Synopsys Business Partner Code of Conduct

December 15, 2015

Synopsys’ commitment to ethical business practices requires not only a commitment from our employees, it also requires a commitment from our Business Partners to uphold these same standards. This is why we have a Business Partner Code of Conduct that we expect and require all Synopsys Business Partners to adhere to in their business dealings with and on behalf of Synopsys.

We value integrity and are committed to doing business the right way, and we expect and require the same from you. By making this Code of Conduct part of your relationship with Synopsys, you are acknowledging your essential role in upholding and maintaining Synopsys’ commitment to ethical business practices. Please make sure that this Code of Conduct, and any changes or updates to this document, are shared with all personnel employed by or engaged by you who have business-dealings with Synopsys.

We value your partnership and thank you for joining us in making integrity a top priority.

Erika Varga McEnroe
Vice President, Deputy General Counsel
Chief Ethics & Compliance Officer
1.0 About the Synopsys Business Partner Code of Conduct

The Synopsys Business Partner Code of Conduct (the “Code”) is the roadmap for Synopsys Business Partners to do business the right way. By conducting business with Synopsys, each Business Partner agrees to comply with the Code and to maintain the highest ethical standards under any and all circumstances.

The Code Applies to Business Partners
The Code is applicable to Synopsys Business Partners, such as distributors and resellers, and all personnel employed by or engaged by such Business Partners, throughout the world, regardless of where the Business Partner is located. Every Business Partner is required to review the contents of this document and to make this document available to employees and others doing business on the Business Partner’s behalf. Business Partners are further required to sign the Receipt and Acknowledgement, which certifies that the Business Partner has received and reviewed the Code, that the Business Partner understands and agrees to comply with the Code, and that the Business Partner understands that engaging in conduct that is in violation of the Code or is otherwise unethical is grounds for termination or non-renewal of the Business Partner’s relationship with Synopsys.

The Code is Global
Synopsys is a U.S.-based company, with employees, contractors, Business Partners, and customers all over the world. Synopsys complies with the laws of the countries where Synopsys or its Business Partners do business and all U.S. laws that apply internationally. While conducting business internationally, you may come across situations that pose ethical dilemmas. If another country’s local law, custom or practice conflicts with U.S. law, this Code, or Synopsys policy, seek guidance from a representative of the Synopsys Legal Department. In such circumstances, you must always adhere to the law, custom, or practice that is the most stringent.

What is Expected
Synopsys expects Business Partners to act ethically and legally, and in accordance with the Code, the terms of the Business Partner’s agreement with Synopsys, and the law. You should use good judgment and avoid even the slightest appearance of improper behavior and situations that could be perceived as unethical or that could lead to illegal or unethical actions.
2.0  Conduct Business with the Highest Ethical Standards

2.1  ANTI-CORRUPTION AND ANTI-BRIbery

Synopsys expects Business Partners who perform work for or with Synopsys to operate through proper means and channels. Even if corruption such as bribery is a common way of doing business in a particular region, it is not Synopsys' way of doing business. Corruption provides unfair advantages and creates unreliable systems. Synopsys expects everyone to follow the rules and come out ahead because of it.

Corruption Generally
“Corruption” generally means obtaining, or trying to obtain, a personal benefit or business advantage through improper or illegal means. Corruption may involve payments or the exchange of “anything of value.” It includes bribery, extortion or blackmail, or kickbacks. Corrupt activities are not only a Code violation; they can also be a serious violation of the law.

What Is “Anything of Value?”
Corruption may involve the exchange of “anything of value.” “Anything of value” is very broad and could include goods, services, or merchandise such as gift cards, event tickets, retail certificates, entertainment, travel perks, use of vacation homes, free airfare or accommodations, special favors or privileges, donations to designated charities, discounts, free personal services, financial or property loans, co-signing of a loan or mortgage, or a promise of future employment or other benefit.

Anti-Bribery Laws
No matter where in the world a Business Partner performs work for or with Synopsys, there is an anti-bribery law or policy that applies. Most countries have anti-bribery laws that prohibit bribing a government official. All Business Partners, regardless of location, must comply with the U.S. Foreign Corrupt Practices Act (“FCPA”), which prohibits bribery of government officials, including employees of government-controlled customers, universities, and research centers, and all other people normally considered to be government officials (such as customs officials). Although it is a U.S. law, it applies everywhere and to all Business Partners who perform work for or with Synopsys. Under some countries’ laws, such as the United Kingdom’s Bribery Act, bribing anyone (“commercial bribery”) is also a crime.
To clarify, Synopsys prohibits all bribery in every country in which Synopsys does business. You should never offer any gift, entertainment, or anything of value to anyone with the purpose of:

- improperly obtaining or retaining business;
- improperly influencing business decisions; or
- securing an unfair advantage.

**Gifts, Travel, Entertainment, and Other Promotional Expenses**

Giving and receiving gifts and entertainment can be a positive way to build such relationships, but this must be done with caution and good judgment. This means that the gift/entertainment should not affect anyone’s business judgment or objectivity, nor should it affect loyalty or obligations to anyone’s employer.

A Business Partner can choose to give or accept gifts/entertainment as part of your work for or on behalf of Synopsys, but only if the gift/entertainment is of little value and not in cash. It must be legal (for example, it cannot be intended or perceived as a bribe or kickback). The gift/entertainment should generally follow local business practices, unless local practices are contrary to any of the principles explained here.

For gifts, entertainment, or other promotional expenses to a government official to be appropriate pursuant to Synopsys’ policy and this Code, not only must they be of little value and not in cash, they may not be (1) offered more than twice a year; (2) given to officials before whom specific projects or approvals are pending without prior written approval from Synopsys’ Chief Ethics & Compliance Officer; or (3) advanced using personal funds.

**Facilitating Payments**

“Facilitating payments” are small payments to low-level government officials with the purpose of expediting or securing routine government action, such as processing paperwork. Whether legal or not in certain countries, Synopsys prohibits them everywhere.

**Legal Payments to the Government**

Not all payments to the government are problematic or illegal. For example, payments may be made to a government entity in the normal course of business, such as to pay taxes or when the government entity is a customer or supplier. However, payments to specific government officials are risky, and you must proceed with extreme caution and only pursuant to this Code.
Health and Safety Payments
In rare circumstances, it may be necessary to make a payment to a government official to avoid a threat to personal health, safety, or freedom. Because of the exceptional circumstances surrounding such payments, these payments do not violate this Code.

Recordkeeping
All payments, both direct and indirect, made to government officials must be accurately recorded in Business Partners’ books and records.

Third Parties
All Business Partners must conduct due diligence before engaging third parties. This means that you are expected to have a system or process to ensure that only ethical third parties are retained and that third party relationships are consistently and properly monitored.

2.2 FAIR COMPETITION
In all regions and countries where Synopsys does business, Synopsys competes vigorously, but fairly, for customers, while suppliers compete for Synopsys’ business. Competition laws, sometimes called antitrust laws, vary from country to country and generally prohibit agreements or actions that reduce competition without benefiting consumers. Violating these laws is a serious matter and can place both Synopsys and others with whom Synopsys does business at risk of substantial criminal penalties.

Unfair and illegal competition can happen in many different ways. One of the riskiest scenarios involves communications with competitors. Legal communications with competitors of Synopsys are common and can be positive—for example, at social events, at trade shows, or to enter into a joint venture. However, Business Partners should be cautious when communicating with a competitor, specifically, by not agreeing to:

- fix prices or market strategy;
- divide or allocate markets or customers;
- boycott another business; or
- rig bids.

You should never discuss such topics with Synopsys’ or your competitors, even in an informal setting such as a trade show or customer event.
Furthermore, when dealing with Synopsys customers, you should always:

- present Synopsys services and products in an honest manner;
- avoid unfair or deceptive trade practices;
- communicate Synopsys sales programs clearly; and
- deliver on promises.

### 2.3 COMPLIANCE WITH TRADE LAWS

As a company that serves customers around the world, Synopsys products, technologies, data, and services must follow a wide range of export control, economic sanctions, import, customs, and other trade compliance laws.

Export control and trade compliance laws may limit or prohibit transfer of Synopsys products and technology, including both the direct and indirect products derived from Synopsys products and technology, to certain places, entities, and persons. For example, the transfer of any products and technology to Cuba, Iran, North Korea, Sudan, Syria, and the Crimea region of Ukraine is strictly prohibited. And for many other countries, government permission to transfer certain controlled products and technology must first be obtained.

How a product or technology is used (“end use”) may also be limited and impact sales. For example, products and technology that have military end uses must follow strict guidelines regarding sales, access, communication, and record keeping. Export control laws are broad. They apply when:

- a product or technology is exposed to an individual who is a citizen of a particular country (for example, Iran) even if that person is not physically located in that country;
- a controlled product or technology is carried into a country when traveling, even if that product or technology is not shared with anyone else; and
- a controlled product or technology is transmitted virtually, such as via email, on the telephone, or through downloads.

For the avoidance of doubt, it is the Business Partner’s obligation to implement the processes necessary to ensure compliance with the export control laws and regulations of the United States and all other countries in which you do business.

### 2.4 PROTECTING INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

Business Partners have a duty to protect Synopsys Intellectual Property and Confidential Information.
“Confidential Information” is any information that is not authorized for release to the public, such as customer lists, pricing strategies, marketing plans, organizational charts, and employee data. Some Confidential Information is owned by Synopsys and some Confidential Information is owned by others (for example, a customer or other partner of Synopsys). You must protect all Confidential Information that you receive from Synopsys or as a result of being a Synopsys Business Partner, regardless of whether it is Confidential Information of Synopsys or a customer or partner. You may use such Confidential Information only as authorized by Synopsys or such customer or partner and should not share it with anyone who is not authorized to see it. Your obligation to protect such Confidential Information continues even after your relationship with Synopsys ends.

“Intellectual Property” is the legal ownership of ideas and processes, often through a patent or copyright. This includes algorithms, interfaces, product architecture, and source or object code. Some Intellectual Property is also Confidential Information and should be treated that way. Other Intellectual Property is available to the public. However, all Intellectual Property should be protected, meaning it should be used in a way that the owner has authorized. A Business Partner’s right to use Synopsys Intellectual Property, or other Intellectual Property provided by Synopsys or its affiliates, is governed by the agreement between the Business Partner and Synopsys or Synopsys affiliates.

To protect the value and recognition of Synopsys’ trademarks, Synopsys has established guidelines that specify how and when they may be used. Business Partners must all follow Synopsys Trademark Guidelines whenever you use Synopsys’ trademarks and brands.

2.5 AVOIDING INSIDER TRADING

Synopsys takes its responsibilities under U.S. Securities laws very seriously and expects Business Partners to do the same. You may use or disclose material, non-public information (sometimes called “inside information”) only after its official public release, even if it is learned beforehand. Information is considered to be "material, non-public information" when it:

- has not been widely spread to the public; and
- is information that a reasonable investor would consider important in making a decision to buy or sell a particular security.

In the course of your business relationship with Synopsys, you may have access to inside information about Synopsys or other companies. You are obligated to keep this information confidential and may not trade in any securities based upon such inside information. Likewise, you must never provide stock tips or share inside information with any other person who might use it to trade stock.
2.6 CONFLICTS OF INTEREST DISCLOSURE REQUIREMENTS

Business Partners must disclose to Synopsys all actual and potential conflicts of interest to Synopsys. This does not mean a Business Partner will be prohibited from engaging in the activity; it means that Synopsys will review the activity. Many times conflicts can be resolved by an open and honest discussion.

2.7 INTEGRITY OF FINANCIAL RECORDS AND EFFECTIVE RECORDS MANAGEMENT

Synopsys Business Partners must ensure the accuracy of business and financial records, including invoices submitted to Synopsys, which must be completed honestly, accurately, and understandably.

You must follow appropriate procedures governing the retention and destruction of records consistent with applicable laws, regulations, your agreement with Synopsys, and business needs. You may not destroy, alter, or falsify any document that may be relevant to a threatened or pending lawsuit or governmental investigation. Destruction or falsification of any potentially relevant documents may lead to prosecution.

3.0 Treat People with Dignity and Respect

3.1 EQUAL OPPORTUNITY AND RESPECT FOR WORKERS

Synopsys maintains a workplace where all employees, customers, and Business Partners are treated with dignity, fairness, and respect, free of discrimination or harassment based on any category protected by applicable law. Synopsys expects Business Partners to similarly respect their personnel. Furthermore, Business Partners must comply with all applicable laws regarding wages and mandated benefits, workplace health and safety regulations, rules and regulations related to environmental safeguards, and laws that prohibit human trafficking.

3.2 NON-VIOLENT WORKPLACE

Synopsys has no tolerance for workplace violence. Business Partners are prohibited from engaging in any act that could cause another individual to feel threatened or unsafe. This includes verbal assaults and threats, and any hostility, intimidation, or aggression.
3.3 NO RETALIATION

Any retaliation against anyone who raises an issue honestly is a violation of this Code and the law. Raising a concern honestly or participating in an investigation cannot be the basis for any adverse employment action including, but not limited to, separation, demotion, threat, harassment, or discrimination. All Business Partners should have a communicated process for their workers to raise concerns without the fear of retaliation.

4.0 Raise Issues and Concerns

Business Partners should promptly raise ethics and compliance concerns and immediately report suspected unethical, illegal, or suspicious behavior affecting Synopsys, its affiliates, personnel, customers, or partners. If you suspect that someone is behaving illegally or unethically, speak up. Synopsys maintains an "open door" policy with regard to your questions, including any questions related to business conduct and ethics.

To report an incident, you may contact a member of the Synopsys Legal Department. You may also anonymously report an incident, where permitted by law, online at any time through the Synopsys Whistleblower Hotline, which is available through Synopsys’ third-party ethics reporting system at: https://secure.ethicspoint.com/domain/media/en/gui/21287/index.html. The Synopsys Whistleblower Hotline also has a telephone report feature, which is available toll-free, 24 hours a day, and seven days a week by calling 1-888-399-0402 in the U.S. Please check the website for local telephone numbers.

As noted above, if you make a report through the Synopsys Whistleblower Hotline, you may choose to be anonymous. Please remember, however, that sometimes it may be more difficult, or even impossible, for Synopsys to thoroughly investigate anonymous reports. It is therefore encouraged that individuals share their identity when reporting. Please note that due to local privacy laws in certain countries and the European Union, only certain types of complaints may be permitted. Specific limitations are described in the Whistleblower Hotline site.
RECEIPT AND ACKNOWLEDGMENT
BUSINESS PARTNER CODE OF CONDUCT

______________________________ (hereinafter “Business Partner”), acknowledges that it has received and reviewed a copy of the Synopsys Business Partner Code of Conduct, dated December 15, 2015 (the “Code”).

By signing this document, Business Partner understands and consents to be bound by all of its terms.

Further, Business Partner acknowledges that conduct that violates the Code or that is otherwise unethical, may be grounds for termination or non-renewal of Business Partner’s relationship with Synopsys.

Company: _____________________________
Signature: _____________________________
Print Name: _____________________________
Title: _____________________________
Date: _____________________________