

**MENTOR GRAPHICS CORPORATION
NOMINATING AND GOVERNANCE COMMITTEE CHARTER**

Committee Membership

The Board of Directors (the “Board”) of Mentor Graphics Corporation (the “Company”) will appoint from among its members a Nominating and Governance Committee (the “Committee”). The Committee will consist of at least three members of the Board, each of whom must be determined by the Board to be independent under Nasdaq rules.

Committee Purpose and Responsibilities

The Committee shall have the purpose and responsibilities to:

1. Coordinate the process whereby individuals are selected and nominated to serve as Board members of the Company.
2. Participate in the identification of individuals believed to be qualified to become Board members and recommend to the Board the nominees to stand for election as directors at the annual meeting of shareholders or, if applicable, at a special meeting of shareholders. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by shareholders. In selecting or recommending candidates, the Committee shall take into consideration one or more of the following factors: personal qualities and characteristics, accomplishments and reputation in the business community; current knowledge and contacts in the Company's industry or other industries relevant to the Company's business; ability and willingness to commit adequate time to Board and committee matters; the fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective and responsive to the needs of the Company; and, diversity of viewpoints, background, experience and other demographics. The Committee shall consider candidates recommended by the Company's shareholders in accordance with the procedures set forth in the Company's annual proxy statement. The Committee may consider candidates proposed by management.
3. Oversee a process to ensure the periodic evaluation of the Company's senior management, and the Board and its committees.
4. Oversee succession planning processes for the Board as appropriate.
5. Review and make recommendations to the Board regarding the longer term composition, size and role of the Board.
6. Review the Company's annual proxy statement disclosure regarding the operations of the Committee.

7. Consider matters of corporate governance applicable to the Company, and periodically establish and review corporate governance policies.
8. Report to the Board on a regular basis, and not less than once per year.
9. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the nomination of Board members or establishment and modification of corporate governance policies as appropriate.

Committee Structure and Operations

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet at least once a year, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Last Updated: July 2007