAQ Stock Market. Each of the Board Committees has a charter that clearly establishes its roles and responsibilities.

**Audit Committee.** The Audit Committee selects the independent auditors; pre-approves audit and permitted non-audit services; evaluates accounting principles, internal controls, financial reporting, and procedures relating to internal auditing functions and controls; and reviews and approves related-person transactions. Synopsys' independent auditors report directly to the Audit Committee. The Audit Committee also establishes procedures for the receipt, retention and treatment of complaints and confidential submissions by employees regarding Synopsys' accounting or auditing matters.

**Compensation Committee** The Compensation Committee administers the Company's stock option and stock purchase plans; reviews and approves salaries and other matters relating to compensation of the executive officers; and provides input on executive and leadership development policies and management succession.

**Corporate Governance and Nominating Committee.** The Corporate Governance and Nominating Committee makes recommendations to the Board regarding the size, composition and governance of the Board and its committees; establishes procedures for the director nomination process; reviews and makes recommendations for nominees to the Board; establishes criteria for and evaluates the performance of the Board; periodically reviews the Company's plan for succession to the offices of the Company's executive officers and makes recommendations to the Board with respect to the selection of the appropriate individuals to succeed to these positions; and develops and recommends to the Board corporate governance principles.

## Director Service Guidelines

**Limits on Other Board Service.** The Board has approved a limit of five public company board memberships (including service on Synopsys' Board) for non-employee directors. Board members must notify the Chairperson and the General Counsel before accepting an invitation to serve on the board of directors of another company. In any case, each Board member is expected to ensure that other existing and planned future commitments do not interfere with service as a Synopsys director and do not pose an actual or potential conflict of interest.

**Directors Who Change Their Job Responsibility.** The Board does not believe that directors who retire or change jobs should necessarily leave the Board, but that such change in job responsibility may be a sufficient reason for leaving the Board. As a result, any director who retires or changes his or her job shall promptly submit to the Board an offer of resignation, which resignation offer shall be conditioned upon acceptance by the Board. The Corporate Governance and Nominating Committee shall (i) consider the resignation offer and the appropriate response based on the best interests of the Company, and (ii) make a recommendation to the Board (which may include accepting the resignation, maintaining the director but resolving that the director will not be re-nominated in the future for election or rejecting the resignation). Any Director who offers his or her resignation pursuant to this provision shall not participate in the Corporate Governance and Nominating Committee or Board deliberations regarding whether to accept the resignation offer. The Corporate Governance and Nominating Committee should consider the change in job responsibility in connection with its assessment of the composition of the Board as a whole.

**Self-Assessment.** The Board maintains a process whereby the Board, its committees and its members conduct annual self-evaluations and self-assessments.

**Retirement Age.** The Board has adopted a retirement age of 72 for non-employee directors.