



## EU SAFE HARBOR DATA PRIVACY POLICY

### INTRODUCTION AND POLICY STATEMENT

Mentor Graphics Corporation, including its subsidiaries and branches (collectively “Mentor” or the “company”) respects the concerns of its employees about privacy and is committed to protecting employee data maintained by the company. Due to the global nature of Mentor's business, Mentor has the need to extract, compile and transfer Personal Data, as defined below, of current and former employees and job applicants of Mentor, across international boundaries.

Under EU Directives, the transfer of Personal Data outside the EU is only permitted if receiving companies meet an “adequacy” standard for privacy protection. US companies that comply with Safe Harbor Principles as set out by the U. S. Department of Commerce, in agreement with the European Commission, will be considered as having “adequate” privacy protections for EU individuals’ personal data.

As a result, Mentor has adopted this EU Safe Harbor Data Privacy Policy ("the Policy") which sets forth the privacy principles that Mentor follows with respect to Personal Data transferred from the European Union (EU) to the United States. Accordingly, Mentor will adhere to the published Safe Harbor Principles with respect to Personal Data transferred from the European Union to the United States regarding current and former employees and job applicants of Mentor within the European Union ("EU Persons"). For more information about the Safe Harbor principles, please visit <http://www.export.gov/safeharbor>.

This Policy applies to all EU Persons’ Personal Data received by Mentor in the United States from the EU in any format. For the purpose of this Policy, "Personal Data" is data which is (i) about or pertains to, and can be linked to a specific identified or identifiable EU Person, (ii) received by Mentor in the U.S. from the EU, and (iii) recorded in any form. This generally includes the name, address, contact information, compensation, job title, work location, benefits, employment history and any other information provided by an EU Person or collected in connection with an EU Person’s employment or application for employment. Personal Data does not include information that is encoded or anonymized, or publicly available information.

### GUIDELINES

#### 1. Notice

In this Policy, Mentor notifies EU Persons about the purposes for which it collects and uses Personal Data, the types of third parties to whom Mentor discloses the Personal Data, the choices EU Persons have for limiting the use and disclosure of their Personal Data, and how to contact Mentor about its practices concerning Personal Data.

Mentor receives Personal Data in connection with the management and administration of pre-employment, employment and post-employment matters. Mentor will use the information for general employment purposes, business operations, employee development, administration and planning, or when required in the course of judicial or administrative proceedings, subject to all nondisclosure safeguards available.

More specifically, personal data may be used (1) in the vital interest of the individual EU Person or another person; (2) when necessary for the establishment of legal claims or defenses; (3) if required to provide medical care or diagnosis; (4) when necessary to carry out Mentor's employment law obligations; or (5) if expressly permitted by the EU Person for a specific purpose.

Collection and use of Personal Data in the employment context is essential to the conduct of human resource and business functions. Examples of purposes for which Mentor collects and uses Personal Data, include but are not limited to, recruitment, payroll, and personnel management, such as compensation, promotion, valuation, benefit administration, and succession planning.

Notice to EU Persons will be provided before Mentor uses the information for purposes other than for which it was collected, or before it discloses the information to categories of third parties not specified in this Policy.

## **2. Choice**

Except as provided below, Mentor gives EU Persons the opportunity to opt out (opt-out consent) from allowing Mentor to disclose their Personal Data: (i) to a non-agent third party or (ii) for a purpose incompatible with the purpose for which it was originally collected or authorized. To exercise this opt out, an EU Person should contact his or her site Human Resources Representative.

An EU Person cannot opt out of the transfer of their Personal Data for the purpose of meeting applicable legal obligations, processing payroll or other business operations, or permitting the legitimate interests of Mentor in making promotions, appointments or other employment decisions, or if in the vital interests of the EU person, such as when life or health are at stake.

With respect to sensitive data (for example, political or religious beliefs, union membership, health matters, etc.), Mentor does not record such information unless specifically authorized by the individual EU Person or as permitted under the Safe Harbor or as required by local law, including tax law and will not disclose such sensitive data to a third party or use for other than the purpose originally collected or subsequently authorized by the EU Person unless such EU Person gives affirmative permission (opt-in consent).

## **3. Onward Transfer to Third Parties**

Mentor may transfer Personal Data to third parties that provide certain services to Mentor, including but not limited to outside accountants and lawyers, consultants and payroll, subcontractors, vendors and other benefit service providers. Prior to transferring Personal Data, Mentor will ensure that the protection and transfer of such Personal Data complies with this Policy.

Mentor may transfer Personal Data to a third party acting as an agent for Mentor without consent if the third party: (i) has certified to the Safe Harbor Principles, (ii) is subject to laws meeting the minimum requirements of the EU Directive, or (iii) has entered into an agreement with Mentor in which the third party agrees to provide the same level of protection as required by the Safe Harbor Principles. If the third party agent does not comply with its privacy obligations, Mentor will take commercially reasonable steps to prevent or stop the use or disclosure of Personal Data.

#### **4. Security**

Mentor takes reasonable measures to protect Personal Data from loss, misuse, and unauthorized access, disclosure, alteration or destruction.

These measures include password protection for online information systems and restricted access to Personal Data processed by the Human Resources Department.

Employees of Mentor are responsible for helping maintain security through safeguarding Personal Data; e.g., by protecting passwords used to access Mentor computer systems, by keeping paper records under lock and key when not in use, and by disposing of files and reports no longer needed in a secure manner.

#### **5. Data Integrity**

Mentor does not process Personal Data in a way that is incompatible with the purposes for which it has been collected or subsequently authorized by the individual. Mentor will take reasonable steps to ensure that Personal Data is relevant for its intended use, and reasonable steps to keep Personal Data accurate, complete and current. Each EU Person is responsible for informing Mentor or its EU subsidiaries of any changes in Personal Data so that the information that Mentor holds about him or her is accurate, complete and up-to-date.

#### **6. Access**

Upon reasonable request, Mentor will provide EU Persons with reasonable access to Personal Data that it holds about them, subject to certain exceptions as described below. Reasonable access means during normal business hours, following standard procedures, and the frequency is not excessive. Depending on the request, Mentor may charge a reasonable fee for such access.

The Safe Harbor Principles provide exceptions to the obligation to provide access to Personal Data. Access to confidential or proprietary information such as business reorganization or succession plans, or where granting access has to be balanced against the privacy interests of others, may be restricted. In addition access may be denied: (i) when the information requested relates to an ongoing investigation, litigation or potential litigation; (ii) where the burden or expense of providing access would be disproportionate to the risks to the privacy of the EU Person, or (iii) when the rights of persons other than the EU Person would be violated.

An EU Person who wants to have access to his or her Personal Data should provide a written request to his or her site Human Resources Representative, who will consider it in accordance with the above. Mentor will take reasonable steps to permit the employees to correct, amend, or delete any Personal Data which is inaccurate or incomplete.

#### **7. Verification of Compliance**

Annual internal compliance reviews of the Policy will take place as part of the certification process with the U.S. Department of Commerce. **Mentor will verify implementation of this Policy and that it is in compliance with the Safe Harbor Principles.** Mentor will provide training to appropriate employees on the implementation of this Policy and the possible discipline procedures for failing to comply with the Policy. Mentor considers compliance with this Policy mandatory and failure of appropriate employees to comply with its terms are subject to immediate disciplinary action.

## **8. Enforcement and Dispute Resolution**

If a complaint regarding Mentor's use of Personal Data is raised by an EU Person, Mentor will investigate and try to resolve any dispute and take steps to remedy any issues arising out of a failure to comply with the Safe Harbor Principles. If the dispute cannot be resolved, Mentor will participate in the dispute resolution procedures established by the European Data Protection Authorities.

Any questions, concerns, complaints or other relevant issues regarding the use or disclosure of Personal Data should be directed to the European Deputy General Counsel.

### **By mail:**

Shannon Wetzel, Deputy General Counsel  
Mentor Graphics (Deutschland) GmbH  
Arnulfstrasse 201  
Munich, D-80634  
Germany

**By email:** shannon\_wetzel@mentor.com

## **9. Amendment**

This Policy may be amended from time to time in compliance with the requirements of the Safe Harbor Principles. Appropriate notice will be given concerning such amendments.

**IMPLEMENTATION DATE:** 21 October 2011