

SYNOPSISYS INC
Form DEF 14A
February 16, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Synopsys, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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- (2) Aggregate number of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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- (2) Form, Schedule or Registration Statement No.:
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- (4) Date Filed:

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Notice of 2018 Annual Meeting of Stockholders

April 5, 2018

Dear Stockholder,

You are cordially invited to attend the 2018 Annual Meeting of Stockholders of Synopsys, Inc., a Delaware corporation, which will be held on April 5, 2018, at 8:00 a.m. Pacific Time at our office located at 1030 West Maude Avenue, Sunnyvale, California 94085. We are holding the meeting for the following purposes, which are more fully described in the attached Proxy Statement:

1. To elect nine directors nominated by our Board of Directors to hold office until the next annual meeting of stockholders or until their successors have been elected
2. To approve our 2006 Employee Equity Incentive Plan, as amended, in order to, among other items, increase the number of shares available for issuance under the plan by 3,000,000 shares
3. To approve an amendment to our Employee Stock Purchase Plan primarily to increase the number of shares available for issuance under the plan by 5,000,000 shares
4. To approve, on an advisory basis, the compensation of our named executive officers, as disclosed in this Proxy Statement
5. To ratify the selection of KPMG LLP as our independent registered public accounting firm for the fiscal year ending November 3, 2018
6. To consider any other matters that may properly come before the meeting

All of our stockholders of record at the close of business on February 9, 2018 are entitled to attend and vote at the annual meeting. A list of registered stockholders entitled to vote at the meeting will be available at our office located at 690 East Middlefield Road, Mountain View, California 94043, for ten days prior to the meeting and at the meeting location during the meeting.

Whether or not you plan to attend the annual meeting, we urge you to cast your vote. For most items being put to a vote, if you do not provide voting instructions in person, via the Internet, by telephone, or by returning the proxy card or voting instruction card, your shares will not be voted. Please vote as promptly as possible. Every stockholder vote is important.

Sincerely yours,

John F. Runkel, Jr.

General Counsel and

Corporate Secretary

Mountain View, California

February 16, 2018

**Important Notice Regarding the Internet Availability of Proxy Materials
for the Annual Meeting to Be Held on April 5, 2018**

The Proxy Statement and our 2017 Annual Report on Form 10-K will be available at

<http://materials.proxyvote.com/871607> on or about February 23, 2018

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We are providing these proxy materials to you in connection with Synopsys' 2018 Annual Meeting of Stockholders to be held on Thursday, April 5, 2018 at 8:00 a.m. Pacific Time at our office located at 1030 West Maude Avenue, Sunnyvale, California 94085 (referred to in this Proxy Statement as the Annual Meeting). The solicitation by this Proxy Statement is made by Synopsys, Inc.

This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. Please read it carefully. You do not need to attend the Annual Meeting in order to vote.

If your shares are held through a broker, bank, or other agent and not in your name, your broker is not permitted to vote on your behalf on proposals where broker discretionary votes are not allowed, as indicated below. Thus for most items being put to a vote, if you do not provide voting instructions in person, via the Internet, by telephone, or by returning the proxy card or voting instruction card, your shares will not be voted.

We strongly encourage all stockholders to vote, and to do so as promptly as possible. The deadline for voting by Internet or phone is 11:59 p.m. Eastern Time on Wednesday, April 4, 2018.

Annual Meeting Agenda

Proposal	Proxy Statement Page Numbers	Board's Recommendation	Vote Required for Approval	Broker Discretionary Votes Allowed
Proposal 1: Election of Directors	3 19	FOR all nominees	The nine nominees receiving the highest number of FOR votes will be elected. Nominees receiving more WITHHOLD votes than FOR votes must offer their resignation to the Board.	No
Proposal 2: Approval of Our 2006 Employee Equity Incentive Plan, as Amended	20 32	FOR	FOR votes must exceed votes AGAINST.	No
Proposal 3: Approval of an Amendment to Our Employee Stock Purchase Plan	33 38	FOR	FOR votes must exceed votes AGAINST.	No

Proposal 4: Advisory Vote to Approve Executive Compensation	39 74 FOR	FOR votes must exceed votes AGAINST.	No
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Proposal 5: Ratification of Selection of Independent Registered Public Accounting Firm	75 76 FOR	FOR votes must exceed votes AGAINST.	Yes
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Questions and Answers about the Annual Meeting and Voting

Please see the [About the Annual Meeting](#) section beginning on page 81 for answers to common questions about the Annual Meeting, voting, attendance, submitting a proposal for next year’s annual meeting of stockholders, and other procedures.

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A Note about Our Fiscal Year

Our fiscal year generally ends on the Saturday nearest to October 31. Fiscal 2017 ended on October 28, 2017. Fiscal 2018 will end on November 3, 2018.

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We are asking our stockholders to vote **For** the election of nine directors at the Annual Meeting. We do not have a classified or staggered Board of Directors. Each of our directors stands for election on an annual basis, and of the ten current directors whose term expires in 2018, nine directors are standing for re-election. As previously announced, Deborah Coleman has decided not to stand for re-election at the end of her term at the Annual Meeting.

Following Ms. Coleman's decision not to stand for re-election in December 2017, the Board of Directors (also referred to in this Proxy Statement as the Board) voted to reduce the size of the Board to nine members immediately following the expiration of Ms. Coleman's term at the Annual Meeting. Accordingly, only nine directors are nominated and eligible for election at the Annual Meeting.

The Corporate Governance and Nominating Committee of our Board of Directors (referred to in this Proxy Statement as the Governance Committee), consisting solely of independent directors as determined by the Board under applicable NASDAQ listing standards, recommended each of our nine remaining current directors for nomination by our full Board. Based on that recommendation, our Board has nominated those nine directors for election at the Annual Meeting.

Provided that there is a quorum at the Annual Meeting, the nine nominees receiving the highest number of **For** votes of the shares present in person or represented and entitled to vote at the Annual Meeting will be elected as directors. In the event a nominee is unable or declines to serve as a director, the proxies will be voted at the Annual Meeting for any nominee who may be designated by our Board to fill the vacancy. As of the date of this Proxy Statement, our Board is not aware of any nominee who is unable or will decline to serve as a director. Each director to be elected at the Annual Meeting will serve until our next annual meeting of stockholders and until his or her successor is elected and qualified or, if earlier, the director's death, resignation or removal.

You may either vote **For** all the nominees or you may **Withhold** your vote for any nominee you specify. Unless marked otherwise, proxies returned to us will be voted for each of the nominees named below. If you hold your shares through a bank, a broker or other holder of record, you must instruct your bank, broker or other holder of record to vote so that your vote can be counted for this Proposal 1. Broker non-votes will have no effect on the vote for this Proposal 1.

Proposal 1 is an uncontested election. In addition to the voting requirements under Delaware law described above, our Corporate Governance Guidelines provide that 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 will, promptly following certification of the stockholder vote, submit to our Board a letter of resignation for consideration by the Governance Committee. Our Board, after taking into consideration the recommendation of the Governance Committee, will determine whether to accept the director's resignation. Synopsisys will publicly disclose the decision reached by our Board and the reasons for such decision.

Our Board of Directors Recommends that You Vote FOR All Nominees

Our Director Nominees

Information regarding the nominees, including information they have furnished as to their principal occupations, certain other directorships they hold, or have held, and their ages as of the Record Date, February 9, 2018, is set forth

below. The section titled [Director Nominations](#) on page 15 of this Proxy Statement provides additional information on the director nomination process. The nominee descriptions below and the section titled [Director Qualifications](#) on page 14 of this Proxy Statement contain information about the experience, qualifications and skills that led the Governance Committee to determine that these nominees should serve as our directors.

Other than Dr. de Geus and Dr. Chan, all nominees are independent as determined by the Board under the applicable listing standards of the NASDAQ Global Select Market. There are no family relationships among any of the director nominees, directors and/or any of Synopsys' executive officers. In addition, no nominee has an arrangement or understanding with another person under which he or she was or is to be selected as a director or nominee.

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Aart J. de Geus

Co-Chief Executive Officer and Chairman of the Board

Age: 63

Director since 1986

Public Company Directorships:

Applied Materials, Inc.

Dr. de Geus co-founded Synopsys and has served as Chairman of our Board of Directors since February 1998 and Chief Executive Officer since January 1994. He has served as co-Chief Executive Officer with Dr. Chi-Foon Chan since May 2012. Since the inception of Synopsys in December 1986, Dr. de Geus has held a variety of positions, including President, Senior Vice President of Engineering and Senior Vice President of Marketing. He has served as a director since 1986, and served as Chairman of our Board from 1986 to 1992 and again from 1998 until present. Dr. de Geus has also served on the board of directors of Applied Materials, Inc. since July 2007.

As a co-founder of Synopsys, Dr. de Geus has led Synopsys for over 31 years, and is considered a pioneer in the electronic design automation (referred to as EDA in this Proxy Statement) industry. Dr. de Geus brings to our Board a unique and thorough understanding of our business, industry and culture. He provides strong executive leadership and vision and maintains a global network of customer and industry relationships. Dr. de Geus also provides our Board with public company board experience.

Chi-Foon Chan

Co-Chief Executive Officer and President

Age: 68

Director since 1998

Dr. Chan has served as our co-Chief Executive Officer since May 2012 and as our President and a member of our Board of Directors since February 1998. Prior to his appointment as our co-Chief Executive Officer, he served as our Chief Operating Officer since April 1997. Dr. Chan joined Synopsys in May 1990 and has held various senior management positions, including Executive Vice President, Office of the President from September 1996 to February 1998 and Senior Vice President, Design Tools Group from February 1994 to April 1997. Dr. Chan previously held senior management and engineering positions

at NEC Electronics and Intel Corporation.

Dr. Chan brings to our Board senior executive-level leadership, strategic, and operational experience with Synopsys as well as within the overall EDA industry. Dr. Chan has been with Synopsys for over 27 years and served as our Chief Operating Officer and President for over 15 years before being appointed co-Chief Executive Officer, thus providing our Board with a thorough understanding of our business, operations and technology strategies. He has broad knowledge of the overall EDA industry landscape, and he provides particular expertise in the Asia-Pacific region. Dr. Chan also provides our Board extensive research and development and engineering experience in the semiconductor industry gained from his leadership positions at NEC and Intel.

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Janice D. Chaffin

Age: 63

Director since 2014

Independent

Synopsisys Board Committees:

Audit

Ms. Chaffin was appointed to our Board of Directors in December 2014. She held several senior executive positions with Symantec Corporation, most recently as Group President, Consumer Business Unit, from April 2007 to March 2013, and previously as Executive Vice President and Chief Marketing Officer from 2006 to 2007 and Senior Vice President and Chief Marketing Officer from 2003 to 2006. Before joining Symantec, Ms. Chaffin spent more than twenty years with Hewlett-Packard Company in a variety of management and marketing leadership positions. Ms. Chaffin has served on the board of directors of PTC Inc. since August 2013 and served on the board of directors of International Game Technology from September 2010 to April 2015. Ms. Chaffin also served on the operating committee of the privately held Ancestry.com LLC from January 2013 to May 2016.

Public Company Directorships:

PTC Inc.

Ms. Chaffin has extensive senior management experience with large technology companies. As the former Group President, Consumer Business Unit, of Symantec Corporation, a provider of security, storage and systems management solutions, Ms. Chaffin provides our Board with demonstrated expertise in strategic marketing and global operations in the software industry. Ms. Chaffin also provides our Board with significant public company board experience, serving as a director of PTC Inc., and formerly as a director with International Game Technology and with Informatica Corporation from 2001 to 2008.

Former Public Company Directorships Held in Last Five Years:

International Game Technology

Bruce R. Chizen

Age: 62

Director since 2001

Independent

Mr. Chizen has been a member of our Board of Directors since April 2001. He is currently an independent consultant and has served as Senior Adviser to Permira Advisers LLP since July 2008 and Venture Partner with Voyager Capital since July 2009. From November 2007 to November 2008, Mr. Chizen served as a strategic adviser to Adobe Systems Incorporated, a provider of design, publishing and imaging software for print, Internet and dynamic media production. From

Synopsys Board Committees:

Compensation

Governance

December 2000 to November 2007, he served as Adobe's Chief Executive Officer and served as its President from April 2000 to January 2005. He previously held various other positions at Adobe dating back to 1994. Mr. Chizen has served on the board of directors of Oracle Corporation since July 2008, the operating committee of the privately held Ancestry.com LLC from January 2013 to May 2016, and the board of directors of Adobe from December 2000 to April 2008.

Public Company Directorships:

Oracle Corporation

Mr. Chizen has significant expertise in the management of complex global organizations. As the former Chief Executive Officer of Adobe, Mr. Chizen provides our Board with executive-level insight into the challenges associated with operating in a high technology industry and a multi-billion dollar company. Additionally, Mr. Chizen brings significant financial, product management and marketing expertise, which he gained through various leadership positions at Adobe. Mr. Chizen also provides extensive public company board experience to our Board.

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Mercedes Johnson

Age: 63

Director since 2017

Independent

Synopsys Board Committees:

Audit (*Chair*)*

Ms. Johnson has been a member of our Board of Directors since February 2017. Ms. Johnson previously served as Interim Chief Financial Officer of Intersil Corporation from April 2013 to September 2013, Chief Financial Officer of Avago Technologies, Inc. from 2005 to 2008, and Senior Vice President, Finance and Chief Financial Officer of Lam Research Corporation from 1997 to 2004. For the past 13 years, Ms. Johnson has served as a board member for a number of public companies including Storage Technology Corporation, Intersil Corporation, Micron Technology, Inc., Juniper Networks, Inc. and Teradyne, Inc.

Public Company Directorships:

Juniper Networks, Inc.

Micron Technology, Inc.

Teradyne, Inc.

Ms. Johnson brings a wealth of experience from her current and previous board and chief financial officer roles at public and private companies. She provides both a domestic and international perspective having served on the boards and audit committees of multi-billion dollar technology companies with a worldwide presence. Besides financial expertise, Ms. Johnson bring significant information technology and semiconductor experience, which she gained through various leadership positions at Avago Technologies, Inc., Lam Research Corporation and Applied Materials, Inc.

Former Public Company Directorships Held in Last Five Years:

Intersil Corporation

* Deborah Coleman is not standing for re-election and will depart at the end of her term at the Annual Meeting, and Ms. Johnson is succeeding Ms. Coleman as Chair of the Audit Committee effective at the Annual Meeting.

Chrysostomos L. Max Nikias

Age: 65

Director since 2011

Dr. Nikias has been a member of our Board of Directors since July 2011. Since August 2010, Dr. Nikias has served as President of the University of Southern California (USC). Dr. Nikias previously served as USC's provost and chief academic officer from 2005 through 2010 and as dean

Independent

of USC's Viterbi School of Engineering from 2001 through 2005. From 1996 through 2001, he was the founding director of the National Science Foundation-funded Integrated Media Systems Center. Dr. Nikias has worked as a consultant for numerous corporations and the U.S.

Synopsys Board Committees:

Compensation (*Chair*)

government, including the U.S. Department of Defense. Dr. Nikias is a fellow of the American Academy of Arts & Sciences, a member of the National Academy of Engineering, a fellow of the Institute of Electrical and Electronics Engineers (IEEE) and the American Association for the Advancement of Science (AAAS), and a charter fellow of the National Academy of Inventors.

As President of USC, Dr. Nikias oversees the operations of a major private research university, and he brings leadership and technical expertise to our Board. Dr. Nikias has extensive experience in directing engineering research and development programs, as well as a deep understanding of global technology trends. A recognized scholar in the fields of digital signal processing and communications systems, among others, Dr. Nikias provides our Board with broad engineering knowledge.

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John Schwarz

Age: 67

Director since 2007

Independent

Synopsis Board Committees:

Governance (*Chair*)

Public Company Directorships:

Teradata Corp.

Mr. Schwarz has been a member of our Board of Directors since May 2007. Since May 2010, Mr. Schwarz has served as co-founder and Chief Executive Officer of Visier Inc., a business analytics software firm. Mr. Schwarz previously served on the executive board of SAP AG from March 2008 to February 2010. Mr. Schwarz was the Chief Executive Officer of Business Objects S.A., a provider of business intelligence software and services, from September 2005 through its acquisition by SAP in January 2008, and he served as the Chief Executive Officer of SAP's Business Objects unit through February 2010. Mr. Schwarz served on Business Objects' board of directors from January 2006 until its acquisition in January 2008. Mr. Schwarz has also served as the President and Chief Operating Officer of Symantec Corporation and as President and Chief Executive Officer of Reciprocal Inc. Mr. Schwarz previously spent 25 years at IBM Corporation, where he was most recently General Manager of IBM's Industry Solutions Unit. Mr. Schwarz has served as a director at Teradata Corporation since September 2010 and at SuccessFactors, Inc. from September 2010 to June 2011.

As the former Chief Executive Officer of Business Objects, Mr. Schwarz led a large international software company and brings to our Board extensive management expertise and knowledge of the software industry. Mr. Schwarz understands the complexities of leading a global organization and operating in international markets. Mr. Schwarz also provides our Board with public company board experience.

Roy Vallee

Lead Independent Director

Age: 65

Director since 2003

Independent

Mr. Vallee has been a member of our Board of Directors since February 2003. From July 2011 to November 2012, Mr. Vallee served as Executive Chairman of the board of directors of Avnet, Inc., a global semiconductor/electronics products and IT distributor. From July 1998 to June 2011, Mr. Vallee served as Avnet's Chief Executive Officer and Chairman of the board of directors. Mr. Vallee also previously served as Avnet's Vice Chairman, President, and Chief Operating Officer. Since February 2000, Mr. Vallee has served on the board of directors of

Synopsys Board Committees:

Audit

Teradyne, Inc., and he has been its Chairman of the board of directors since May 2014. Mr. Vallee served on the board of directors of the Federal Reserve Bank of San Francisco from January 2013 to December 2016, and as Chairman of the board of directors from January 2015 to December 2016.

Public Company Directorships:

Teradyne, Inc.

Mr. Vallee provides our Board with significant executive-level leadership expertise, as well as thorough knowledge of the semiconductor industry. Mr. Vallee led Avnet for over 14 years, as CEO and Executive Chairman, and understands the challenges of managing a public technology company in a highly competitive industry. Mr. Vallee also brings public company board experience to our Board and insight into macroeconomic conditions through his previous board role with the Federal Reserve.

**Former Public Company Directorships
Held in Last Five Years:**

Avnet, Inc.

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Steven C. Walske

Age: 65

Director since 1991

Independent

Synopsys Board Committees:

Compensation

Governance

Mr. Walske has been a member of our Board of Directors since December 1991. Mr. Walske has been Managing Director of Myriad Investments, LLC, a private equity firm specializing in investments in software companies, since June 2000. From 1986 through June 2000, Mr. Walske held several executive-level positions at Parametric Technology Corporation, including Chief Executive Officer, President and Chairman of the board of directors. Mr. Walske served on the board of directors of BladeLogic, Inc. from November 2002 to April 2008, holding the Chairman position from September 2005 to April 2008.

As a private equity investor, Mr. Walske provides our Board with financial and strategic planning expertise, as well as extensive knowledge of the software industry and other high-tech industries. Having served as the former Chief Executive Officer of Parametric Technology Corporation, Mr. Walske brings product development and executive-level management expertise as well as an understanding of complex global organizations. Mr. Walske also provides our Board with extensive public company board experience.

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Corporate Governance Guidelines

Our Board of Directors is committed to sound and effective corporate governance practices. Accordingly, our Board has adopted Corporate Governance Guidelines, which are intended to describe the governance principles and procedures by which the Board functions. Our Board regularly reviews and evaluates these guidelines. Among other matters, the Corporate Governance Guidelines cover board composition, board membership criteria, director responsibilities, board committees, evaluation of our co-Chief Executive Officers, board self-assessment and succession planning. The Corporate Governance Guidelines are available on our website at:

<https://www.synopsys.com/company/corporate-governance-values/governance-guidelines.html>

Copies of the Corporate Governance Guidelines are also available in print upon written request to Investor Relations, Synopsys, Inc., 690 East Middlefield Road, Mountain View, California 94043.

Code of Ethics and Business Conduct

Our Board of Directors is committed to ethical business practices and, therefore, we have adopted a Code of Ethics and Business Conduct applicable to all of our Board members, employees and executive officers, including our co-Chief Executive Officers (Co-Principal Executive Officers), Chief Financial Officer (Principal Financial Officer) and Vice President, Corporate Controller (Principal Accounting Officer). The Code of Ethics and Business Conduct is available on our website at:

<https://www.synopsys.com/content/dam/synopsys/company/corporate-governance/code-ethics-business-conduct-worldwide-en>

Synopsys intends to satisfy the public disclosure requirements regarding (1) any amendments to the Code of Ethics and Business Conduct, or (2) any waivers under the Code of Ethics and Business Conduct given to Synopsys Principal Executive Officers, Principal Financial Officer and Principal Accounting Officer by posting such information on its website at:

<https://www.synopsys.com/company/corporate-governance-values/code-of-ethics.html>

Board Leadership Structure

Our Board of Directors believes it is important to have flexibility in selecting our Chairman and board leadership structure. Accordingly, our Corporate Governance Guidelines allow for the positions of Chairman and Chief Executive Officer to be held by the same person. The Board of Directors believes that it is currently in the best interest of Synopsys and its stockholders for Dr. de Geus to serve in both roles. Dr. de Geus co-founded Synopsys and has extensive knowledge of Synopsys, its industry and its culture. He has successfully guided Synopsys through both strong and challenging periods, and his ability to speak as both Chairman and co-CEO provides strong, consistent leadership for Synopsys.

Lead Independent Director

Our guidelines also provide for the appointment of a Lead Independent Director in the event that the positions of Chairman and CEO are held by the same person. Mr. Vallee has served as our Lead Independent Director since February 2017. The responsibilities of our Lead Independent Director include:

Establishing the agenda for regular Board meetings with the Chairman;

With the Chairman, reviewing and advising on the schedule of regular Board meetings;

Serving as chairperson of regular Board meetings when the Chairman is unavailable;

Calling executive sessions of the independent directors, and establishing the agenda for, and presiding at, such sessions;

Providing feedback from executive sessions to management;

Serving as liaison between the co-CEOs and the independent directors;

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Participating in the annual performance evaluation of the co-CEOs;

Encouraging dialogue between the independent directors and management; and

Consulting with stockholders at management's request.

Our Board believes the role of Lead Independent Director provides an appropriate balance in Synopsys' leadership to the combined role of Chairman and CEO, and that the responsibilities assigned to the Lead Independent Director help ensure a strong, independent and active Board.

Director Independence

Our Corporate Governance Guidelines require that a majority of our Board qualifies as independent directors in accordance with applicable federal securities laws and the listing standards of the NASDAQ Global Select Market. Currently, each member of our Board, other than our co-Chief Executive Officer and Chairman of the Board, Aart de Geus, and co-Chief Executive Officer and President, Chi-Foon Chan, is an independent director. All standing committees of the Board are composed entirely of independent directors, in each case under NASDAQ's independence definition. The NASDAQ definition includes a series of objective tests to determine independence, including that the director not be an employee of the company and not have engaged in various types of business dealings with the company. In addition, the Board has made a subjective determination as to each independent director that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In making these determinations, the Board reviewed and discussed information provided by the directors and Synopsys with regard to each director's business and other outside activities as they may relate to Synopsys and our management. This information included commercial transactions that we entered into, or proposed entering into, in fiscal 2017 with Juniper Networks, Inc; Micron Technology, Inc.; Oracle Corporation; PTC, Inc.; Teradata Corporation; Teradyne, Inc.; and Visier, Inc. Our non-employee directors or their immediate family members have relationships with these companies. We consider each of these transactions to be at arms' length and in the ordinary course of business. We do not consider any of these transactions to be related person transactions requiring disclosure under the applicable rules of the Securities and Exchange Commission.

Based on this review and consistent with our independence criteria, the Board has affirmatively determined that all of the directors who are standing for election to our Board except for Dr. de Geus and Dr. Chan are independent.

Board Meetings and Committees

Our Board of Directors held six meetings during fiscal 2017. During the year, our Board maintained an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. All such committees have written charters which are available on our website at:

<https://www.synopsys.com/company/corporate-governance-values/board-committees.html>

The following table summarizes the composition of our Board committees:

	Audit	Compensation	Governance
Director	Committee	Committee	Committee
Aart J. de Geus, <i>Chairman of the Board</i>			
Chi-Foon Chan			
Janice D. Chaffin			
Bruce R. Chizen			
Deborah A. Coleman(1)			
Mercedes Johnson(2)	Chair		
Chrysostomos L. Max Nikias		Chair	
John Schwarz			Chair
Roy Vallee, <i>Lead Independent Director</i>			
Steven C. Walske			
Total committee meetings held in fiscal 2017	10	7	6

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- (1) Ms. Coleman is not standing for re-election and will depart at the end of her term at the Annual Meeting.
- (2) Ms. Johnson is succeeding Ms. Coleman as Chair of the Audit Committee effective at the Annual Meeting. The principal responsibilities of each Board committee are summarized below. For a more extensive description of committee functions, please refer to the committee charters.

Audit Committee

Members Mercedes Johnson(1) (*Chair*), Janice D. Chaffin, Deborah Coleman(2) and Roy Vallee.

Number of fiscal 2017 meetings Ten

Responsibilities The Audit Committee acts on behalf of our Board, performing financial oversight responsibilities relating to:

The integrity of our financial statements, financial reporting processes and systems of internal accounting and financial controls

Our internal audit function

The annual independent audit of our financial statements

The engagement of our independent registered public accounting firm and evaluation of their performance and independence

Compliance with legal and regulatory requirements that pertain to our financial statements, internal controls over financial reporting, and disclosure controls

Evaluation of enterprise risk issues

Independence

All members of our Audit Committee are considered independent under the applicable requirements of the Securities and Exchange Commission and the listing standards of the NASDAQ Global Select Market.

**Audit Committee
financial experts**