

**MENTOR GRAPHICS CORPORATION POLICY STATEMENT  
GUIDELINES FOR CORPORATE DISCLOSURE**

I. Definitions

A. Categories of People Covered by Regulation FD

Because Regulation FD places special responsibilities on certain categories of individuals or otherwise treats them specially, for convenience this Policy Statement will use certain defined terms to refer to these categories, as follows:

1. “Market Professionals or Stockholders”

Regulation FD applies special rules to communications with certain categories of individuals referred to in these Guidelines as “Market Professionals or Stockholders.” These include:

- Broker/dealers and their associated persons, including sell-side analysts,
- Investment advisors, institutional investment managers, hedge funds, and their associated persons, including buy-side analysts,
- Investment companies (mutual funds) and their affiliated persons, and
- Any stockholder or other holder of the issuer’s securities.

2. “Senior Officials”

Regulation FD defines “Senior Official” to mean any director, executive officer, investor relations or public relations officer or other person with similar functions. The individuals who currently are our Senior Officials are listed on Exhibit 1 to this Policy Statement. The definition of Senior Official is important principally because all Senior Officials are deemed to be “FD Persons” (see below).

3. “FD Persons”

Regulation FD imposes special responsibilities on any “person acting on behalf of an issuer.” Regulation FD defines “person acting on behalf of an issuer” to mean any Senior Official or any other officer, employee or agent of the issuer who regularly communicates with Market Professionals or Stockholders. Such persons may include individuals at an outside public relations or investor relations firm. This Policy Statement refers to anyone who falls within this definition as an “FD Person.” The individuals who currently are FD Persons (in addition to our Senior Officials) are listed on Exhibit 1 to this Policy Statement. No person who is not an FD Person is authorized to perform the functions of an FD Person.

#### 4. “Spokespersons”

Not all FD Persons ordinarily will be called upon to communicate with security analysts, institutional investors or representatives of the media. The individuals who ordinarily will be called upon to perform these functions are listed on Exhibit 1. In this Policy Statement, we refer to these individuals as our “Spokespersons.”

#### B. Material Information

The focus of Regulation FD is on the disclosure of material information. For purposes of these Guidelines, we use the same definition of “material information” the SEC used in its adopting release for Regulation FD. Information is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision, or if it would significantly alter the total mix of information available to investors. In Regulation FD, the SEC provided a nonexclusive list illustrating the types of information or events that the Commission believes must be reviewed carefully to determine whether they are material, including:

- Earnings information,
- Mergers, acquisitions, tender offers, joint ventures, or changes in assets,
- New products and discoveries,
- Developments regarding customers or suppliers (such as the acquisition or loss of a contract),
- Changes in control or in management,
- Changes in the outside auditor or notification by the auditor that the issuer may no longer rely on an auditor’s report,
- Events regarding the issuer’s securities, for example, defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders and public or private sales of additional securities, and
- Bankruptcies or receiverships

### II. Administration of the Guidelines

#### A. Disclosure Committee

We have formed a Regulation FD Disclosure Committee to implement these Guidelines and to address disclosure issues that may arise from time to time. The Disclosure Committee will meet to review the Guidelines as needed for modification or updating. The current

members and the Chair of the Disclosure Committee are listed on Exhibit 1 to this Policy Statement and consist of the Company's President, Director of Investor Relations and General Counsel.

#### B. Materiality Determinations by Disclosure Committee

Whenever questions arise about whether information constitutes material non-public information, the Company's FD Persons may confer with one or more members of the Disclosure Committee.

### III. Disclosure Guidelines

#### A. Earnings Announcements and Conference Calls

##### 1. Earnings Announcement and Quarterly Outlook

Following the end of each quarter, we will issue a press release to report our results of operations for that quarter. In addition to the historical financial information provided, each release will typically also contain projected financial information for the then-current quarter or future periods. Each outlook release should contain appropriate disclosures, such that statements about the projections are based on current expectations and that actual results may differ materially. Each release also will include a discussion of factors that may cause results to differ and a reference to appropriate risk factor disclosure in a recently filed SEC report, such as a Form 10-K or Form 10-Q, as well as a statement to the effect that the Company will not disclose or update projections other than in the regular quarterly press releases.

##### 2. Quarterly Conference Calls

Shortly after the Company's issuance of the quarterly earnings release, the Company will typically make a presentation about the results of operations for that quarter on a conference call. Absent unusual circumstances, each call will begin with prepared remarks by Spokespersons, followed by a question and answer period.

Absent unusual circumstances, each conference call will be open to securities analysts, stockholders, the media and other interested parties. The Company may choose to restrict questions during the question and answer period to securities analysts or other designated individuals.

##### 3. Blackout Periods

Absent unusual circumstances, the Company will not discuss with Market Professionals or Stockholders or otherwise comment on its financial or business performance or prospects during the period beginning on the sixteenth day of the third month of a quarter and ending after the quarterly conference call. If circumstances are such that the members of the Disclosure Committee feel it is desirable to comment on such matters during this period, the Company will do so only by way of a press release, as contemplated below. The Company may discuss

previously disclosed information dealing with prior period financial and business performance and general industry conditions.

#### 4. Pre-Release

In some circumstances, it may be desirable for the Company to provide information regarding its expected financial or business performance (such as regarding its expectations for revenues and net income for a quarter) before the Company is prepared to issue its regular quarterly earnings release. For example, such a release might be appropriate when there is a concern that materially positive or negative news may have leaked, or for other reasons. The determination whether to pre-release information about a quarter and what information is to be included in such a release must be made on a case-by-case basis by members of the Disclosure Committee.

### B. Dealing with Market Professionals, Stockholders and Other Inquiries

#### 1. Guidance

To promote compliance with Regulation FD, it is the Company's policy not to provide formal or informal guidance, whether direct or indirect, to Market Professionals or Stockholders with respect to earnings or other material financial projections except as part of its regular, quarterly press releases and subsequent conference calls.

#### 2. Meetings, Telephone Calls or Other Communications with Market Professionals and Stockholders

FD Persons will seek never to disclose material non-public information in meetings, telephone calls or other communications with Market Professionals or Stockholders. Participants in such meetings or telephone calls will include one or more of the Company's Spokespersons, whenever possible. During these conferences, Company representatives may present historical information in an organized manner, such as in graphical form, to illustrate trends in the Company's business or in the industry in general. Company representatives also may provide immaterial background information to help Market Professionals or Stockholders fill in elements of a "mosaic" of information. However, Company representatives should not provide material non-public forward-looking information during any such meeting or other communication. While these Guidelines do not prohibit exchanges of e-mail correspondence with Market Professionals or Stockholders, FD Persons should exercise particular caution in interacting with Market Professionals and Stockholders through e-mail.

#### 3. Analyst Models and Reports

Upon request by a Market Professional or Stockholder, a Company Spokesperson may elect to review drafts of an analyst's model or report. It is the Company's policy, however, not to comment on analysts' projections or their statements and

conclusions about the Company. Company representatives may correct factual errors by reference to information already in the public domain. In addition, no Company officer should allow himself or herself to be quoted in an analyst report. Absent unusual circumstances, the Company does not distribute copies of analyst reports to stockholders or others as part of investor relations kits.

#### 4. Site Visits

The Company permits Market Professionals or Stockholders to visit the Company on a non-discriminatory, appointments-only basis. While the Company's officers may from time-to-time make road show presentations to Market Professionals or Stockholders, it is the Company's policy not to disclose material non-public information during these meetings. The Company may elect to include business unit or product line managers or other representatives of the Company in these meetings.

### C. Investment Bank Sponsored Conferences, Road Shows, Trade Shows and the Press

#### 1. Investor Conferences and Road Shows

FD Persons are expected to proceed with great caution at investor conferences, such as those sponsored by investment banks, and on road shows. Participants in such conferences and road shows should include one or more of the Company's Spokespersons, whenever possible. Such Company representatives should apply the same disclosure guidelines to these meetings that they would to one-on-one meetings with Market Professionals or Stockholders.

#### 2. Trade Shows

Although the Company's target audience at trade shows generally does not include Market Professionals or Stockholders, the Company nevertheless requires participants in trade shows to comply with these Guidelines. In particular, it is the Company's policy not to disclose material non-public information at trade shows.

#### 3. The Press

Although statements made to members of the press do not fall within the scope of Regulation FD, absent a determination by members of the Disclosure Committee to the contrary based on the circumstances in question, the Company should not disclose material non-public information to individual representatives of the press without first issuing a press release or otherwise making a broadly disseminated announcement. Contacts with the news media should be only by one or more of the Company's Spokespersons, whenever possible.

### D. Inadvertent Disclosures

We recognize the possibility of inadvertent disclosure of material non-public information, such as in an informal meeting with a Market Professional or Stockholder. It is the Company's policy to promptly disclose through a press release or through a filing on Form

8-K with the SEC any material non-public information inadvertently disclosed by an FD Person to a Market Professional or Stockholder. Accordingly, when a Senior Official becomes aware of a potential inadvertent disclosure of non-public information that may be material, he or she should confer with one or more members of the Disclosure Committee to determine whether the information is material. If the Disclosure Committee members determine that the information is material, they also will determine the appropriate manner of disclosing the information. Regardless of the means the Company elects to make the disclosure, the Company will use its best efforts to disseminate the material information before the later of (i) 24 hours from the Senior Official becoming aware of the disclosure or (ii) the next opening of trading on the NASDAQ National Market System following the Senior Official's becoming aware of the disclosure.

## **Exhibit 1**

### Senior Officials

Walden C. Rhines  
Gregory K. Hinckley  
Sir Peter L. Bonfield  
Brian M. Derrick  
Dean M. Freed  
L. Don Maulsby  
Joseph L. Reinhart  
W. Henry Potts  
Joseph D. Sawicki

### FD Persons and Spokespersons

Walden C. Rhines  
Gregory K. Hinckley  
Joseph L. Reinhart  
Ryerson Schwark

### Disclosure Committee

Gregory K. Hinckley  
Joseph L. Reinhart  
Dean Freed, Acting Chair