




**Cadence Design Systems, Inc.****CDNS NASDAQ****IT Services / Consulting**

Market Capitalization USD:

\$2,481.61 mm**CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Lip-Bu Tan**Age: 52****CEO Since: 2009**

	2009	2010	2011
Base Salary	\$531,692	\$454,616	\$600,000
Discretionary Bonus	\$11,765	\$0	\$0
Annual Cash Incentive	\$0	\$357,321	\$657,276
Benefits and Perquisites	\$26,029	\$11,046	\$11,262
TOTAL ANNUAL COMPENSATION	\$569,486	\$822,983	\$1,268,538
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$3,636,609	\$1,845,360	\$3,102,000
Stock Awards	\$2,076,000	\$560,000	\$966,000
TOTAL COMPENSATION	\$6,282,095	\$3,228,343	\$5,336,538
Median of Other Named Executive Officers Total Compensation	\$1,070,753	\$1,155,914	\$1,336,228
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$190,004	\$1,016,844	\$1,699,004
TOTAL REALIZED EQUITY COMPENSATION	\$190,004	\$1,016,844	\$1,699,004

Proxy Date: 20 Mar 2012

Annual Meeting Date: 4 May 2012

Equity Reserves: 19.42%

Stock Option Run Rate: 1.11%

Cadence Design Systems, Inc.

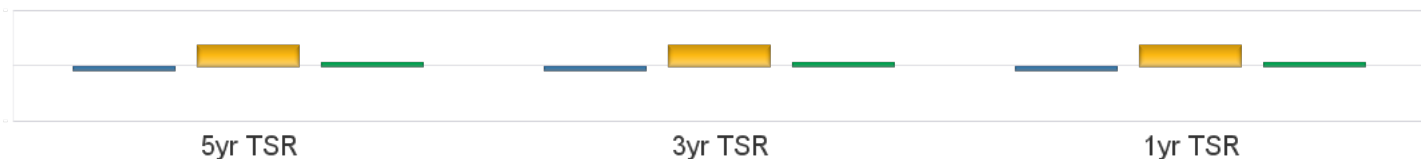
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Performance Comparison

■ vs S&P500 ■ vs Industry ■ CDNS



Peer Comparisons (TRBC) =IT Services / Consulting

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CDNS	Cadence Design Systems, Inc.	\$6,282,095	\$3,228,343	\$5,336,538	\$2,481,613,697
FISV	Fiserv, Inc.	\$5,757,685	\$5,886,908		\$7,186,617,328
FFIV	F5 Networks, Inc.	\$7,892,855	\$8,884,962	\$7,707,496	\$5,735,643,331
VRSN	VeriSign, Inc.	\$2,755,739	\$4,564,800		\$4,760,684,945
ADS	Alliance Data Systems Corporation	\$3,321,044	\$5,920,509		\$4,720,071,624
RAX	Rackspace Hosting, Inc.	\$6,729,521	\$2,238,560	\$4,151,656	\$4,452,426,684
INFA	Informatica Corporation	\$2,778,900	\$4,524,989		\$4,368,586,950

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Altera Corporation, Integrated Device Technology Inc., National Semiconductor Corporation, ANSYS, Inc., Intersil Corporation, Novellus Systems, Inc., Atheros Communications, Inc., KLA-Tencor Corporation, OmniVision Technologies, Inc., Atmel Corporation, Lam Research Corporation, PMC-Sierra, Inc., Cypress Semiconductor Corporation, Linear Technology Corporation, Synopsys, Inc., Informatica Corporation, Mentor Graphics Corporation, TIBCO Software Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
John B. Shoven	Chairman	64	Male	20	Outside Related
Donald L. Lucas	Member	82	Male	24	Outside Related
George M. Scalise	Member	78	Male	23	Outside Related
Susan L. Bostrom	Member	51	Female	1	Outside

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