



CADENCE UK

UNITED KINGDOM TAX STRATEGY STATEMENT

Introduction

Cadence Design Systems, Inc. and its subsidiaries (collectively, "**Cadence**") have operations in numerous countries, including the United Kingdom ("**UK**") through its UK subsidiaries (together "**Cadence UK**"). Publication of this UK Tax Strategy Statement is regarded as complying with the obligation under paragraph 22(2) of schedule 19 of Finance Act 2016 in respect of the fiscal year beginning January 1, 2022 for the relevant qualifying companies.

Cadence UK - Tax Risk Management Strategy Statement

Consistent with Cadence's Code of Business Conduct, Cadence is committed to act in accordance with applicable laws, rules and regulations. Cadence UK seeks to manage and report its tax liability in a manner which ensures compliance across all relevant taxes and compliance with relevant legal and statutory regulations and obligations. Cadence UK also seeks to minimize the risk of uncertainty or disputes in the area of taxation.

Through its ongoing tax reporting and compliance process, Cadence UK seeks to identify potential tax risks in order to evaluate and manage any risk. Tax risks are accounted for in accordance with the applicable accounting standards and internal controls in place over the financial reporting process. Changes in tax legislation and practice are monitored and assessed on a continual basis in order to assess their impact to Cadence UK. Cadence UK may seek advice from external advisors to assist in tax compliance and for the provision of expert advice as needed in the assessment of tax law changes and tax risk assessment.

Cadence UK views tax compliance as a key component in managing tax risk and complying with the objective of supporting UK business and commercial strategy. All material positions taken in tax returns are appropriately reviewed and supported.

Cadence UK engages in tax planning which supports its business and commercial economic activity. Cadence UK seeks to apply tax incentives, reliefs and exemptions where appropriate and where they are consistent with Cadence UK's business operations, and to utilize these in the manner for which they are intended. Transactions conducted between Cadence UK and other Cadence entities are based on an arm's length standard.

Cadence's Tax Department oversees and implements Cadence UK's tax strategy.

Cadence UK seeks to build a constructive relationship with Her Majesty's Revenue and Customs and comply with applicable UK tax compliance requirements.

List of Cadence group companies to which the Cadence UK Tax Strategy Statement applies to:

- Cadence Design Systems Limited
- Applied Wave Research Limited