December 31, 2019
Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

# 1 Rule 14a-8 Proposal
Cadence Design Systems, Inc. (CDNS)
Special Meeting
John Chevedden

Ladies and Gentlemen:

This is in regard to the December 31, 2019 no-action request.

The company provided no exhibit of a report with a “green star.”
The company did not claim that a report with a “green star” is the only report where ISS
discusses written consent.
The company provided no evidence that there is only one proxy advisor.

Attached is an extract from the bylaws of another company that illustrates a 60-day deadline
in conjunction with calling a special meeting.

This is to request that the Securities and Exchange Commission allow this resolution to stand
and be voted upon in the 2019 proxy.

Sincerely,

John Chevedden

cc: Yoonie Chang <yooniec@cadence.com>
notice to be brought before a meeting of Stockholders that has been called but not yet held; (E) is delivered during the period commencing 90 days prior to the first anniversary of the previous year’s Annual Meeting and ending on the date of the next Annual Meeting; or (F) was made in violation of Regulation 14A under the Exchange Act, to the extent applicable, or other Applicable Laws. For purposes of this Section 1.2(b), the nomination, election or removal of directors shall be deemed to be the same or substantially similar to all items of business involving the nomination, election or removal of directors, changing the size of the Board and filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors.

(iv) In determining whether a special meeting of stockholders has been requested by the record holders of shares representing in the aggregate at least the Requisite Percentage, multiple special meeting requests delivered to the Secretary will be considered together only if (i) each special meeting request identifies substantially the same purpose or purposes of the special meeting and substantially the same matters proposed to be acted on at the special meeting (in each case as determined in good faith by the Board) and (ii) such special meeting requests have been dated and delivered to the Secretary within 60 days of the earliest dated special meeting request identifying substantially the same purpose or purposes. Stockholders may revoke the request for a special meeting at any time by written revocation delivered to the Secretary of the Corporation (the “Secretary”) and if, following such revocation, there are un-revoked requests from Stockholders owning in the aggregate less than the Requisite Percentage, the Board, in its discretion, may cancel the special meeting. A special meeting request shall be deemed revoked (and any meeting scheduled in response may be canceled) if the Stockholders submitting the special meeting request, and any beneficial owners on whose behalf they are acting, do not continue to own (as defined in Section 2.12) in the aggregate at least the Requisite Percentage at all times between the date the special meeting request is received by the Corporation and the date of the applicable special meeting of Stockholders, and the requesting Stockholder shall promptly notify the Secretary of any decrease in ownership of shares of the Corporation that results in such a revocation. If, as a result of any such revocation, there are no longer valid unrevoked written requests representing the Requisite Percentage, there shall be no requirement to call or hold a special meeting of Stockholders. If none of the requesting Stockholders appears or sends a duly authorized agent to present the business to be presented for consideration that was specified in the relevant special meeting request, the Corporation need not present such business for a vote at such special meeting.

(v) Business transacted at a special meeting requested by Stockholders shall be limited to the purpose stated in such request; provided, however, that the Board shall be able to submit additional matters to Stockholders at any such special meeting.

Section 1.3 Notice of Meetings. By or at the direction of the Chairman of the Board, the Chief Executive Officer or the Secretary, whenever Stockholders are to take any action at a meeting, the Corporation will give a notice of that meeting to the Stockholders of record, as of the record date established pursuant to Section 1.4 for determining Stockholders entitled to notice of that meeting, which notice shall state the date, time and place of the meeting, the means of remote communications, if any, by which Stockholders and proxy holders may be deemed to be present in person and vote at the meeting, the record date for determining the Stockholders entitled to vote at the meeting, if such date is different from the record date for determining
Proposal [4] – Special Shareholder Meeting Improvement

Shareowners ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareholder meeting (or the lowest percentage under state law). The Board of Directors would continue to have its existing power to call a special meeting.

Special meetings allow shareholders to vote on important matters, such as electing new directors that can arise between annual meetings.

Dozens of Fortune 500 companies provide for both shareholder rights – to act by written consent and to call a special meeting. This proposal is more important to Cadence Design Systems shareholders because our right to act by written consent is restricted by this provision in our bylaws:

Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary of the Corporation signed by holders of record or Owners (as defined in Article I, Section 1.13(a)(viii) of these Bylaws) of not less than 25% of all outstanding shares of common stock of the Corporation, and who shall not revoke such request, request the Board of Directors to fix a record date for such consent (each such notice, a “Request”).

The above text may not meet the minimum requirement of a proxy advisor for viable version of written consent.

This Special Shareholder Meeting proposal will make our company more competitive from a corporate governance standpoint. This proposal topic, sponsored by William Steiner, won 78% support at a Sprint annual meeting with 1.7 Billion yes-votes. This 78% support might have been even higher if more shareholders had access to independent proxy voting advice.

A 10% stock ownership threshold is important because the 25% stock ownership threshold for shareholders to call a special meeting at some companies may be unreachable due to time constraints and the detailed technical requirements that can trip up half of shareholders who want a special shareholder meeting. Thus a 25% stock ownership threshold to call a special meeting can really be a 50% stock ownership threshold to call a special meeting for all practical purposes.

Any claim that a shareholder right to call a special meeting can be costly – may be moot. When shareholders have a good reason to call a special meeting – our Board of Directors should be able to take positive responding action to make a special meeting unnecessary.

Making the right to call a special meeting more accessible to shareholders is showing increased support. For instance this proposal topic won 51%-support at O'Reilly Automotive, Inc. (ORLY) in 2019 – up from 41% the year before.

Please vote yes:

Special Shareholder Meeting Improvement – Proposal [4]
December 31, 2019

Via Electronic Mail to: shareholderproposals@sec.gov

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Cadence Design Systems, Inc. - Exclusion of Stockholder Proposal submitted by John Chevedden

Ladies and Gentlemen:

We are writing on behalf of our client, Cadence Design Systems, Inc. (“Cadence” or the “Company”), regarding a stockholder proposal and statement in support thereof (collectively, the “Proposal”) received from John Chevedden (the “Proponent”) for inclusion in the proxy statement to be distributed to the Company’s stockholders in connection with the 2020 annual meeting of stockholders (the “Proxy Materials”).

The Company respectfully requests that the staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “Commission” or the “SEC”) advise the Company that it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its Proxy Materials pursuant to Rule 14a-8(i)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on the basis that the Proposal is impermissibly vague and indefinite so as to be materially false and misleading in violation of Rule 14a-9 of the Exchange Act.

Pursuant to Rule 14a-8(j) of the Exchange Act and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), the Company is submitting this letter, together with the Proposal and related attachments, to the Commission via email to shareholderproposals@sec.gov (in lieu of mailing paper copies), with copies of this letter and the attachments provided concurrently to the Proponent. (We respectfully remind the Proponent that pursuant to Rule 14a-8(k), a copy of any additional correspondence to the Commission or the Staff with respect to the Proposal should be
furnished to the Company concurrently and request that the Proponent do so by directing it to the attention of the undersigned counsel.) This submission is occurring no later than 80 calendar days before the Company intends to file its definitive Proxy Materials with the Commission on or about March 20, 2020.

THE PROPOSAL

The Proposal provides in pertinent part as follows:

**Proposal [4] – Special Shareholder Meeting Improvement**

Shareowners ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareowner meeting (or the lowest percentage under state law). The Board of Directors would continue to have its existing power to call a special meeting.

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BACKGROUND

Cadence received the initial version of the Proposal, accompanied by a cover letter from the Proponent, on October 9, 2019. On October 15, 2019, Cadence received a revised version of the Proposal, accompanied by a cover letter. On October 21, 2019, we sent a letter to the Proponent on behalf of Cadence, requesting a written statement verifying that the Proponent owned the requisite number of shares of Cadence common stock for at least one year as of October 9, 2019 (the “Deficiency Letter”). On October 25, 2019, Cadence received a letter from Fidelity Investments dated October 24, 2019 verifying the Proponent’s stock ownership in Cadence (the “Broker Letter”). On November 23, 2019, Cadence received another revised version of the Proposal, accompanied by a cover letter. Copies of the initial Proposal, the first revised Proposal, the second revised Proposal, the Deficiency Letter, the Broker Letter and related correspondence with the Proponent (excluding copies of Rule 14a-8 and selected Staff Legal Bulletins that the Company provided to the Proponent along with the Deficiency Letter) are attached hereto as Exhibit A.

BASIS FOR EXCLUSION OF THE PROPOSAL

The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(3) Because It Is Impermissibly Vague and Indefinite so as to be Materially False and Misleading in Violation of Rule 14a-9

The Proposal is vague and indefinite because it contains conflicting statements regarding the outstanding stock that stockholders would be required to hold in order to call a special meeting. As a result, neither stockholders nor Cadence would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires.

Rule 14a-8(i)(3) permits a company to exclude all or portions of a stockholder proposal “if the proposal or supporting statement is contrary to any of the Commission’s proxy rules, including
Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials.” Specifically, Rule 14a-9 provides that no solicitation may be made by means of any proxy materials “containing any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading.” The Staff has recognized that exclusion is permitted pursuant to Rule 14a-8(i)(3) if “the resolution contained in the proposal is so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” Staff Legal Bulletin No. 14B (Sept. 15, 2004) (“SLB 14B”). See also Dyer v. SEC, 287 F.2d 773, 781 (8th Cir. 1961) (“[I]t appears to us that the proposal, as drafted and submitted to the company, is so vague and indefinite as to make it impossible for either the board of directors or the stockholders at large to comprehend precisely what the proposal would entail.”).

In accordance with SLB 14B, the Staff has permitted companies to exclude stockholder proposals under Rule 14a-8(i)(3) as vague and indefinite where the proposal is susceptible to multiple interpretations. For example, in Newell Rubbermaid, Inc. (Feb. 21, 2012), which involved a proposal similar to the Proposal here, the Staff permitted exclusion under Rule 14a-8(i)(3) where the resolution requested that the board take the steps necessary to amend the company’s governing documents to provide the right to call a special meeting to one or more stockholders “holding not less than one-tenth of the voting power of the Corporation . . . [or] the lowest percentage of [the Corporation’s] outstanding common stock permitted by state law.” The company argued that corporate law in Delaware, where the company was incorporated, provided no minimum stockholder ownership requirement to call a special meeting and, as a result, the proposal could reasonably be subject to different interpretations. In particular, the company explained that the proposal could be interpreted, on the one hand, as requiring ownership of 10% or more of the company’s common stock to call a special meeting or, on the other hand, as requiring the lowest ownership percentage permitted by law, which could amount to far less than 10% or even ownership of only a single share. The company noted that if the company attempted to express the lowest standard allowed by law, which would be one share, as a percentage, it is unclear as of what date it would establish that percentage, since the percentage represented by one share could vary daily as the number of issued and outstanding shares fluctuates due to shares being issued under equity compensation arrangements or pursuant to the conversion of convertible debt instruments, or repurchased under share buyback programs. As a result, the specific percentage of the company’s outstanding common stock that is equal to one share would be constantly fluctuating; yet, the proposal provided no guidance as to when the company would be required to determine the applicable percentage. In permitting exclusion, the Staff noted that “neither shareholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” The Staff came to the same conclusion
with respect to similar proposals to the Proposal in The Western Union Co. (Feb. 21, 2012) and Danaher Corp. (Feb. 16, 2012).

Here, as in Newell, Western Union and Danaher, the Proposal requests that the board of directors “take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareowner meeting (or the lowest percentage under state law).” Like the companies in Newell, Western Union and Danaher, Cadence is incorporated in Delaware. Section 211(d) of the Delaware General Corporation Law (“DGCL”) provides that “[s]pecial meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws.” As a result, the DGCL allows companies to decide whether, and under what conditions, to allow stockholders to call a special meeting, and a Delaware corporation conceivably could permit stockholders holding no more than a single share of common stock to do so. Thus, as in Newell, Western Union and Danaher, the Proposal’s request to grant the right to call a special meeting to owners of a combined 10% of Cadence’s outstanding common stock or the lowest percentage under state law is confusing and could be interpreted in multiple different ways. Specifically, the Proposal could be interpreted, on the one hand, as requiring stockholders to own 10% or more of the Company’s common stock to call a special meeting or, on the other hand, as requiring stockholders to own the lowest ownership percentage permitted by law, which could amount to far less than 10% or even the percentage represented by a single share. Moreover, the Proposal provides no guidance on how to resolve this ambiguity. As a result, neither stockholders voting on the Proposal, nor Cadence in implementing the Proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires. Thus, any action taken by Cadence upon implementation of the Proposal could be significantly different from the actions envisioned by stockholders voting on the Proposal.

As in Newell, Western Union and Danaher, the Proposal is impermissibly vague and indefinite. Accordingly, the Proposal is defective in its entirety and in violation of Rule 14a-9 as materially false and misleading. On that basis, we believe the Company may properly exclude the Proposal from its Proxy Materials pursuant to Rule 14a-8(i)(3).

Exclusion under Rule 14a-8(i)(3) is appropriate where the “company demonstrates objectively that a factual statement is materially false or misleading” (SLB 14B). The Proposal contains a number of objectively and demonstrably erroneous statements concerning (a) the Company’s stockholder right to act by written consent, and (b) the effectiveness of a 25% stock ownership threshold to call a special meeting, that are materially false and misleading as set forth below.

The Company may exclude the Proposal under Rule 14a-8(i)(3) because the Proposal contains objectively and demonstrably erroneous statements that are materially false and misleading.

Exclusion under Rule 14a-8(i)(3) is appropriate where the “company demonstrates objectively that a factual statement is materially false or misleading” (SLB 14B). The Proposal contains a number of objectively and demonstrably erroneous statements concerning (a) the Company’s stockholder right to act by written consent, and (b) the effectiveness of a 25% stock ownership threshold to call a special meeting, that are materially false and misleading as set forth below.
• **The Proposal includes a Materially False and Misleading Statement Regarding Cadence’s Right of Stockholders to Act by Written Consent.** The Proposal states that Cadence’s right to act by written consent “may not meet the minimum requirement of a proxy advisor for viable version of written consent.” This statement is false and misleading. Cadence’s stockholder right to act by written consent clearly passes muster under Governance QualityScore factors applied by leading proxy advisory firm, Institutional Shareholder Services (“ISS”). This is shown by Cadence’s ISS Governance QualityScore (score as of December 30, 2019, last data profile update November 25, 2019) that includes a “green star” (indicating a factor positively impacting the “Shareholder Rights” pillar’s absolute score) attributed to the question that asks whether stockholders may act by written consent.

• **The Proposal includes a Materially False and Misleading Statement Regarding the Effectiveness of a Right to Call Special Meetings with a 25% Stock Ownership Threshold.** The Proposal states that “a 25% stock ownership to call a special meeting can really be a 50% stock ownership threshold to call a special meeting for all practical purposes.” This is materially false and misleading. A 25% stock ownership threshold is, by its terms, a 25% stock ownership threshold -- not a 50% stock ownership threshold. The Proposal states that a stock ownership threshold “may be unreachable due to time constraints and the detailed technical requirements that can trip up half of shareholders who want a special shareholder meeting.” This statement is impermissibly vague because it does not define “time constraints” or “technical requirements.” In any case, a 25% ownership threshold without a minimum ownership period does not, by its terms, impose any “time constraint” on stockholders, let alone a time constraint that is “unreachable.”

The Staff has consistently allowed the exclusion under Rule 14a-8(i)(3) of stockholder proposals that contain statements that are false or misleading. See, e.g., *Ferro Corp.* (Mar. 17, 2015) (concurring in the exclusion of a proposal requesting that the company change its jurisdiction of incorporation from Ohio to Delaware, because it contained misstatements of Ohio and Delaware law, noting that the company had “demonstrated objectively that certain factual statements in the supporting statement are materially false and misleading”); *General Electric Co.* (Jan. 6, 2009) (concurring in the exclusion of a proposal requesting that the company adopt a policy that would prohibit directors who received a certain threshold of withhold votes from serving on key board committees, because it contained misstatements concerning the company’s voting standard for director elections); *State Street Corp.* (Mar. 1, 2005) (concurring in the exclusion of a proposal requesting that the board of directors be exempt from certain specified provisions of state law, because it contained incorrect citations to the applicable state law).

As in *Ferro, General Electric* and *State Street*, the Proposal contains objectively and demonstrably false misstatements that are, given the context, materially false and misleading to stockholders, as discussed above. Accordingly, the Proposal is defective in its entirety and in violation of Rule 14a-9 as materially false and misleading. On that basis, we believe the
Company may properly exclude the Proposal from its Proxy Materials pursuant to Rule 14a-8(i)(3).

**CONCLUSION**

Based on the foregoing, the Company respectfully requests that the Staff concur that it will take no action if the Company excludes the Proposal from its Proxy Materials pursuant to Rule 14a-8(i)(3) as impermissibly vague and indefinite and materially false and misleading in violation of Rule 14a-9.
We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. If you have any questions regarding this request or desire additional information, please contact the undersigned by phone at (312) 853-7097 or by email at jkelsh@sidley.com.

Very truly yours,

John P. Kelsh

Attachments

cc: James J. Cowie, Senior Vice President, General Counsel & Secretary
    John Chevedden
Exhibit A

[Attached]
Mr. James J. Cowie  
Cadence Design Systems, Inc. (CDNS)  
2655 Seely Avenue  
Building 5  
San Jose, California 95134  
PH: 408.944.7100

Dear Mr. Cowie,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the annual shareholder meeting. Rule 14a-8 requirements will be met including the continuous ownership of the required stock value until after the date of the respective shareholder meeting and presentation of the proposal at the annual meeting. This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. This proposal is intended to be implemented as soon as possible.

Your consideration and the consideration of the Board of Directors is appreciated in support of the long-term performance of our company. Please acknowledge receipt of this proposal by email to

Sincerely,

[Signature]  
October 9, 2019  
Date

cc: Yoonie Chang <yooniee@cadence.com>

Shareowners ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 10% of our outstanding common stock the power to call a special shareowner meeting (or the lowest percentage under state law). The Board of Directors would continue to have its existing power to call a special meeting.

Special meetings allow shareholders to vote on important matters, such as electing new directors that can arise between annual meetings. This proposal will make our company more competitive from a corporate governance standpoint. This proposal is also a contender to obtain a majority vote at our 2020 annual meeting.

This proposal topic, sponsored by William Steiner, won 78% support at a Sprint annual meeting with 1.7 Billion yes-votes. This 78% support might have been even higher if more shareholders had access to independent proxy voting advice.

A 10% stock ownership threshold is important because the 25% stock ownership threshold for shareholders to call a special meeting at some companies may be unreachable due to time constraints and the detailed technical requirements that can trip up half of shareholders who want a special shareholder meeting. Thus a 25% stock ownership threshold to call a special meeting can really be a 50% stock ownership threshold to call a special meeting for all practical purposes.

Any claim that a shareholder right to call a special meeting can be costly – may be moot. When shareholders have a good reason to call a special meeting – our Board of Directors should be able to take positive responding action to make a special meeting unnecessary.

Please vote yes:
Right to Call Special Shareholder Meeting – Proposal [4]
John Chevedden, sponsors this proposal.

Notes:
This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(I)(3) in the following circumstances:

• the company objects to factual assertions because they are not supported;
• the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
• the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
• the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email. 
Mr. James J. Cowie  
Cadence Design Systems, Inc. (CDNS)  
2655 Seely Avenue  
Building 5  
San Jose, California 95134  
PH: 408.944.7100

Dear Mr. Cowie,

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This Rule 14a-8 proposal is intended as a low-cost method to improve company performance—especially compared to the substantial capitalization of our company.

This proposal is for the annual shareholder meeting. Rule 14a-8 requirements will be met including the continuous ownership of the required stock value until after the date of the respective shareholder meeting and presentation of the proposal at the annual meeting. This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication. This proposal is intended to be implemented as soon as possible.

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Dozens of Fortune 500 companies provide for both shareholder rights – to act by written consent
and to call a special meeting. This proposal is more important to Cadence Design Systems
shareholders because our right to act by written consent is restricted by this provision in our
bylaws:

Any stockholder of record seeking to have the stockholders authorize or take corporate action by
written consent shall, by written notice to the Secretary of the Corporation signed by holders of
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[The line above is for publication.]
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PH: 408.944.7100

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[Signature]

John Chevedden

[Date]

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The above text may not meet the minimum requirement of a proxy advisor for viable version of written consent.

This Special Shareholder Meeting proposal will make our company more competitive from a corporate governance standpoint. This proposal topic, sponsored by William Steiner, won 78% support at a Sprint annual meeting with 1.7 Billion yes-votes. This 78% support might have been even higher if more shareholders had access to independent proxy voting advice.

A 10% stock ownership threshold is important because the 25% stock ownership threshold for shareholders to call a special meeting at some companies may be unreachable due to time constraints and the detailed technical requirements that can trip up half of shareholders who want a special shareholder meeting. Thus a 25% stock ownership threshold to call a special meeting can really be a 50% stock ownership threshold to call a special meeting for all practical purposes.

Any claim that a shareholder right to call a special meeting can be costly – may be moot. When shareholders have a good reason to call a special meeting – our Board of Directors should be able to take positive responding action to make a special meeting unnecessary.

Making the right to call a special meeting more accessible to shareholders is showing increased support. For instance this proposal topic won 51%-support at O'Reilly Automotive, Inc. (ORLY) in 2019 – up from 41% the year before.

Please vote yes:

Special Shareholder Meeting Improvement – Proposal [4]

[The line above is for publication.]
John Chevedden sponsors this proposal.

Notes:
This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(I)(3) in the following circumstances:

• the company objects to factual assertions because they are not supported;
• the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
• the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
• the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. Please acknowledge this proposal promptly by email [***].
October 21, 2019

VIA EMAIL AND FEDEX
Mr. John Chevedden


Dear Mr. Chevedden,

We are writing to you on behalf of our client, Cadence Design Systems, Inc. (“Cadence” or the “Company”). On October 9, 2019, the Company received via email your letter dated October 9, 2019 and a revised version of that letter on October 15, 2019. Included with both of your letters was a proposal (as revised and included together with the October 15, 2019 letter, the “Proposal”), submitted by you and intended for inclusion in the Company’s proxy materials for its 2020 Annual Meeting of Stockholders (the “2020 Annual Meeting”).

As you may know, Rule 14a-8 under the Securities Exchange Act of 1934 (“Rule 14a-8”) sets forth the legal framework pursuant to which a shareholder may submit a proposal for inclusion in a public company’s proxy statement. Rule 14a-8(b) establishes that, in order to be eligible to submit a proposal, a shareholder “must have continuously held at least $2,000 in market value, or 1%, of the company’s securities entitled to be voted on the proposal at the meeting for at least one year” by the date on which the proposal is submitted. In addition, under Rule 14a-8(b), the shareholder proponent must also provide a written statement that the proponent intends to continue to own the required amount of securities through the date of the relevant meeting. If Rule 14a-8(b)’s eligibility requirements are not met, the company to which the proposal has been submitted may, pursuant to Rule 14a-8(f), exclude the proposal from its proxy statement.

The Company’s stock records do not indicate that you have been a registered holder of the requisite amount of Company securities for at least one year. Under Rule 14a-8(b), you must therefore prove your eligibility to submit a proposal in one of two ways: (1) by submitting to the
Company a written statement from the “record” holder of your stock (usually a broker or bank) verifying that you have continuously held the requisite number of securities entitled to be voted on the Proposal for at least the one-year period prior to and including October 9, 2019, which is the date the Proposal was originally submitted prior to its revision, along with a written statement from you that you intend to continue ownership of the securities through the date of the 2020 Annual Meeting; or (2) by submitting to the Company a copy of a Schedule 13D, Schedule 13G, Form 3, Form 4 and/or Form 5 filed by you with the Securities and Exchange Commission (the “SEC”) that demonstrates your ownership of the requisite number of securities as of or before the date on which the one-year eligibility period begins, along with a written statement from you that: (i) you have continuously owned the required number of securities for the one-year period as of the date of the statement and (ii) you intend to continue ownership of the securities through the date of the 2020 Annual Meeting.

With respect to the first method of proving eligibility to submit a proposal as described in the preceding paragraph, please note that most large brokers and banks acting as “record” holders deposit the securities of their customers with the Depository Trust Company (“DTC”). The staff of the SEC’s Division of Corporation Finance (the “Staff”) in 2011 issued further guidance on its view of what types of brokers and banks should be considered “record” holders under Rule 14a-8(b). In Staff Legal Bulletin No. 14F (October 18, 2011) (“SLB 14F”), the Staff stated, “[W]e will take the view going forward that, for Rule 14a-8(b)(2)(i) purposes, only DTC participants should be viewed as ‘record’ holders of securities that are deposited at DTC.” In 2012, the Staff clarified, as stated in Staff Legal Bulletin No. 14G (“SLB 14G”) that a written statement establishing proof of ownership may also come from an affiliate of a DTC participant. SLB 14G also clarified that a shareholder who holds securities through a securities intermediary that is not a broker or bank can satisfy Rule 14a-8’s documentation requirement by submitting a proof of ownership letter from that securities intermediary.

You can confirm whether your broker, bank or other securities intermediary is a DTC participant by checking the DTC participant list, which is available on DTC’s website (currently, at http://dtcc.com/~/media/Files/Downloads/client-center/DTC/alpha.ashx). If your broker, bank or other securities intermediary is a DTC participant or an affiliate of a DTC participant, then you will need to submit a written statement from your broker, bank or other securities intermediary verifying that, as of the date the Proposal was submitted, you continuously held the requisite amount of securities for at least one year. If your broker, bank or other securities intermediary is not on the DTC participant list or is not an affiliate of a DTC participant, you will need to ask your broker, bank or other securities intermediary to identify the DTC participant or affiliate of a DTC participant through which your securities are held and have that DTC participant or affiliate provide the verification detailed above. You may also be able to identify this DTC participant or affiliate from your account statements because the clearing broker listed on your statement will generally be a DTC participant. If the DTC participant or affiliate knows the broker, bank or other securities intermediary’s holdings but does not know your holdings, you can satisfy
the requirements of Rule 14a-8 by submitting two proof of ownership statements verifying that, at the time the Proposal was submitted, the required amount of securities was continuously held for at least one year: (i) one statement from your broker, bank or other securities intermediary confirming your ownership and (ii) one statement from the DTC participant or an affiliate of a DTC participant confirming the broker, bank or other securities intermediary’s ownership.

You have not yet submitted evidence establishing that you satisfy these eligibility requirements set forth in Rule 14a-8(b). Please note that if you intend to submit such evidence, such response must be postmarked, or transmitted electronically, no later than 14 calendar days from the date you receive this letter. For your reference, copies of Rule 14a-8, SLB 14F and SLB 14G are attached to this letter as Exhibit A, Exhibit B and Exhibit C, respectively.

If you have any questions concerning the above, please do not hesitate to contact the undersigned by phone at (312) 853-7097 or by email at jkelsh@sidley.com.

Very truly yours,

John P. Kelsh

Attachments

cc: James J. Cowie, Senior Vice President, General Counsel & Secretary
    Cadence Design Systems, Inc.
    2655 Seely Avenue
    Building 5
    San Jose, California 95134
October 24, 2019

John R Chevedden

Dear Mr. Chevedden:

This letter is provided at the request of Mr. John R. Chevedden, a customer of Fidelity Investments.

Please accept this letter as confirmation that as of the date of this letter, Mr. Chevedden has continuously owned no fewer than the share quantity listed in the following table in the following securities, since September 1, 2018.

<table>
<thead>
<tr>
<th>Security Name</th>
<th>CUSIP</th>
<th>Symbol</th>
<th>Share Quantity</th>
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<tbody>
<tr>
<td>Marathon Petroleum Corporation</td>
<td>56585A102</td>
<td>MPC</td>
<td>100.000</td>
</tr>
<tr>
<td>HCA Healthcare Inc</td>
<td>40412C101</td>
<td>HCA</td>
<td>50.000</td>
</tr>
<tr>
<td>Cadence Design Systems Inc</td>
<td>127387108</td>
<td>CDNS</td>
<td>100.000</td>
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<tr>
<td>Anthem Inc</td>
<td>036752103</td>
<td>ANTM</td>
<td>25.000</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>00206R102</td>
<td>T</td>
<td>100.00</td>
</tr>
<tr>
<td>Lockheed Martin Corp</td>
<td>539830109</td>
<td>LMT</td>
<td>25.000</td>
</tr>
</tbody>
</table>

These securities are registered in the name of National Financial Services LLC, a DTC participant (DTC number: 0226) and Fidelity Investments subsidiary.

I hope you find this information helpful. If you have any questions regarding this issue, please feel free to contact me by calling 800-397-9945 between the hours of 8:30 a.m. and 5:00 p.m. Eastern Standard Time (Monday through Friday) and entering my extension 13813 when prompted.

Sincerely,

Stormy Delehanty
Operations Specialist

Our File: W478817-24OCT19