



**SOFTWARE LICENSE AND MAINTENANCE
TERMS AND CONDITIONS
FOR 99 YEAR PRODUCT LICENSES**

These Software License and Maintenance Terms and Conditions (“**Terms**”) apply to Orders for Licensed Materials from Cadence Design Systems, Inc., a Delaware company, having a principal place of business at 2655 Seely Avenue, San Jose, California 95134-1937, U.S.A. or any other Cadence Affiliate as indicated in the Order (“**Cadence**”). For an Order entered into by a Cadence Affiliate, references to Cadence under this Agreement shall be deemed references to the Cadence Affiliate who entered into the Order. “**Customer**” refers to the entity listed in the “Sold To” section of the Order. All Orders are subject to Cadence’s acceptance, which acceptance is evidenced by Cadence’s execution of such Order and return of the fully executed Order to Customer.

The Order is subject to the Terms set forth in Parts I and II below, unless the Order states that the Order is subject to a separate Software License and Maintenance Agreement entered into by Cadence and Customer (“**SLMA**”) and referenced in the Order. If the Order references a separate SLMA, then the Order is subject to the SLMA together with (i) the Terms set forth in Part I below, and (ii) the definitions set forth in Part II below for any terms not otherwise defined in the SLMA.

I. TERMS FOR 99 YEAR LICENSING MODEL

1. 99 YEAR LICENSE AND FEES

These Terms govern licenses granted for a “99-year License” for Software and associated Maintenance Services. The term “**99-year License**” means the license of Software for a period of ninety-nine (99) years. In the applicable Order, the fees for the Licensed Materials are quoted separately from the fees for the Maintenance Services. Fees for such Maintenance Services apply to the initial term of one (1) year only. Customer may renew Maintenance Services for one (1) additional year at the same annual price as long as the quantity, term, and the list of 99-year Licenses remain the same.

2. MAINTENANCE SERVICES

2.1. Termination of Maintenance Services. Customer may not terminate or otherwise cancel, in whole or in part, Maintenance Services that Customer has purchased hereunder.

2.2. Reinstatement of Maintenance Services. If the Maintenance Services lapse at any time, Customer shall not be entitled to receive future Maintenance Services during the Term of Use unless Customer pays additional Maintenance Services Fees as agreed upon by the parties, provided however, such Maintenance Services Fees must at least equal the amount of the Maintenance Services Fees that would have been paid by Customer absent the lapse of Maintenance Services.

2.3. Delivery. All Cadence Software is available for download by Customer from Cadence, provided however Customer shall only Use Cadence Software for which a License Key has been purchased from either Cadence or an authorized Cadence reseller. Unless otherwise requested in writing by Customer as set forth herein, all Licensed Materials, and License Keys, shall be provided to Customer in electronic format only. Cadence agrees not to deliver to Customer and Customer agrees not to accept any Licensed Materials on tangible media, excluding written or printed Documentation provided under this Agreement, including but not limited to CD ROM, tape or paper. In the event Customer requests the delivery of any tangible media, such request must be in writing and received at least ninety (90) days prior to the delivery of the Licensed Materials. Delivery of any tangible media requested by Customer hereunder shall be made Ex Works point of shipment. Customer shall pay all shipping charges, including insurance. Risk of loss shall pass to Customer upon delivery to carrier.

II. GENERAL SOFTWARE LICENSE TERMS AND CONDITIONS

1. DEFINITIONS. The following definitions apply herein:

1.1. “Acquired Cadence Software” means Software acquired by Cadence (or its Affiliates) as the result of an acquisition by Cadence (or its Affiliates) of either a third party, or the technology of a third party.

1.2. “Affiliate” means an entity that now or hereafter controls, is controlled by, or is under common control with, a specified entity, where “control” means beneficial ownership, directly or indirectly, of more than fifty percent (50%) of the outstanding shares or other ownership interest (representing the right to vote for the election of directors or other managing authority or the right to make the decisions for such entity, as applicable) of an entity. Such entity shall be deemed to be an Affiliate only so long as such control exists.

1.3. “Agreement” means these Terms together with each applicable Order. Each Order subject to these Terms constitutes a separate Agreement.

- 1.4. “Design Elements”** means library elements, libraries, symbols, simulation or behavioral models, circuit and logic elements, and any Updates thereto included with, and Used in conjunction with Software.
- 1.5. “Designated Equipment”** means either: (i) a server identified by serial number, or host I.D. on which the Licensed Materials are stored; or (ii) a computer or workstation, as identified by its serial number, host I.D. number or Ethernet address; to which the Licensed Materials are downloaded and Used only upon the issuance of a License Key. The Designated Equipment shall be of a manufacture, make and model, and have the configuration, capacity (i.e., memory/disk), operating software version level, and pre-requisite and co-requisite applications, prescribed in the Documentation as necessary or desirable for the operation of the Software.
- 1.6. “Documentation”** means the user manuals and other written materials that describe the Software, its operation and matters related to its Use, which Cadence generally makes available to its commercial licensees for use with the Software and any Updated, improved or modified version(s) of such materials, whether provided in published written material, on magnetic media or communicated by electronic means.
- 1.7. “Effective Date”** means the date specified in the applicable Order representing the commencement of the Term of Use for the Licensed Materials.
- 1.8. “Initial Configuration”** means the specific group of Licensed Materials described in the applicable Order that represents the Licensed Materials available for Use by Customer on the Effective Date.
- 1.9. “License Key”** means a physical or electronic activation key provided to Customer that authorizes: (i) the Licensed Materials, including the version number and quantity that is licensed to Customer; (ii) the Designated Equipment; and (iii) the codes that Customer must input to access the Licensed Materials on the Designated Equipment.
- 1.10. “Licensed Materials”** means the specific group of Software, Design Elements, and the associated Documentation licensed to Customer as described in the Order. Unless otherwise specified in the Order, Licensed Materials exclude New Technology, Upgrades, and Acquired Cadence Software.
- 1.11. “Maintenance Service(s)”** means the services which Cadence makes available to Customer related to the Licensed Materials as more particularly described in Part II, Section 9 (Maintenance Services) herein.
- 1.12. “New Technology” or “Upgrade”** means any enhancement(s) or addition(s) to Software (other than an Update) which Cadence does not make available to its commercial customers as a part of the standard Maintenance Services offering, but rather is only provided subject to payment of a separate fee. Acquired Cadence Software, New Technology and Upgrades are not covered by, and will not be provided in consideration of the Fees already paid by Customer unless otherwise specified in an Order.
- 1.13. “Open Source Software”** means any software or derivative work thereof that is subject to terms imposing on Customer: (i) a requirement that it is to be distributed or made available in source code; (ii) a requirement that any patents related to the software are either licensed to or may not be asserted against, recipients of the software; or (iii) any license meeting the Open Source Definition (as promulgated by the Open Source Initiative) or the Free Software Definition (as promulgated by the Free Software Foundation, or any substantially similar license, including the GNU General Public License (GPL), Lesser/Library GPL (LGPL), the Mozilla Public License (MPL), the Apache License, the BSD license or the MIT license).
- 1.14. “Order”** means a Product Quotation entered into and signed by authorized representatives of Cadence and Customer. Orders may state additional terms and conditions which apply to particular Licensed Materials. These Terms shall apply separately to each Order. Customer’s order forms may be used for invoicing or administrative purposes, but are subject to Part II, Section 6 (Ordering) herein, and are not considered part of the Order under this Agreement.
- 1.15. “Product Quotation”** means a written quotation including the attached Addendums (if any), from Cadence to Customer describing the Licensed Materials, quantity, charges, and Term of Use and which may describe an Initial Configuration and other information relevant to a specific transaction which Cadence is quoting to Customer.
- 1.16. “Remix”** means the exchange of Licensed Materials for other or additional Licensed Materials, subject to the limitations set forth in the applicable Order.
- 1.17. “Software”** means any applications programming code or executable computer program(s), and any Updates thereto.
- 1.18. “Subscription”** means the license of Software for a fixed period of time that is less than ninety-nine (99) years in which the Fee for Maintenance Services is included within the Fees quoted for the entire Term of Use.
- 1.19. “Subsidiary”** means an entity: (a) more than fifty percent (50%) of whose outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) are, now or hereafter owned or controlled, directly or indirectly, by Customer; or (b) which does not have outstanding shares or securities (as may be the case in a partnership, joint venture, or unincorporated association), but more than fifty percent (50%) of whose ownership interest representing the right to make the decisions for such entity is now or hereafter, owned or controlled, directly or indirectly, by Customer; provided that such entity shall be deemed to be a Subsidiary only as long as such ownership or control exists.
- 1.20. “Term of Use”** means that period of time Customer has Use of the Licensed Materials as specified in the applicable Order.

1.21. “**Then-Current Configuration**” means the specific group of Licensed Materials being Used by Customer after Remix.

1.22. “**Update**” means a Software modification released by Cadence on a general, regularly scheduled basis as a standard Maintenance Services offering to its other commercial customers. Updates may include revisions to the Documentation. Updates do not include any Acquired Cadence Software, Upgrades, or New Technology.

1.23. “**Use**” means copying all or any portion of Software, Design Elements, and/or License Key into the Designated Equipment or transmitting it to the Designated Equipment for: (i) executing or processing instructions contained in the Software; (ii) using, executing or modifying any of the Design Elements; or (iii) loading data into or displaying, viewing or extracting output results from or otherwise operating any portion of the Software or Design Elements, each solely for the purpose of Customer’s internal design and manufacture of electronic circuits and systems.

1.24. “**99-year License**” means the license of Software for a period of ninety-nine (99) years in which the License Fees are quoted separately from Maintenance Services Fees and in which Maintenance Services are not automatically included during the Term of Use, except for the first year.

2. SCOPE AND BACKGROUND

2.1. Generally. This Agreement provides the terms and conditions for Customer to: (i) license a specific number of Licensed Materials on either a Subscription or 99-year License basis; and (ii) obtain Maintenance Services for the Licensed Materials pursuant to the provisions of this Agreement. Software licensed on a Subscription basis may be Used on a wide area network (“**WAN**”) basis only as described in the applicable Order. 99-year Licenses must be Used only on a local area network within fifty (50) miles of the Designated Equipment.

2.2. Authorized Cadence Resellers. For any Software licenses acquired by Customer through an authorized Cadence reseller, in the event of a conflict between :(1) the terms of Part II, Section 4.1(Fees and Payment) and/or Part II, Section 4.2 (Taxes), and (2) the terms entered into by Customer and an authorized Cadence reseller which govern the transaction, the terms of the authorized Cadence reseller shall prevail. While Cadence shall remain the “licensor” for purposes of the grant of the licenses and other rights hereunder, and Customer shall remain the “licensee” for purposes of the obligations contained herein, Customer shall contract directly with the authorized Cadence reseller for the purchase of License Keys and any Maintenance Services on Software provided by such authorized Cadence reseller.

3. LICENSE GRANT

3.1. Grant. Subject to Customer’s timely payment of the Fees as set forth in Part II, Section 4 (Fees; Taxes) and compliance with this Agreement, Cadence, either directly or by and through one of its Affiliates, grants Customer, for the Term of Use as specified in the Order, a non-transferable, non-exclusive, license to: (i) Use the quantity of Licensed Materials identified in the applicable Order on the Designated Equipment as implemented by the number of License Keys issued for the Licensed Materials; and (ii) Use the Documentation as is reasonably necessary for Customer’s licensed Use of the Licensed Materials. All rights not expressly granted to Customer pursuant to these Terms are reserved by Cadence.

3.2. Limitations. All rights, title, and interest in the Licensed Materials shall remain the exclusive property of Cadence and/or its licensors. The Licensed Materials are the Confidential Information (as defined below) of Cadence or third parties from whom Cadence has obtained the appropriate rights and Customer shall not disclose the Licensed Materials to any third party except as expressly provided hereunder. Customer shall not Use or copy the Licensed Materials except as expressly permitted herein. Customer may only Use those Licensed Materials specified in the applicable Order. Customer shall not modify, disassemble, decompile or reverse translate, or create derivative works from the Licensed Materials or otherwise attempt to derive the source code, or let any third party do so, except to the extent the foregoing are not permitted to be restricted under applicable law. No right or license is granted or implied under any of Cadence, or its licensors’, patents, copyrights, trademarks, trade names, service marks, or other intellectual property rights to Use the Licensed Materials or to authorize others to Use the Licensed Materials beyond the rights and restrictions set forth in these Terms. By way of example and not limitation, Customer shall not disclose to any third party any benchmarking of: (i) the Software or Design Elements; or (ii) the output of any Software or Design Elements (which means any form of competitive analysis of the Licensed Materials versus competitive tool products), nor permit any third party to do so. Customer shall not remove or alter any of Cadence’s or its licensors’ restrictive or ownership legends appearing on or in the Licensed Materials and shall reproduce such legends on all copies permitted to be made. Customer grants Cadence the right and license to make, use, sell, reproduce, modify, sublicense, disclose, distribute, and otherwise exploit error reports, corrections or suggestions provided by Customer concerning the Licensed Materials and any modifications based thereon.

3.3. Restrictions. Customer shall not let the Licensed Materials be accessed or Used by third parties or anyone other than Customer’s employees whose duties require such access or Use. Notwithstanding the foregoing, Customer’s authorized consultants and subcontractors (excluding any competitors of Cadence) (“**Authorized Contractors**”) may Use the Licensed Materials on the Designated Equipment only at a Customer’s facility, solely where such Use is incidental to their performing services on Customer’s behalf. Customer must ensure that such access and Use by Authorized Contractors is limited solely to the Use permitted by the license granted to Customer hereunder and is limited solely to Customer’s facility. Prior to allowing any access or Use by Authorized Contractors under this Part II, Section 3.3 (Restrictions), Customer shall first have a written agreement in place between Customer and such Authorized

Contractors obligating Customer and its Authorized Contractors to observe the same restrictions concerning the Licensed Materials as are contained in this Agreement. Customer shall be responsible to Cadence for all acts and omissions of each Authorized Contractor as if they were the acts and omissions of Customer, which responsibility shall survive termination of this Agreement.

3.4. Open Source. The Licensed Materials may be provided with Open Source Software subject to separate terms identified in a text file or about box or in a file or files referenced thereby (and shall include any associated license agreement, notices and other related information therein), or may be accompanied by its own license agreement. Customer's Use of the Open Source Software will be subject to the terms and conditions of such other license agreement and are not considered part of the Licensed Materials subject to the terms and conditions of this Agreement. By using such Open Source Software, Customer shall be bound by all such license agreements, notices, and information.

3.5. Remix. Customer may periodically Remix the Initial Configuration or the Then-Current Configuration only if specified in the Order and subject to the limitations set forth in the Order. Upon request by Cadence, Customer shall execute a "Certificate of Discontinued Use" upon the completion of each Remix for those Licensed Materials that are exchanged or terminated in the Remix.

3.6. Evaluation Licenses. Cadence may also agree to provide Customer with an evaluation license for Licensed Materials under this Agreement. Such evaluation licenses shall be evidenced by a Product Quotation designating such Licensed Materials as provided for evaluation purposes only. The Term of Use for such evaluation licenses shall be thirty (30) days unless otherwise stated in the Product Quotation. In such event, Part II, Section 9 (Technical Support) and Part II, Section 10 (Proprietary Rights Indemnity) shall not apply. Unless specifically granted in such Product Quotation, such evaluation licenses may not be accessed through WAN and may not be Used by subcontractors.

3.7. Virtual Machines. Customer may not Use Licensed Materials in connection with any virtual machines unless a virtual machine license is provided to Customer in the applicable Order. If the Order specifically provides a virtual machine license to Customer, then:

- (a) Customer shall ensure that any Use of virtual machines shall not result in the Use of Licensed Materials in excess of the number of License Keys issued to Customer;
- (b) Prior to moving the License Key from one virtual machine to another virtual machine with a different Ethernet address, IP address, host name and/or domain name (which shall be a "Relocation" as defined in Part II, Section 8.2 (Relocation) below), Customer shall (i) complete and return Cadence's Request for Relocation and Certificate of Discontinued Use, and (ii) obtain a new License Key;
- (c) In the event of a Relocation without first obtaining a new License Key, Customer acknowledges and consents to the following: (i) certain information will be automatically transmitted back to Cadence for the purpose of tracking each virtual machine involved in such Relocation; and (ii) the automatic shutdown of the Licensed Materials on virtual machines after seven (7) days of non-compliance by Customer (or such other period of time stated in the applicable License Key(s)). Information currently transmitted back to Cadence is Ethernet address, IP address, host name, and domain name.
- (d) Customer shall not host Cadence license servers using virtual machine desktop or laptop products, including but not limited to VMware Fusion, VMware Workstation, VirtualBox and Parallels. Any such hosting of Cadence license servers using desktop or laptop products is expressly prohibited and will not be supported by Cadence.

4. FEES; TAXES

4.1. Fees and Payment. Customer shall pay Cadence the license fees ("**License Fees**") and maintenance services fees ("**Maintenance Services Fees**") (collectively, the "**Fees**"). All payments shall be in U.S. Dollars, unless otherwise specified in the Order. Such Fees shall be remitted so that they are received by Cadence by the dates and in the amounts set forth in the Order. Except as expressly provided to the contrary herein, all Fees are non-cancellable, non-refundable, and shall not be subject to any abatement, set-off, claim, counterclaim, adjustment, reduction, or defense for any reason. Without limiting any other rights or remedies of Cadence (including termination rights), past due amounts shall be subject to a charge of one and one-half percent (1½%) per month of the unpaid balance or the maximum rate allowable by law. In addition, Customer shall pay all reasonable out-of-pocket expenses incurred by Cadence, including but not limited to, counsel fees and costs, in connection with collection thereof.

4.2. Taxes. All Fees are net. Customer shall pay or reimburse all taxes, duties and assessments, if any due, based on or measured by amounts payable to Cadence in any transaction between Customer and Cadence under this Agreement (excluding taxes based on Cadence's net income) together with any interest or penalties assessed thereon, or furnish Cadence with evidence acceptable to the taxing authority to sustain an exemption therefrom (collectively, "**Taxes**"). If any Fees are subject to withholding, then Customer shall pay such additional amounts to ensure that Cadence receives the full amount it would have received had payment not been subject to such withholding. The parties shall cooperate to qualify for the benefits available under any applicable treaty for the avoidance of double taxation and to promptly provide to each other relevant documentation for same.

4.3. Records; Audit. Customer shall keep full, clear and accurate records to confirm its authorized Use of the Licensed Materials hereunder, including but not limited to ensuring that Customer has not exceeded the number of authorized copies of Licensed Materials and other obligations hereunder. Cadence shall have the right to audit such records during regular business hours to confirm Customer's compliance with its obligations hereunder. Customer shall promptly correct any deficiencies discovered by such audit including

payment to Cadence of the amount of any shortfall in Fees uncovered by such audit plus interest at the rate set forth in Part II, Section 4.1 (Fees and Payment) above. If the audit uncovers any shortfall in payment of more than five percent (5%) for any quarter, then Customer shall also promptly pay to Cadence the costs and expenses of such audit, including fees of auditors and other professionals incurred by Cadence in connection with such audit.

5. TERM AND TERMINATION

5.1. Term. These Terms shall remain in effect for the applicable Order, unless such Order is terminated as set forth below. The Term of Use for the Licensed Materials provided thereunder shall commence on the Effective Date for the Order and continue as set forth in the Order, unless the applicable Order is terminated as provided in Part II, Section 5.2 (Termination of an Order) below. For Software licensed on a 99-year basis, Maintenance Services are only provided for the initial year. Maintenance Services are thereafter renewable by Customer for additional periods upon issuance of a Product Quotation by Cadence and payment by Customer of the Maintenance Services Fees.

5.2. Termination of an Order. Any Order hereunder may be terminated by Cadence: (i) if Customer fails to pay when due, all or any portion of any amounts payable under such Order, and such failure is not cured within ten (10) days after receipt of written notice; (ii) immediately if Customer becomes insolvent or makes an assignment for the benefit of creditors, or a trustee or receiver is appointed for Customer or for a substantial part of its assets, or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Customer; or (iii) if Customer breaches any other material provision of this Agreement and such failure is not cured within thirty (30) days after receipt of written notice if such breach is curable or immediately upon notice if such breach is not curable. In addition, without limiting any other rights or remedies available to Cadence (including termination rights), in the event Customer fails to pay any Fees due under an Order, Cadence may accelerate all remaining Fees under such Order, together with any applicable Taxes, to become immediately due and payable by Customer to Cadence and withhold delivery of any License Key, Licensed Materials and Maintenance Services until Customer pays such past due amounts in full.

5.3. Effect of Termination. Expiration or termination of an Order shall simultaneously terminate all rights granted pursuant to Section 3 (License Grant) and Cadence's obligations with respect thereto. Within thirty (30) days after such expiration or termination, and without limiting any other rights or remedies of Cadence, Customer shall: (i) furnish Cadence written notice certifying that the original and all copies, including partial copies, of the Licensed Materials furnished by Cadence under this Agreement or made by Customer as permitted by this Agreement, have either been returned to Cadence or destroyed and no copies or portions thereof remain in the possession of Customer, its employees or agents including Authorized Contractors; and (ii) make prompt payment in full to Cadence for all amounts then due plus the unpaid balance of the remaining License Fees set forth in the Order, together with any applicable Taxes, which shall accelerate and become immediately due and payable by Customer to Cadence. In addition, each party's rights and remedies with respect to any breach by the other party shall survive. Part II, Sections 3.2 (Limitations), 3.3 (Restrictions), 3.4 (Open Source), 3.5 (Remix), 4 (Fees; Taxes), 5.3 (Effect of Termination), 10 (Propriety Rights Indemnity), 11 (Warranty Disclaimer), 12 (Limitation of Liability), and 13 (General Provisions) shall survive expiration or termination of this Agreement.

6. ORDERING

6.1. If required by Customer, Customer may submit an order for Licensed Materials and Maintenance Services using Customer's standard purchase order forms solely for invoicing or administrative purposes. Such Customer purchase order forms shall: (i) conform to and cite this Agreement (including Product Quotation, Confirmation Sheet and these Terms); (ii) describe the Licensed Materials or Maintenance Services ordered (using Cadence's product numbers and nomenclature); (iii) identify the quantity, Fees, and ship and bill to addresses consistent with the Order; and (iv) include such other data as Cadence may reasonably require.

6.2. This Agreement shall govern all Orders and any such Customer purchase orders, regardless of whether the Customer's purchase order was received by Cadence directly or through an authorized Cadence reseller. Any terms and conditions contained or incorporated by reference in purchase orders, acknowledgments, invoices, confirmations or other business forms of either party which add to or differ from the terms and conditions of this Agreement are rejected and shall be of no force or effect whatsoever, and either party's failure to object thereto shall not be deemed a waiver of such party's rights hereunder.

6.3. Cadence has the right to discontinue the sale of licenses of the Licensed Materials (and associated Maintenance Services) at any time. Unless otherwise stated in an applicable Order or in the terms for an applicable licensing model, discontinued Licensed Materials, or Licensed Materials for which Maintenance Services are no longer available, may no longer be Remixed by Customer or added on during the Term of Use under an Order.

7. SHIPMENT

Upon acceptance of an Order by Cadence or an authorized Cadence reseller, all Cadence Software is available for download by Customer from Cadence; provided, however, Customer shall only Use Cadence Software for which a License Key has been purchased from either Cadence or an authorized Cadence reseller. Unless otherwise requested in writing by Customer as set forth herein, all Licensed Materials and License Keys shall be provided to Customer in electronic format only. Cadence agrees not to deliver to Customer and Customer agrees not to accept any Licensed Materials on tangible media, (including but not limited to CD ROM, tape or paper), excluding written or printed Documentation provided under this Agreement. In the event Customer requests the delivery of any tangible media, such request must be in writing and received at least ninety (90) days prior to the delivery of the Licensed Materials. Delivery of any tangible

media requested by Customer hereunder shall be made Ex Works (per Incoterms in effect on the Order Date) point of shipment. Customer shall pay all shipping charges, including but not limited to, insurance. Risk of loss shall pass to Customer upon delivery to carrier.

8. COPIES AND TRANSFER

8.1. Copies. Customer may make a reasonable number of copies of Software for either of the following purposes only: (i) archival purposes; or (ii) for Use as a back-up when the Software is not operational. Customer may make a reasonable number of copies of Design Elements, provided that such copies are made only in connection with its authorized Use of such Design Elements. All legends, trademarks, trade names, copyright legends, and other identifications must be copied when copying the Licensed Materials. Documentation may not be copied except for a reasonable number of printed copies from the Documentation provided by Cadence.

8.2. Relocation. The Licensed Materials may only be moved from the Designated Equipment with Cadence's prior written consent ("**Relocation**"). Customer will immediately return Cadence's Request for Relocation and Certificate of Discontinued Use when the Licensed Materials are moved. Customer shall completely remove the Licensed Materials from the previous Designated Equipment.

9. TECHNICAL SUPPORT

9.1. Generally. Subject to this Agreement, and Customer's timely payment of applicable Fees, Cadence agrees to use commercially reasonable efforts to perform, or have provided, during the Term of Use specified in an Order for Subscription licenses and for the initial year of the Term of Use for a 99-year License (and any agreed renewal periods for which applicable Fees are paid), the following technical assistance with respect to the Licensed Materials.

9.2. Maintenance Services.

9.2.1. Technical Support. Cadence will make technical assistance available to Customer through Cadence Customer Support between 9:00 a.m. and 5:00 p.m., local time ("**Prime Shift**"), Monday through Friday, excluding Cadence's holidays.

9.2.2. Issue Resolution Assistance. Cadence will acknowledge receipt of Customer's service request ("**SR**") within four (4) Prime Shift hours. Customer's SR shall include a detailed description of the nature of the issue, the conditions under which it occurs, and other relevant data sufficient to enable Cadence to reproduce the reported error in order to verify its existence and diagnose its cause. Upon completion of diagnosis, Cadence will provide Customer appropriate assistance in accordance with Cadence's standard commercial practices, including furnishing Customer with an avoidance procedure, bypass, work-around, patch or hot-fix (i.e., a Customer specific release for a production stopping problem with no work-around) to correct or alleviate the condition reported.

9.2.3. Update(s). Cadence will provide Update(s) to Customer for the Licensed Materials. Cadence will also provide instructions and/or Documentation to Customer that Cadence considers reasonably necessary to assist in a smooth transition for Use of an Update.

9.2.4. Communication. Cadence will provide Customer: (i) access to Cadence's online Customer support service; and (ii) such newsletters and other publications, as Cadence routinely provides or makes accessible to all Maintenance Services' customers to furnish information on topics such as Software advisories, known problem and solution summaries, product release notes, application notes, product descriptions, removal of an item from a product line, training class descriptions and schedules, bulletins about user group activity and the like.

9.2.5. Versions Supported. Customer acknowledges that, subject to Cadence's End Sale/End Support Process, Cadence will maintain only the most current version of the Licensed Materials. Cadence shall also maintain the last prior version of the Licensed Materials until the earlier of: (i) six (6) months from the release of each new version release, or (ii) termination of the applicable Order.

9.3. Customer's Responsibilities. Customer shall:

9.3.1. Notification. Notify Cadence promptly through Cadence's electronic problem reporting software which is available online. If Customer does not receive Cadence's acknowledgment of its receipt of such report within four (4) Prime Shift hours after making such report, Customer shall promptly re-transmit such report.

9.3.2. Access. If requested by Cadence, allow Cadence access to the Designated Equipment and communication facilities during the Prime Shift and subject to Customer's security and safety procedures, and provide Cadence reasonable work space and other normal and customary facilities.

9.3.3. Assistance. Provide Cadence with reasonable assistance as requested if Maintenance Services are performed on site at Customer's facility and ensure that a Customer's employee is present.

9.3.4. Test Time. Provide sufficient support and test time on Customer's Designated Equipment to allow Cadence to duplicate an error and verify if it is due to Licensed Materials, and when corrections are complete, acknowledge that the error has been resolved.

9.3.5. Standard of Care. Provide the same standard of care (but no less than reasonable care) for the Licensed Materials that Customer applies to its own products or data of like value to its business and return any defective Licensed Materials or attest in writing to the destruction of same as directed by Cadence.

9.3.6. Support. Promptly inform Cadence in writing if Customer develops interfaces to the Licensed Materials, and provide such information as Cadence determines necessary to properly maintain the Licensed Materials.

9.3.7. Data Necessary. Provide sufficient data to enable Cadence to replicate a reported error on Cadence's computers at the Cadence Customer Response Center.

9.3.8. Excluded Services. Maintenance Services required in connection with or resulting from the following are excluded from this Agreement:

(1) abuse, misuse, accident or neglect; or repairs, alterations, and/or modifications which are not permitted under this Agreement and which are performed by a party other than Cadence or its agents; or

(2) the relocation of Licensed Materials from one unit of Designated Equipment to another or from the Customer's location; or

(3) making changes due to Customer's decision to reconfigure the Licensed Materials or the system or network upon which it is installed; or

(4) maintenance, malfunction, or modification of the Designated Equipment or its operating system; or

(5) Use of the Licensed Materials on a hardware platform other than the Designated Equipment; or use of other than the most current or last prior release of the Licensed Materials as specified in Part II, Section 9.2.5 (Versions Supported) above; or

(6) Customer's failure to properly maintain configuration environment (i.e., memory/disk capacity, operating system revision level, prerequisite or co-requisite items, etc.) specified in the Documentation or to supply adequate backups.

9.4. Additional Services. If Cadence agrees to perform services requested by Customer which are not included as part of this Agreement, such services shall be billed to Customer at prices and terms to be mutually agreed by the parties.

10. PROPRIETARY RIGHTS INDEMNITY

Cadence shall defend at its expense, or at its option reimburse Customer for reasonable costs of defense of, or settle any legal action brought against Customer to the extent that such legal action is based on a claim that the Licensed Materials as delivered by Cadence directly infringe a U.S., European Union, or Japan patent issued as of the Effective Date or infringe any copyright or constitute a misappropriation of any trade secret of any third party. However, such defense and payments are subject to the condition that Customer gives Cadence prompt written notice of such claim, allows Cadence to direct the defense and settlement of the claim, and cooperates with Cadence as necessary for defense and settlement of the claim. Should any Licensed Materials, or the operation thereof, become or in Cadence's opinion be likely to become, the subject of such claim, Cadence may, at Cadence's option and expense, procure for Customer the right to continue using the Licensed Materials, replace or modify the Licensed Materials so that they become non-infringing, or terminate the license granted hereunder for such Licensed Materials and refund to Customer the Fees (less a reasonable charge for the period during which Customer has had availability of such Licensed Materials for Use and of the Maintenance Services). Cadence will have no liability for any infringement claim to the extent it: (i) is based on any modifications of Licensed Materials by any party other than by Cadence, with or without Cadence's authorization; or (ii) results from failure of Customer to Use the most recent Updated version of the Licensed Materials; or (iii) is based on the combination or Use of the Licensed Materials with any other software, program or device not provided by Cadence if such infringement would not have arisen but for such use or combination; or (iv) results from compliance by Cadence with designs, plans or specifications furnished by Customer; or (v) is based on any products, devices, software or applications designed or developed through Use of the Licensed Materials. THE PROVISIONS OF THIS PART II, SECTION 10 (PROPRIETARY RIGHTS INDEMNITY) STATES CADENCE'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY FOR PROPRIETARY RIGHTS INFRINGEMENT.

11. WARRANTY DISCLAIMER

Cadence does not warrant that Licensed Materials will meet Customer's requirements or that Use of the Licensed Materials will be uninterrupted or error free. **CADENCE, ITS LICENSORS, AND ITS AUTHORIZED RESELLERS MAKE NO WARRANTIES TO CUSTOMER WITH RESPECT TO THE LICENSED MATERIALS OR ANY SERVICE, ADVICE, OR ASSISTANCE FURNISHED HEREUNDER, AND NO WARRANTIES OF ANY KIND, WHETHER WRITTEN, ORAL, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR ARISING FROM COURSE OF DEALING OR USAGE IN TRADE SHALL APPLY.**

12. LIMITATION OF LIABILITY

12.1. CADENCE AND ITS AUTHORIZED RESELLERS SHALL NOT BE LIABLE FOR COSTS OF SUBSTITUTES OR LOSS OF PROFITS, INTERRUPTION OF BUSINESS, OR ANY SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT, HOWEVER CAUSED, WHETHER BASED ON BREACH OF WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

12.2. CADENCE'S CUMULATIVE AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT (OR

PERFORMANCE OR BREACH THEREOF) OR THE LICENSED MATERIALS (INCLUDING ALL COSTS, DAMAGES AND LIABILITIES INCURRED UNDER PART II, SECTION 10 (PROPRIETARY RIGHTS INDEMNITY)) SHALL BE LIMITED TO AND NOT EXCEED THE AMOUNT OF FEES ACTUALLY RECEIVED BY CADENCE FROM CUSTOMER FOR THE LICENSED MATERIALS WHICH ARE THE SUBJECT OF THE CLAIM UNDER THE APPLICABLE ORDER.

12.3. The above limitations shall apply (i) notwithstanding failure of essential purpose of any exclusive or limited remedy, and (ii) whether or not Cadence has been advised of the possibility of such damages. This Part II, Section 12 (Limitation of Liability) allocates the risks under this Agreement and Cadence's pricing reflects this allocation of risk and the above limitations.

13. GENERAL PROVISIONS

13.1. Governing Law and Dispute Resolution. This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding conflict of law rules and principles. The United Nations Convention on Contracts for the International Sale of Goods (1980) is specifically excluded and shall not apply. This Agreement is prepared and executed and shall be interpreted in the English language only.

13.1.1. For Customers in the United States Only. Any dispute regarding this Agreement shall be subject to the exclusive jurisdiction of the state courts in and for Santa Clara County, California (or, if there is federal jurisdiction, the United States District Court for the Northern District of California), and the parties hereby irrevocably agree to submit to the personal and exclusive jurisdiction and venue of such courts.

13.1.2. For Customers Located Outside of the United States. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be determined by arbitration administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules. The number of arbitrators shall be three (3). The place of arbitration shall be San Francisco, California, and the language of the arbitration shall be English. In addition to the authority conferred on the arbitrators by the above-designated rules, and without prejudice to any provisional measures that may be available from a court of competent jurisdiction, the arbitrators shall have the power to grant any provisional measure deemed appropriate, including, but not limited to, provisional injunctive relief. Any provisional measures ordered by the arbitrators may, to the extent permitted by applicable law, be deemed to be a final award on the subject matter of the measures and shall be enforceable as such. The arbitrators shall be guided by the IBA Rules on the Taking of Evidence in International Arbitration when deciding issues addressed by those rules. No information concerning an arbitration, beyond the names of the parties and the relief requested, may be unilaterally disclosed to a third party by any party unless required by law. Any documentary or other evidence given by a party or witness in an arbitration shall be treated as confidential by any party whose access to such evidence arises exclusively as a result of its participation in the arbitration, and shall not be disclosed to any third party (other than a witness or expert), except as may be required by law. The arbitrators may award to the prevailing party, if any, its costs and expenses, including attorneys' fees, as such costs and expenses are determined by the arbitrators. Judgment upon any award rendered by the arbitrators may be entered in any court of competent jurisdiction.

13.2. Notices. All notices, demands or consents required or permitted hereunder shall be delivered in writing to the addresses set forth in the applicable Order, and, in the case of Cadence, to the attention of the General Counsel, or at such other address provided in writing for such purposes.

13.3. Severability. If any provision is determined to be invalid or unenforceable, it shall be adjusted rather than voided, if possible, to achieve the intent of the parties. All other provisions shall be deemed valid and enforceable to the maximum extent possible.

13.4. Force Majeure. Except for Customer's payment obligations, neither party shall be liable for any failure or delay in performing any obligation, if failure or delay is due to circumstances beyond its reasonable control.

13.5. Relationship. The relationship between the parties is that of independent contractors.

13.6. Assignment. Customer may not delegate, assign or transfer this Agreement or any of its rights and obligations under this Agreement, and any attempt to do so shall be void. Without limitation of the foregoing, an assignment, delegation or transfer shall include, but not be limited to a sale of all or substantially all the assets of Customer, a merger, a re-organization, share exchange, consolidation or change in control of fifty percent (50%) or more of the beneficial ownership of equity interest or voting power of Customer or any entity that directly or indirectly controls Customer (a "**Change in Control**"). No transfer, delegation or assignment (including, without limitation, an assignment by operation of law) of this Agreement may be made without the prior written consent of Cadence, which may be withheld in Cadence's sole discretion. As used in this Agreement, assignment shall not include, and no consent shall be required if: (1) Customer raises additional capital through sale of equity (either privately or through a public offering) or debt instruments, provided that the additional equity issued does not result in a Change in Control; (2) Customer changes its state of incorporation; or (3) Customer reorganizes its corporate structure without a change in its equity structure; provided, however, that any reorganization that would result in the rights hereunder being transferred or the Licensed Materials being Used by an entity that is not controlled by Customer shall require Cadence's prior written consent. Cadence may delegate its obligations to its Affiliates or contractors, provided that Cadence remains liable for its obligations hereunder.

13.7. Export Laws and Regulations. Neither party shall export, directly or indirectly, any technical data acquired from the other pursuant to this Agreement or any product utilizing any such data to any country for which an export license or other governmental approval is required at the time of export from the country in which the data originates, without first obtaining such license or approval.

The disclosing party shall not disclose any information that is subject to export control under any of the following regimes without the prior written consent of the receiving party in each instance: The ITAR, the Wassenaar Arrangement Lists of Dual Use Goods and Technologies and Munitions Lists, or the U.S. Export Administration Regulations (“**EAR**”) for control reasons other than anti-terrorism (AT). Customer agrees and certifies that: (i) Customer is not subject to E.U. or U.S. sanctions or prohibitions; (ii) Customer is not an Affiliate of any person or organization who are subject to U.S. or E.U. sanctions; (iii) Customer shall not use the Licensed Materials for any purpose prohibited by EAR or for the benefit of any person or organization subject to E.U. or U.S. sanctions or prohibitions; (iv) as prohibited in EAR §744, Customer shall not use the Licensed Materials and any Cadence technical data in the design, production, or use of nuclear, missile, or chemical and biological weapons activities or systems; (v) Customer shall not use the Licensed Materials and any Cadence technical data for the design or development of microprocessors and microprocessor microcircuits where the end-user or end use is prohibited as described in EAR §744; and (vi) Customer shall not transport, export, or re-export, directly or indirectly, any Licensed Materials to Cuba, Iran, North Korea, Sudan, or Syria, or any nationals thereof wherever located. To certify compliance with the foregoing, Customer shall execute and deliver to Cadence such “Letters of Assurance” as may be reasonably requested by Cadence. Customer shall be strictly responsible for ensuring that Customer, its employees and any third parties who access the Licensed Materials on its behalf fully comply with the requirements of this Part II, Section 13.7 (Export Laws and Regulations) and provisions of ITAR and EAR, and Customer shall indemnify Cadence against any loss related to any failure to conform to these requirements.

13.8. Confidentiality. Customer shall not disclose to any third party or use for any purpose (except as expressly authorized hereunder): (i) Licensed Materials, (ii) the terms and conditions of this Agreement, or (iii) any other information disclosed by Cadence or its Affiliates marked or otherwise designated as “confidential” or “proprietary” or is clearly by its nature confidential (“**Confidential Information**”). Customer may only disclose Confidential Information to recipients explicitly permitted to access the Licensed Materials hereunder on a strict need-to-know basis and only to the minimum extent necessary. Customer shall use at least the same degree of care that it uses to protect its own confidential information of like kind, but not less than reasonable care, to protect Cadence’s Confidential Information. However, Confidential Information shall not include information that: (a) is or becomes part of the public domain through no fault of Customer; (b) was in Customer’s lawful possession without obligation of confidentiality prior to receipt from Cadence; (c) is provided to Customer without confidentiality obligations from a source independent of Cadence in lawful possession and authorized to disclose it without confidentiality obligations; or (d) is independently developed by Customer without use of or access to Confidential Information.

13.8.1. Exception. The foregoing prohibitions on disclosure of Confidential Information shall not apply to the extent certain Confidential Information is required to be disclosed as a matter of law or by court order or other legal process, provided that Customer uses reasonable efforts to provide Cadence with prior notice of such obligation to disclose and reasonably assists Cadence in obtaining a protective order or in otherwise limiting such disclosure.

13.9. Entire Agreement. This Agreement is the complete and exclusive agreement between the parties relating to the subject matter hereof and supersedes all other communications between the parties relating thereto. This Agreement supersedes all pre-printed terms and conditions contained in any purchase order or other business form submitted hereafter by either party and any inconsistent non-pre-printed terms. Only a written instrument duly executed by both parties may modify this Agreement.

13.10. Waiver. Failure by either party to enforce at any time any provision of this Agreement, or to exercise any election of options provided herein shall not constitute a waiver of such provision or option, nor affect the validity of this Agreement or any part thereof, or the right of the waiving party to thereafter enforce each and every such provision.

13.11. Construction. Each party has had the opportunity to review this Agreement with legal counsel, and there shall be no presumption that ambiguities shall be construed or interpreted against the drafter. The words “include” and “including” and variations shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation.”

13.12. Counterparts. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. This Agreement is effective upon delivery of one executed counterpart from each party to other parties, including by facsimile or other electronic form.

13.13. Injunctive Relief. Customer acknowledges that breach may cause irreparable harm to Cadence for which money damages would be inadequate, and Cadence shall be entitled to obtain timely injunctive relief without the necessity of posting bonds, in addition to any and all remedies available at law.

13.14. U.S. Government Contracting. Except as expressly permitted hereunder, the Licensed Materials shall not be provided to any third party, including the U.S. Government, without prior written authorization by Cadence. The Licensed Materials are “commercial computer software” and “commercial computer software documentation” as defined in Federal Acquisition Regulation (“**FAR**”) 2.101. If the Licensed Materials are licensed by (or if Customer is authorized by Cadence to license on behalf of): (i) a civilian agency, the U.S. Government licenses the Licensed Materials subject to this Cadence commercial license agreement as specified in FAR 12.212 (Computer Software), 12.211 (Technical Data), and 52.227-19 (Commercial Computer Software License) and any successor regulations; or (ii) an agency within the Department of Defense (“**DOD**”), the U.S. Government licenses Cadence Licensed Materials subject to this Cadence commercial license agreement as specified in the DOD FAR Supplement (“**DFARS**”) 227.7202 (Commercial Computer Software and Commercial Computer Software Documentation) and any successor regulations. Any use, modification, reproduction release, performance, display, or disclosure of the Licensed Materials shall be solely in accordance with these terms, and

the terms of this Agreement supersede and are in lieu of any FAR, DFARS, or supplemental regulations to the FAR.

13.15. Subsidiaries. Only those Subsidiaries of Customer listed in the “Ship To” section of the applicable Order may Use the Licensed Materials provided under that Order. In such case, each Subsidiary will have the same rights, duties and obligations as Customer under this Agreement. Customer agrees that it is responsible for enforcing the duties and obligations of each Subsidiary.

13.16. Personal Data. Any personal data provided to Cadence by Customer, shall be used by Cadence in accordance with Cadence’s Privacy Policy available at www.cadence.com. Customer shall ensure that its employees and representatives are aware of the personal data processing terms described in such policy.

Appendix 1

Country Specific Terms and Conditions

If the country specified in Customer's address in the "Sold To" section (or, for People's Republic of China only, in the "Ship To" section) of the applicable Order is one of the countries specified below, then the following terms set forth below for that country replace or modify the referenced terms in Part I (Terms For 99 Year Licensing Model) and Part II (General Software License Terms and Conditions) for the applicable Order as indicated below. All terms in Part I and Part II that are not changed by these amendments remain unchanged and in effect.

PEOPLE'S REPUBLIC OF CHINA

If Customer's address in either the "Sold To" section or in the "Ship To" section of the applicable Order is the People's Republic of China (which for purposes of these Terms does not include Taiwan), then the following shall replace (in their entirety) or add as new the Sections referenced:

Part II,

Section 3.2. **Limitations.** All rights, title and interest in the Licensed Materials shall remain the exclusive property of Cadence and/or its licensors. The Licensed Materials are the Confidential Information (as defined below) of Cadence or third parties from whom Cadence has obtained the appropriate rights and Customer shall not disclose the Licensed Materials to any third party except as expressly provided hereunder. Customer shall not Use or copy the Licensed Materials except as expressly permitted herein. Customer may only Use those Licensed Materials which are specified in the applicable Product Quotation. Customer shall not delete, modify, or alter (or permit any third party to delete, modify or alter) any technical measures incorporated in the Licensed Materials or otherwise adopted by Cadence to protect its copyright in the Licensed Materials ("**Technical Measures**") and shall not take any action (or permit any third party to take any action) intended to avoid or breach such Technical Measures, including but not limited to modifying, disassembling, decompiling, reverse translating or otherwise attempting to derive source code, related to such Technical Measures. No right or license is granted or implied under any of Cadence, or its licensors', patents, copyrights, trademarks, trade names, service marks or other intellectual property rights to Use the Licensed Materials or to authorize others to Use the Licensed Materials beyond the rights and restrictions set forth in these Terms. By way of example and not limitation, Customer shall not disclose to any third party any benchmarking of: (i) the Software or Design Elements or (ii) the output of any Software or Design Elements (which means any form of competitive analysis of the Licensed Materials versus competitive tool products), nor permit any third party to do so. Customer shall not remove or alter any of Cadence's or its licensors' restrictive or ownership legends appearing on or in the Licensed Materials and shall reproduce such legends on all copies permitted to be made. Customer grants Cadence the right and license to make, use, sell, reproduce, modify, sublicense, disclose, distribute and otherwise exploit error reports, corrections or suggestions provided by Customer concerning the Licensed Materials and any modifications based thereon. The aforementioned license shall be royalty-free except as to activities in the People's Republic of China ("**PRC**"), in respect of which activities the license shall be deemed fully paid up in consideration of Cadence's provision of certain discounts off of the list price for the Licensed Materials, which Customer hereby acknowledges and agrees constitutes fair and reasonable consideration.

Part II,

Section 10. **PROPRIETARY RIGHTS INDEMNITY.** Cadence warrants to Customer that it has the lawful right to license the Licensed Materials to Customer in the PRC in accordance with this Agreement. Cadence shall defend at its expense, or at its option reimburse Customer for reasonable costs of defense of, or settle any legal action brought against Customer to the extent based on a claim that the Licensed Materials as delivered by Cadence directly infringe or make unauthorized use of the PRC intellectual property rights of any third party. However, such defense and payments are subject to the condition that Customer gives Cadence prompt written notice of such claim, allows Cadence to direct the defense and settlement of the claim, and cooperates with Cadence as necessary for defense and settlement of the claim. Should any Licensed Materials, or the operation thereof, become or in Cadence's opinion be likely to become, the subject of such claim, Cadence may, at Cadence's option and expense, procure for Customer the right to continue using the Licensed Materials, replace or modify the Licensed Materials so that they become non-infringing, or terminate the license granted hereunder for such Licensed Materials and refund to Customer the Fees (less a reasonable charge for the period during which Customer has had availability of such Licensed Materials for Use and of the Maintenance Services). Cadence will have no liability for any infringement claim to the extent it: (i) is based on any modifications of Licensed Materials by any party other than by Cadence, with or without Cadence's authorization; or (ii) results from failure of Customer to Use the most recent Updated version of the Licensed Materials; or (iii) is based on the combination or Use of the Licensed Materials with any other software, program or device not provided by Cadence if such infringement would not have arisen but for such use or combination; or (iv) results from compliance

by Cadence with designs, plans or specifications furnished by Customer; or (v) is based on any products, devices, software or applications designed or developed through Use of the Licensed Materials. THE FOREGOING PROVISIONS OF THIS PART II, SECTION 10 (PROPRIETARY RIGHTS INDEMNITY) STATE CADENCE'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDY FOR PROPRIETARY RIGHTS INFRINGEMENT AND IN RESPECT OF THE WARRANTY SET FORTH IN THIS PART II, SECTION 10 (PROPRIETARY RIGHTS INDEMNITY).

Part II,

Section 13.1.2. For Customers Located Outside of the United States. Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof, or any dispute regarding non-contractual obligations arising out of or relating to it, shall be referred to and finally resolved by arbitration in Hong Kong administered by the Hong Kong International Arbitration Centre ("**HKIAC**") under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The number of arbitrators shall be three (3) unless otherwise subsequently agreed in writing by the parties. The arbitration proceedings shall be conducted in English only. Nothing in this Part II, Section 13.1.2 (For Customers Located Outside of the United States) shall restrict the right of a party to apply to a court of competent jurisdiction for injunctive relief at any time. The arbitrators may award to the prevailing party, if any, its costs and expenses, including attorneys' fees, as such costs and expenses are determined by the arbitrators. Judgment upon any award rendered by the arbitrators may be entered in any court of competent jurisdiction.

Part II,

Section 13.15. Import Laws and Regulations. Customer covenants to Cadence that, as importer of the Licensed Materials, Customer shall diligently prosecute any and all filings and registrations of this Agreement and each Product Quotation with such governmental authorities as may be required under applicable law (including but not limited to registration under the Technology Import and Export Regulations with the Ministry of Commerce of the PRC). Customer shall promptly notify Cadence in writing of any documentation, information or assistance reasonably required by Customer from Cadence to complete such filings and registrations. Customer further covenants to Cadence that such filings and registrations shall be made as soon as practicable after (and in any event within ninety (90) days following) the relevant Effective Date (or such shorter period as may be required by law).

FRANCE

If Customer's address in the "Sold To" section of the applicable Order is France, then the following shall replace (in their entirety) the Section referenced:

Part II,

Section 13.1. Governing Law and Dispute Resolution. This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding conflict of law rules and principles. The United Nations Convention on Contracts for the International Sale of Goods (1980) is specifically excluded and shall not apply. This Agreement is prepared and executed and shall be interpreted in the English language only. LE CLIENT RECONNAIT AVOIR COMPRIS LE CONTENU DE CE CONTRAT QUI EST REDIGE EN LANGUE ANGLAISE.

INDIA

If Customer's address in the "Sold To" section of the applicable Order is India, then the following shall replace (in their entirety) the Section referenced:

Part II,

Section 7. SHIPMENT. Upon acceptance of an Order by Cadence or an authorized Cadence reseller, all Cadence Software is available for download by Customer from Cadence, provided however Customer shall only Use Cadence Software for which a License Key has been purchased from either Cadence or an authorized Cadence reseller. Unless otherwise requested in writing by Customer as set forth herein, all Licensed Materials and License Keys shall be provided to Customer in electronic format only. Cadence agrees not to deliver to Customer and Customer agrees not to accept any Licensed Materials on tangible media, (including but not limited to CD ROM, tape or paper), excluding written or printed Documentation provided under this Agreement. In the event Customer requests the delivery of any tangible media, such request must be in writing and received at least ninety (90) days prior to the delivery of the Licensed Materials. Delivery of any tangible media requested by Customer hereunder shall be made D.A.P. point of shipment (per Incoterms in effect on the Order Date). Customer shall pay all shipping charges, including insurance.

JAPAN

If Customer's address in the "Sold To" section of the applicable Order is Japan, then the following shall replace (in their entirety) the Sections referenced:

Part II,

Section 3.1. **Grant.** Subject to Customer's timely payment of the Fees as set forth in Part II, Section 4 (Fees; Taxes) and compliance with this Agreement, Cadence, either directly or by and through one of its Affiliates, grants Customer, for the Term of Use as specified in the Order, a non-transferable, non-exclusive, license to: (i) Use the quantity of Licensed Materials identified in the applicable Order on the Designated Equipment as implemented by the number of License Keys issued for the Licensed Materials; and (ii) Use the Documentation as is reasonably necessary for Customer's licensed Use of the Licensed Materials. All rights not expressly granted to Customer pursuant to these Terms are reserved by Cadence. Customer understands and agrees that, by operation of License Key, the Licensed Material will automatically become inoperable upon expiration of the Term of Use for the Licensed Materials.

Part II,

Section 4.2. **Taxes.** All Fees are net. Customer shall pay or reimburse all taxes, duties and assessments, if any due, based on or measured by amounts payable to Cadence in any transaction between Customer and Cadence under this Agreement (excluding taxes based on Cadence's net income) together with any interest or penalties assessed thereon, or furnish Cadence with evidence acceptable to the taxing authority to sustain an exemption therefrom (collectively, "**Taxes**"). The parties shall cooperate to qualify for the benefits under any applicable treaty for the avoidance of double taxation and to promptly provide to each other relevant documentation for same.

Part II,

Section 13.7. **Export Laws and Regulations.** The Licensed Materials and all related technical information or materials are subject to export controls and (are or may be) restricted under the U.S. Government export regulations. Customer shall not export, directly or indirectly, the Licensed Materials to any country for which the U.S., or Japanese government or any agency thereof at the time of export requires an export license or other governmental approval without first obtaining such license or approval. Customer shall not disclose any information that is subject to export control under any of the following regimes without the prior written consent of Cadence in each instance: The ITAR, the Wassenaar Arrangement Lists of Dual Use Goods and Technologies and Munitions Lists, the U.S. Export Administration Regulations ("**EAR**") for control reasons other than anti-terrorism (AT), or Items 1 through 15 in the Appended Table of the Japanese Foreign Exchange Order. Customer agrees and certifies that: (i) Customer is not subject to E.U. or U.S. sanctions or prohibitions; (ii) Customer is not an Affiliate of any person or organization who are subject to U.S. or E.U. sanctions; (iii) Customer shall not use the Licensed Materials for any purpose prohibited by EAR or for the benefit of any person or organization subject to E.U. or U.S. sanctions or prohibitions; (iv) as prohibited in EAR §744, Customer shall not use the Licensed Materials and any Cadence technical data in the design, production, or use of nuclear, missile, or chemical and biological weapons activities or systems; (v) Customer shall not use the Licensed Materials and any Cadence technical data for the design or development of microprocessors and microprocessor microcircuits where the end-user or end use is prohibited as described in EAR §744; and (vi) Customer shall not transport, export, or re-export, directly or indirectly, any Licensed Materials to Cuba, Iran, North Korea, Sudan, or Syria, or any nationals thereof wherever located. To certify compliance with the foregoing, Customer shall execute and deliver to Cadence such "Letters of Assurance" as may be reasonably requested by Cadence. Customer shall be strictly responsible for ensuring that Customer, its employees and any third parties who access the Licensed Materials on its behalf fully comply with the requirements of this Part II, Section 13.7 (Export Laws and Regulations) and provisions of ITAR and EAR, and Customer shall indemnify Cadence against any loss related to any failure to conform to these requirements.