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10 [Additional counsel appear on signature page]

11 UNITED STATES DISTRICT COURT
 12 NORTHERN DISTRICT OF CALIFORNIA
 13 SAN FRANCISCO DIVISION

14 In re CADENCE DESIGN SYSTEMS, INC.)	No. C-08-4966 SC
15 SECURITIES AND DERIVATIVE)	
16 LITIGATION)	PROPOSED ORDER PRELIMINARILY
_____)	APPROVING DERIVATIVE SETTLEMENT
)	AND PROVIDING FOR NOTICE

17 This Document Relates To:

18 Nos. CV-10-01849-SC, CV-10-03607-)
 SC, and CV-10-03627-SC.)

CTRM: The Honorable Samuel Conti
 Courtroom 1, 17th Floor

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1 WHEREAS, the Settling Parties have made an application for an order: (i) preliminarily
2 approving the proposed settlement (the “Settlement”) of the three related shareholder derivative
3 actions pending in this Court entitled: *Hamilton v. Fister, et al.*, Case No. CV-10-01849-SC,
4 *Samani v. Fister, et al.*, Case No. CV-10-03607-SC, and *Powers v. Fister, et al.*, CV-10-03627-SC
5 (collectively, the “Federal Actions”), in accordance with a Stipulation of Settlement dated June 7,
6 2011 and the exhibits thereto (the “Stipulation”), and (ii) approving for distribution of the Notice of
7 Settlement (the “Notice”).

8 WHEREAS, the Stipulation sets forth the terms and conditions for the Settlement, including
9 but not limited to: (i) a proposed Settlement and dismissal of the Federal Actions and State Action
10 (collectively, the “Actions”) with prejudice as to the Released Persons; (ii) an award of attorneys’
11 fees and expenses to Plaintiffs’ Counsel in the Actions, upon the terms and conditions set forth in the
12 Stipulation (the “Fee Award”); and (iii) awards in the amount of \$2,500 to each of the Plaintiffs (the
13 “Special Awards”) to be paid from the Fee Award prior to its distribution among Plaintiffs’ Counsel;

14 WHEREAS, the Settlement appears to be the product of serious, informed, non-collusive
15 negotiations and falls within the range of reasonable approval;

16 WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth
17 in the Stipulation (in addition to those capitalized terms defined herein); and

18 WHEREAS, this Court, having considered the Stipulation and the exhibits annexed thereto
19 and having heard the arguments of the Settling Parties at the preliminary approval hearing:

20 NOW THEREFORE, IT IS HEREBY ORDERED:

21 1. This Court does hereby preliminarily approve, subject to further consideration at the
22 Settlement Hearing described below, the Stipulation and the Settlement set forth therein, including
23 the terms and conditions for: (a) a proposed Settlement and dismissal of the Actions with prejudice
24 as to the Released Persons; (b) the Fee Award; and (c) the Special Awards.

25 2. A hearing (the “Settlement Hearing”) shall be held before this Court on February 24,
26 2012, at 10:00 a.m., in Courtroom 1 of the United States District Court for the Northern District of
27 California, located at 450 Golden Gate Avenue, San Francisco, California 94102, to finally
28 determine whether:

1 (a) the terms and conditions of the Settlement provided for in the Stipulation are
2 fair, reasonable, adequate, and in the best interests of Cadence and Current Cadence Stockholders (as
3 defined in the Stipulation);

4 (b) a Final Judgment and Order of Dismissal as provided for in ¶1.10 of the
5 Stipulation should be entered;

6 (c) to award the Fee Award to Plaintiffs' Counsel; and

7 (d) to award the Special Awards to each of the Plaintiffs in the Actions.

8 3. The Court approves, as to form and content, the Notice and Summary Notice annexed
9 as Exhibits A-1 and A-2 hereto, and finds that the filing of the Stipulation and publication of the
10 Notice and Summary Notice, substantially in the manner and form set forth in ¶¶4.1-4.2 of the
11 Stipulation, meets the requirements of due process, as well as Federal Rule of Civil Procedure 23.1,
12 is the best notice practicable under the circumstances, and shall constitute due and sufficient notice
13 to all Persons entitled thereto of all matters relating to the Settlement.

14 4. Not later than five (5) days following entry of this Order, Cadence shall cause a copy
15 of the Notice to be filed with the Securities and Exchange Commission via a Current Report on Form
16 8-K, a copy of which will be posted to the "Investor Relations" section of Cadence's website
17 (<http://www.cadence.com>).

18 5. Not later than five (5) days following entry of this Order, Cadence shall cause a copy
19 of the Summary Notice to be published one time in *Investor's Business Daily*.

20 6. All costs incurred in the filing of the Notice with the Securities and Exchange
21 Commission, and the one time publication of the Summary Notice in *Investor's Business Daily*, shall
22 be paid by Cadence, and Cadence shall undertake all administrative responsibility for such filing and
23 publishing.

24 7. At least ten (10) court days prior to the Settlement Hearing, Cadence's counsel shall
25 file with the Court and serve on all parties proof, by declaration, of such filing and publishing of the
26 Notice and Summary Notice in accordance with ¶¶4-5.

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1 8. All Current Cadence Stockholders shall be bound by all orders, determinations, and
2 judgments in the Federal Actions concerning the Settlement, whether favorable or unfavorable to
3 Current Cadence Stockholders.

4 9. Pending final determination of whether the Settlement should be approved, no
5 Current Cadence Stockholder shall commence or prosecute against any of the Released Persons any
6 action or proceeding in any court or tribunal asserting any of the Released Claims.

7 10. All papers in support of the Settlement and the award of attorneys' fees and expenses
8 shall be filed with the Court and served at least thirty-five (35) days prior to the Settlement Hearing
9 and any reply papers shall be filed with the Court at least fourteen (14) days prior to the Settlement
10 Hearing.

11 11. Any Current Cadence Stockholders may appear and show cause, if he, she or it has
12 any reason why the terms of the Settlement should not be approved as fair, reasonable, and adequate,
13 or why a judgment should not be entered thereon, provided, however, unless otherwise ordered by
14 the Court, no Current Cadence Stockholder shall be heard or entitled to contest the approval of all or
15 any of the terms and conditions of the Settlement, or, if approved, the Final Judgment and Order to
16 be entered thereon approving the same, unless that Person has, at least twenty-one (21) days prior to
17 the Settlement Hearing, filed with the Clerk of the Court and served on the following counsel
18 (delivered by hand or sent by first-class mail) appropriate proof of stock ownership, along with
19 written objections, including the basis therefore, and copies of any papers and briefs in support
20 thereof:

21 ***Counsel for Plaintiff Hamilton in the***
22 ***Federal Actions***

23 Kathleen A. Herkenhoff
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Boulder, CO 80302

Counsel for Plaintiff Ury Priel in the State Action

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Oklahoma City, OK 73120

Counsel for Cadence in the Actions

Ethan D. Dettmer
Matthew S. Kahn
GIBSON, DUNN & CRUTCHER LLP
555 Mission Street, Suite 3000
San Francisco, CA 94105

The written objections and copies of any papers and briefs in support thereof to be filed in Court shall be delivered by hand or sent by first class mail to:

Clerk of the Court
UNITED STATES DISTRICT COURT
450 Golden Gate Avenue
San Francisco, CA 94102

Any Current Cadence Stockholder who does not make his, her or its objection in the manner provided herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness, reasonableness or adequacy of the Settlement as incorporated in the Stipulation and to the Fee Award and Service Awards, unless otherwise ordered by the Court, but shall otherwise be bound by the Final Judgment and Order of Dismissal to be entered and the releases to be given.

1 12. Neither the Stipulation nor the Settlement, nor any act performed or document
2 executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed
3 to be or may be offered, attempted to be offered or used in any way by the Settling Parties as a
4 presumption, a concession or an admission of, or evidence of, any fault, wrongdoing or liability of
5 the Settling Parties or of the validity of any Released Claims; or (b) is intended by the Settling
6 Parties to be offered or received as evidence or used by any other person in any other actions or
7 proceedings, whether civil, criminal or administrative. The Released Persons may file the
8 Stipulation and/or the Order and Final Judgment in any action that may be brought against them in
9 order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel,
10 full faith and credit, release, standing, good faith settlement, judgment bar or reduction or any other
11 theory of claim preclusion or issue preclusion or similar defense or counterclaim; and any of the
12 Settling Parties may file the Stipulation and documents executed pursuant and in furtherance thereto
13 in any action to enforce the Settlement.

14 13. The Court reserves the right to adjourn the date of the Settlement Hearing or modify
15 any other dates set forth herein without further notice to Current Cadence Stockholders, and retains
16 jurisdiction to consider all further applications arising out of or connected with the Settlement. The
17 Court may approve the Settlement, with such modifications as may be agreed to by the Settling
18 Parties, if appropriate, without further notice to Current Cadence Stockholders.

19 IT IS SO ORDERED.

20 DATED: November 15, 2011



THE HONORABLE SAMUEL CONTI
SENIOR DISTRICT JUDGE

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22 Submitted by:
23 THE WEISER LAW FIRM, P.C.
24 KATHLEEN A HERKENHOFF (168562)

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