

08-17-2000



101435557

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

7.24.00

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment
- License
- Security Agreement
- Nunc Pro Tunc Assignment
- Merger
Effective Date
Month Day Year
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual
- General Partnership
- Limited Partnership
- Corporation
- Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

- Individual
 - General Partnership
 - Limited Partnership
 - Corporation
 - Association
 - Other
- If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

8/16/2000 MTHR11 00000212 1791314

FOR OFFICE USE ONLY

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40.00 DP

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Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

Number of Properties

Enter the total number of properties involved. #

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account
(Enter for payment by deposit account or if additional fees can be charged to the account.)
Deposit Account Number: #

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Matthew Wayman
Name of Person Signing


Signature

7/13/00
Date Signed

SHARE PURCHASE AGREEMENT

This SHARE PURCHASE AGREEMENT is made and entered into on December 20, 1999:

Between:

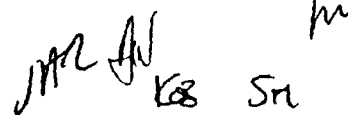
- SYNOPSIS S.A.R.L., a French corporation with a stated capital of FF 7,464,000, having its registered office at 24 rue Saarinen Silic 217, 94150 Rungis, France, registered with the Registry of Commerce and Companies of Créteil, under number 380 778 175, duly represented by Mr. Richard Henderson, Manager, who has all necessary authority to represent;

And:

- Mr. Serge Maginot, born on September 3, 1962, in Strasbourg, France, residing at 8 bis rue Linné, 38000 Grenoble, France;
- Mr. Anton Sauer, born on June 13, 1941, in Augsburg, Germany, residing at Lohengrin Street 29, 82110 Germering, German;
- Mrs. Nelly Rouillard, born on May 29, 1954, in Nancy, France, residing at 44 Chemin St Bruno, 38700 Corenc, France;
- Mr. Joël Rodriguez, born on May 1, 1959, in Santiago, Mexico, residing 27B chemin Revirée, 38240 Meylan, France;
- Mr. Jacques Rouillard, born on December 10, 1952, in Strasbourg, France, residing at 12 Square Belzunce - MBE 145, 13001 Marseille, France;
- Mr. Alain Fonkoua, born on September 2, 1961, in Douala, Cameroon, residing at Les Florales, Bat. D4, 93 Boulevard Barry, 13013 Marseille, France;
- Mr. Olivier Thibault, born on September 1, 1961, in Paris, France, residing at 10 rue Belgrade, 38000 Grenoble, France;
- Kevin O'Brien, born on July 29, 1964, in Dublin, Ireland, residing at 1 rue Philis de la Chance, 38000 Grenoble, France;

(hereinafter collectively referred to as the "**Major Shareholders**").

- Mr. Jean Mernet, born on February 24, 1942, in Bourg Saint Maurice, France, residing at 33 Chemin St Bruno, 38700 Corenc, France;
- Mrs. Dominique Salaun, born on November 14, 1954, in Toulon, France, residing at 01800 St Maurice du Gourdans, France;



- Mr. Alec Stanculescu, born on April 28, 1951, in Bucarest, Romania, residing at 40 Stoney Point Place, San Mateo, CA 94402, USA;
- Mr. Vincent Mermet, born on January 8, 1954, in Saint Denis de la Réunion, France, residing at 01800 St Maurice du Gourdans, France;
- Fintronic Inc. an American corporation with its registered office located at 1360 Willow Road, Menlo Park, CA 94025, USA, represented by Mr. Alec Stanculescu, legal representative, who has all necessary authority;

(hereinafter collectively referred to as the "Other Shareholders").

Acting jointly and severally for purposes of this Agreement, except as otherwise provided herein;

PREAMBLE

WHEREAS, the Purchaser desires to buy all of the issued and outstanding shares of Leda SA, a *société anonyme* organized under the laws of France, with a capital of 768,000 French Francs, having its registered office at Europarc de Château-Gombert, Chemin de la Rose à la Grave, 13013 Marseille, France, registered with the Registry of Commerce and Companies in Marseille under number 950 425 165 (hereinafter referred to as the "Company").

WHEREAS, the Major Shareholders are the owners of four thousand and seventy-five (4,075) shares (hereinafter the "Major Shareholders' Shares") out of the seven thousand six hundred and eighty (7,680) shares forming all of the stated capital of the Company (hereinafter referred to as the "Company Shares").

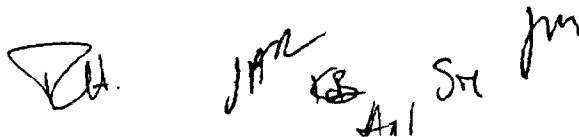
WHEREAS, the Other Shareholders are the owners of three thousand six hundred and five (3,605) shares (hereinafter the "Other Shareholders' Shares") out of all of the Company Shares.

WHEREAS, the Purchaser desires to purchase all of the Company Shares from the Major Shareholders and the Other Shareholders, and the Major Shareholders and the Other Shareholders desire to sell the Company Shares owned by each of them to the Purchaser, all upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, the mutual covenants, agreements, representations, and warranties herein contained, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Certain Definitions

"Purchaser" shall mean Synopsys, S.A.R.L. or any other affiliate or subsidiary of Synopsys, Inc., as Synopsys, Inc. may decide at its sole discretion;

Handwritten signatures and initials, including a large 'A' and 'S', and the letters 'A1'.

"Shareholders" shall mean the Major Shareholders and the Other Shareholders, all of whom are listed on Schedule 1 hereto, which states the number of Company Shares held by each of them;

"Subsidiary" means LEDA LLC, a California limited liability company.

2. Purchase and Sale of the Company Shares.

2.1 Transaction

Upon Closing (as this term is defined in Section 3 hereof), subject to the conditions set forth in this Agreement, the Purchaser will purchase all of the Company Shares ; which are currently owned as follows:

- (i) 4,075 shares held by the Major Shareholders; and
- (ii) 3,605 shares, held by the Other Shareholders.

Upon the terms and provisions of this Agreement, the Purchaser agrees to purchase and accept delivery from each of the Shareholders, and each of the Shareholders agrees to sell, assign, transfer, and deliver to the Purchaser, on Closing all of his, her or its Company Shares and all rights now and hereafter attaching or accruing thereto, including rights pertaining to dividends payable with respect to the Company Shares for all periods after the fiscal year ended on June 30, 1999.

2.2 Purchase Price

The total consideration for the Company Shares transferred upon Closing shall be equal to the French Franc equivalent of seven million five hundred thousand (7,500,000) U.S dollars (the "Purchase Price"), determined by reference to the New York foreign exchange mid-range rate among banks (the "Exchange Rate") for the sale of U.S. Dollars for French Francs quoted in the Wall Street Journal as of 4 p.m. on the third business day preceding the Closing Date (as this term is defined in Section 3).

2.3 Payment of the Purchase Price

(i) The French Franc equivalent (using the Exchange Rate) (the "French Franc Equivalent") of five million two hundred and fifty thousand (5,250,000) U.S dollars shall be payable in cash at the Closing by the Purchaser to the Shareholders through a check or wire transfer to the order of Landwell & Associés for deposit in the Caisse des Règlements Pécuniaires des Avocats ("CARPA") located at Ordre des Avocats, Maison de l'Avocat, 3 Passage de la République, 38000 Grenoble, France, (ii) the French Franc Equivalent of two million two hundred and fifty thousand (2,250,000) U.S. dollars representing 30% of the Purchase Price paid to each of the Shareholders (the "Escrow Amount") shall be paid to Société Générale, as escrow agent under an escrow agreement which shall be in the form of Schedule 2.3 hereto (the "Escrow Agreement"), the purpose of which is to secure the Shareholders' obligations pursuant to this Agreement and provide a source of payment of any amount payable pursuant to Section 6 hereof. The Purchase Price (including the Escrow Amount) shall be distributed to the Shareholders and in the amounts set forth next to each Shareholder's name as set forth on Schedule 1 hereto; provided however, that Purchaser's transfer of funds to the CARPA and Société Générale pursuant to this Section 2.3 shall constitute complete performance of its obligations under this Section and under Section 3.2(a) hereof, and the Purchaser shall have no responsibility for actions taken by CARPA with respect to these funds, including their allocation among the Shareholders.

Handwritten initials and signatures: *CH*, *SB*, *ST*, *JRA*, *jm*, and a signature.

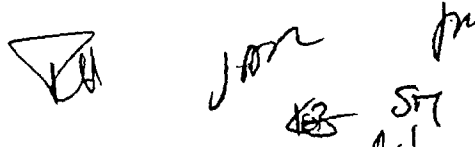
3. Closing.

The closing (the "**Closing**") shall take place at the offices of Kahn & Associés, Paris, France, on January 10, 2000, or at such other date and place as the Purchaser and the Shareholders may agree in writing, but in no event later than January 21, 2000 (the "**Termination Date**"). All transactions and actions, including, without limitation, the deliveries by the Shareholders as provided under Section 3.1, to be taken at the Closing shall be deemed to take place simultaneously and effective on the Closing Date; provided that no transaction and deliveries of any document shall be deemed complete until all transactions and deliveries of documents are complete. The date and time of the Closing are referred to herein as the "**Closing Date**". In the event that the Closing shall not have taken place by midnight, Paris time, on the Termination Date, this Agreement shall terminate unless the parties mutually agree otherwise.

3.1 Documents To Be Delivered to the Purchaser by the Shareholders.

At the Closing, the Shareholders will deliver to the Purchaser or will cause to be delivered to the Purchaser:

- (a) The share transfer forms in respect of the 7,680 Company Shares held by the Major Shareholders and the Other Shareholders (and all voting and other rights attached thereto);
- (b) the share transfer form executed by Mr. Joël Rodriguez with respect to the sale of all of its interests owned in the Subsidiary in favor of any party designated by Synopsys;
- (c) A certificate, in form and substance reasonably acceptable to the Purchaser, executed by each of the Shareholders, dated the Closing Date, and certifying that (i) all representations and warranties in this Agreement are true and correct as of the Closing Date, (ii) none of the Shareholders has breached any covenant in this Agreement, and (iii) attached thereto is a true and complete copy of the Articles of Incorporation, the by-laws, and of the registration certificate of the Company and the Subsidiary, as in effect as of the Closing Date;
- (d) Unconditional resignation effective as of the Closing Date of such of the directors or other officers of the Company and the Subsidiary as the Purchaser may request, with a written acknowledgment from each that he/she has no claim whatsoever against the Company or the Subsidiary whether in respect of compensation or damages or the payment of any other sum or sums for loss of office or otherwise;
- (e) Proof of the termination of all powers of attorney and delegation of powers (*délégations de pouvoir* and *délégations de signature*) granted by the Company or the Subsidiary;
- (f) All of the Company's and the Subsidiary's share registry and records of directors and shareholders' meetings all duly completed and up to date;
- (g) Consents of all third parties, which are required on the part of the Company or the Shareholders as a result of the consummation of the transactions contemplated by this Agreement;
- (h) An affidavit signed by the Major Shareholders and the Other Shareholders, in a form acceptable to the Purchaser, acknowledging that all shareholders agreements and powers of attorney (other than those specifically referencing the transactions contemplated by this Agreement) which may have been entered into between any of the Shareholders have been terminated on or before the Closing Date.

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(i) a certified copy of the resolutions of the Board of Directors of the Company, authorizing execution and delivery of this Agreement and performance of the transactions contemplated hereby by the Company, including the approval of the Purchaser as new shareholder of the Company;

(j) Evidence that Mentor Graphics Corporation waived its right of first refusal on the Company Shares or that such right of first refusal is no longer in effect;

(k) The amendments to the employment agreements, in substantially the form attached hereto as **Schedule 3.1(k)**, executed by each of the Company's employees, Mr. Kevin O'Brien and Mr. Bruno Verhaeghe, providing for a non-compete covenant;

(l) The amendment to the employment agreement, in substantially the form attached hereto as **Schedule 3.1(l)**, duly executed by Mr. Serge Maginot providing for the application of the SYNTEC collective bargaining agreement and a non-compete covenant;

(m) notice of termination of the OEM agreement entered into with Summit Design, Inc. on June 20, 1999 and of the agreement entered into with Cast dated February 15, 1995, such notices to be sent immediately following the Closing;

(n) written evidence of termination of the consulting agreement entered into between the Company and Mr. Anton Sauer with a written acknowledgment executed by Mr. Anton Sauer that he received all amounts due under this agreement, without no additional amounts being owed to him;

(o) notifications to Lyonnaise de Banque, ANVAR and the Commission of the European Union of the change in the control of the Company as a result of the consummation of the transactions contemplated by this Agreement, such notices to be sent immediately following the Closing;

(p) written evidence of the formalities carried out by the Company in order to obtain the releases of the pledges on the on-going-business and equipment with respect to the loan agreements entered into with Lyonnaise de Banque dated January 17, 1994 and December 11, 1995.

(q) an original counterpart of the Escrow Agreement executed by each of the Shareholders;

(r) Such other certificates and documents as the Purchaser or its counsel may reasonably request; and

(s) resignation letter from the Company's statutory auditors.

Provided that complete compliance with this Section 3.1 by the Shareholders, as well as the truthfulness and accuracy of the certificate delivered pursuant to Section 3.1(c), shall be conditions to the Purchaser's obligations under Section 3.2.

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3.2 Documents to be Delivered by the Purchaser.

At the Closing, the Purchaser will deliver to the Shareholders, the following:

- (a) Against receipt of the Major Shareholders' share transfer certificates and of the Other Shareholders' share transfer certificates in accordance with Sections 3.1(a) hereof, the consideration to the Shareholders as set forth in Section 2 hereof less the Escrow Amount;
- (b) A copy of resolutions of the Purchaser's shareholder authorizing the purchase of the Company Shares; and
- (c) an original counterpart of the Escrow Agreement executed by the Purchaser.

4. Representations and Warranties by the Shareholders.


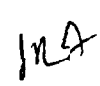

Each of the Shareholders represents and warrants to the Purchaser that as of the Closing Date:

4.1 Organization.

The Company is a corporation duly incorporated and validly existing under the laws of France. The Company has never had and presently has no equity interests or investments in, and does not exercise any control over, whether direct or indirect, in law or in fact, any Person (as defined below) except the Subsidiary, and has not been and is not a member of any joint venture or partnership. The Company has not agreed to acquire any such interest or to become a member of any joint venture or partnership. The Company does not serve as director in law or in fact in any Person. The verb "control", as used herein, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of any such company or entity, and the term "Person" shall mean an individual, trust, estate, partnership, firm, business, corporation, limited or unlimited liability company or other juridical entity, enterprise or association, existing in law or in fact. The Subsidiary is a corporation duly incorporated and validly existing under the laws of its place of incorporation. Each of the Company and the Subsidiary has all requisite corporate right, power and authority to own or lease and to operate its properties and to carry on its business as now being conducted. Each of the Company and the Subsidiary is qualified or licensed to do business in each jurisdiction where it is required to be qualified or licensed as a result of the conduct of its business unless the failure to be so qualified or licensed would not have a material adverse effect on the condition (financial or otherwise), assets, liabilities, properties, business, or prospects of the Company and the Subsidiary taken as a whole (a "Material Adverse Effect").

4.2 Authority.

Each of the Shareholders has the right, power and authority, including but not limited to in connection with his marital status, to execute and deliver this Agreement and the other agreements and documents contemplated by this Agreement (all such other agreements and documents will be known hereafter as the "Transaction Documents") to which such Shareholder is a party and to carry out such Shareholder's obligations hereunder and thereunder. The Company has the right, power and authority to execute and deliver the Transaction Documents to which it is a party and to carry out its obligations thereunder. The Board of Directors of the Company authorized the execution and delivery of this Agreement and approved the Purchaser as a new shareholder of the Company and no other proceeding, authorization or approval on the part of the Shareholders or the Company is necessary to authorize the execution and delivery of this Agreement or any Transaction Document or the performance by the Shareholders or the Company of any of the transactions contemplated hereby or thereby.

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This Agreement and all Transaction Documents to which any of the Shareholders is a party have been duly executed and delivered by the Shareholders, and all Transaction Documents to which the Company is a party have been duly executed and delivered by the Company, and when executed and delivered by all required parties hereto and thereto, will be legal, valid, and binding obligations of the Shareholders and the Company enforceable against the Shareholders and the Company in accordance with their respective terms, subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and other similar laws of general application affecting the rights of creditors and applicable laws, regulations and principles of equity which may restrict the enforcement of certain equitable remedies.

4.3 Approvals.




Except to the extent specifically set forth in **Schedule 4.3** hereto, no consent, approval, order, or authorization of, or notification, registration, declaration, or filing with, any governmental authority or third party is required in connection with the execution and delivery of this Agreement and the Transaction Documents by each of the Shareholders or the Company or the consummation of the transactions contemplated hereby or thereby.

4.4 Non-Contravention.

The execution and delivery of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate any provision of the by-laws ("*statuts*") of the Company or of the certificate of incorporation and any other governing provision of the Subsidiary; (b) violate any material provision of, or result in the breach or the acceleration of, or entitle any party to terminate or accelerate (whether after the giving of notice or lapse of time or both), any material obligation under any agreement, oral or written contract or arrangement, lease, franchise, permit, license, promissory note, mortgage, instrument, or other document (collectively, "**Contracts**") to which any of the Company, the Subsidiary or the Shareholders is a party or by which any of them or their assets is bound; (c) violate any mortgage, lien, claim, charge, restriction, right, option, adverse interest, security interest, conditional or installment sales agreement, pledge, restriction or limitation of use, easement or other adverse claim of ownership or use, or other encumbrance of any kind (collectively, "**Liens**") or result in the creation or imposition of any material Lien upon any property of any of the Company, the Subsidiary or the Shareholders; or (d) violate or conflict with any other material restriction or any law, ordinance, rule, order, arbitration award, judgment, or decree to which any of the Company, the Subsidiary or the Shareholders, or any property of any of them, is subject.

4.5 Capital Stock; Title to Shares.

(a) The Company's authorized share capital consists of seven thousand six hundred eighty (7,680) shares, and the only issued shares of the Company are the Company Shares which are owned beneficially and of record by the Shareholders in the amounts set forth opposite their respective names in **Schedule 1** hereto (**Schedule 1** also sets forth each Shareholder's pro-rata share of the total share capital of the Company). The Company Shares are duly authorized, validly issued, fully paid, and non-assessable. The Shareholders own their shares free and clear of all Liens. The Shareholders have the right, power and authority to sell all of their shares as provided herein, and upon such sale, the Purchaser will receive good and valid title to all of the Shareholders' shares, free and clear of all Liens. The Company share ledger registry will be in proper form for transfer when delivered to the Purchaser at the Closing.

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(b) The Subsidiary's authorized, issued and outstanding share capital is as described on Schedule 4.5, and all of the issued and outstanding shares of capital stock of the Subsidiary (the "Subsidiary Shares") are owned beneficially and of record by the Company. The Subsidiary Shares are duly authorized, validly issued, fully paid, and non-assessable, and the Subsidiary's shareholders, own their Subsidiary Shares free and clear of all Liens.

(c) There are no outstanding subscriptions, options, conversion rights, warrants, or other agreements or commitments of any nature whatsoever (either firm or conditional) obligating the Company or the Subsidiary to issue, deliver, sell, or cause to be issued, delivered, or sold, any additional shares of capital stock of the Company, or obligating the Company or the Subsidiary to grant, extend, or enter into any such agreement or commitment; and (ii) there are no rights of first refusal, pre-emptive rights, or other similar agreements obligating the Company or the Subsidiary or any Shareholder to offer any shares of its capital stock to any person and none of the Company Shares or the Subsidiary Shares were issued in violation of any pre-emptive or similar rights. There are no dividends due to be paid or in arrears with respect to any of the share capital of the Company or the Subsidiary.

4.6 Financial Statements.

(a) Attached hereto as Schedule 4.6 are true, complete and correct copies of (i) the Company's audited financial statements for each of the years ended June 30, 1997, June 30, 1998 and June 30, 1999, the unaudited balance sheet and loss and profit statement as of September 30, 1999 and (ii) the Subsidiary unaudited financial statements for each of the years ended December 31, 1997, December 31, 1998 and the unaudit balance sheet and profit and loss statement as of October 31, 1999 (collectively, the "Financial Statements"). All of the Financial Statements are true, correct and complete in all material respects, are in accordance with the books and records of the Company and the Subsidiary respectively, have been prepared in accordance with French GAAP or, as concerns the Subsidiary, with U.S. GAAP, consistently applied throughout the periods indicated, and present fairly the financial position of the Company and of the Subsidiary at the dates indicated and the results of operations of the Company and the Subsidiary for the periods indicated. For the purpose of this Agreement, French GAAP means generally accepted accounting principles in France.

(b) All the amounts in connection with advance payments made by, or subsidies received from any governmental department, commission, bureau or agency of France, European Union, United States of America or any other government have been properly recorded in the accounts of the Company and the Subsidiary and reflected in the Financial Statements, according to French GAAP or, as concerns the Subsidiary, to U.S. GAAP.

4.7. Undisclosed Liabilities.

Neither the Company nor the Subsidiary has incurred any material liability or obligation (absolute, accrued, contingent, or otherwise) of any nature (other than contractual liabilities and contractual obligations incurred in the ordinary course of business) that has not been properly reflected or reserved against in the Financial Statements or described on Schedule 4.7.

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4.8. Business ("Fonds de Commerce") - Business Difficulties.

(a) The businesses ("*fonds de commerce*") of the Company and of the Subsidiary have been operated in a normal manner, in accordance with applicable laws and regulations, so as to maintain its activities and safeguard its existence. Except to the extent specifically set forth on Schedule 4.8, the Company and the Subsidiary have full ownership of their respective businesses, which are not the subject of any liens, pledges, third party rights or agreements the subject matter of which being any such businesses, nor of any claims or actions of any nature whatsoever.

(b) No events have occurred since June 30, 1999 which may have had a Material Adverse Effect.

(c) Neither the Company, nor the Subsidiary are currently, nor have been in the past, the subject of any proceeding with a view to the prevention or resolution of business difficulties (or any similar actions), or of a judgement of dissolution, and there do not exist any reasons justifying such a procedure or judgement concerning the Company or the Subsidiary. Neither the Company nor the Subsidiary is undergoing a period of difficulties ("*période suspecte*") as that term is used in French bankruptcy law.

4.9 Conduct in the Ordinary Course; Absence of Certain Changes.

At all times, the Company and the Subsidiary have conducted their respective businesses in the ordinary course thereof and have used reasonable commercial efforts to preserve intact the organization of their businesses and the goodwill of their customers, suppliers and others having a business relation with the Company or the Subsidiary. Since June 30, 1999, there has been no Material Adverse Effect, and neither the Company nor the Subsidiary has:

(a) issued or sold any shares, notes, bonds or other securities, or any option to purchase the same, or entered into any agreement with respect thereto;

(b) except as set forth on Schedule 4.9, declared, set aside, or made any dividend or other distribution on its share capital or redeemed, purchased, or acquired any shares thereof, or entered into any agreement in respect of the foregoing;

(c) amended its by-laws, its certificate of incorporation or any other governing provisions;

(d) except as set forth on Schedule 4.9, other than in the ordinary course of business (i) purchased, sold, assigned, licensed, leased or transferred any material tangible or intangible assets or property (including but not limited to cash and cash equivalents); (ii) mortgaged, pledged, granted, or suffered to exist any Lien on any material tangible or intangible assets or properties, except for Liens for Taxes not yet due; or (iii) waived any rights of material value or canceled any material debts or claims;

(e) incurred any material obligation or liability (absolute or contingent), except current liabilities and obligations incurred in the ordinary course of business, or paid any material liability or obligation (absolute or contingent) other than current liabilities and obligations incurred in the ordinary course of business;

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(f) except as set forth on Schedule 4.9, increased, or become obligated to increase, the compensation or other benefits payable to any director, manager, officer, employee, consultant or agent of the Company or the Subsidiary or any relative of any such person, or paid any bonus, granted any severance or termination pay, or entered into any employment agreement or other agreement (written or oral) with any such person or relative or hired anyone;

(g) incurred any damage, destruction, or similar loss, whether or not covered by insurance, materially affecting the businesses or properties of the Company or the Subsidiary;

(h) except as set forth on Schedule 4.9, entered into any transaction other than in the ordinary course of business including, without limitation, entering into a Contract with a customer on terms which reflect a discount of more than ten (10%) percent of the customary rates for the product or service covered by such Contract;

(i) suffered any strike or other labor trouble materially and adversely affecting its business, operations, or prospects;

(j) made or permitted any material amendment or termination of any material Contract to which it is a party other than in the ordinary course of business;


(k) made any change in its accounting methods or practices;

(l) abandoned or disposed of any Intellectual Property as defined in Section 4.17, other than in the ordinary course of business; or

(m) suffered any loss of employees or customers that materially and adversely affects its business, operations or prospects.

4.10 Tax Returns, Taxes.


(a) Except to the extent specifically set forth in Schedule 4.10, all Tax returns, statements, reports and forms (including without limitation estimated Tax returns and reports and information returns and reports) required to be filed with any Tax Authority with respect to any Taxable period ending on or before the Closing, by or on behalf of the Company and the Subsidiary (collectively, the "Tax Returns"), have been or will be properly completed and filed when due (including any extensions of such due date), and all amounts shown to be due thereon on or before the Closing have been or will be paid on or before such date. The Company's and the Subsidiary's Financial Statements fully accrue all actual and contingent liabilities for all material unpaid Taxes with respect to all periods (or portions of such periods) through June 30, 1999 and neither the Company nor the Subsidiary has or will incur any material Tax liability in excess of the amount reflected on the Company's or the Subsidiary's Financial Statements (whether or not reflected as payable on any Tax Return that has been filed) with respect to such periods (or portions of such periods). All information set forth in the notes to the Financial Statements relating to Tax matters is true, complete and accurate in all material respects. The Company and the Subsidiary have not and will not incur any material Tax liability for periods (or portions of periods) after June 30, 1999 through the Closing Date other than in the ordinary course of business. The Company and the Subsidiary have withheld and paid to the applicable financial institution or Tax Authority all amounts required to be withheld. Neither the Company nor the Subsidiary has been granted any extension or waiver of the limitation period applicable to any Tax Returns.

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(b) To the best of the Shareholders' knowledge, there is no claim, audit, action, suit, proceeding, or investigation now pending or threatened against or with respect to the Company or the Subsidiary in respect of any Tax or assessment. No notice of deficiency or similar document of any Tax Authority has been received by the Company or the Subsidiary, and there are no liabilities for Taxes (including liabilities for interest, additions to Tax and penalties thereon and related expenses) with respect to the issues that have been raised (and are currently pending) by any Tax Authority that could, if determined adversely to the Company or the Subsidiary, adversely affect the liability of the Company or the Subsidiary for Taxes.

(c) Except to the extent specifically set forth on Schedule 4.10, neither the Company, nor the Subsidiary, nor any person on behalf of the Company or the Subsidiary has entered into or will enter into any agreement or consent pursuant to Section 341(f) of the Internal Revenue Code (the "Code"). Neither the Company nor the Subsidiary is a party to any joint venture, partnership, or other arrangement or contract which could be treated as a partnership for U.S. federal income tax purposes. There is no agreement, contract or arrangement to which the Company or the Subsidiary is a party that could, individually or collectively, result in the payment of any amount that would not be deductible by reason of Sections 280G, 162 or 404 of the Code. Neither the Company nor the Subsidiary is a party to or bound by any Tax indemnity, Tax sharing or Tax allocation agreement (whether written or unwritten or arising under operation of U.S. federal law as a result of being a member of a group filing consolidated Tax Returns, under operation of certain U.S. state laws as a result of being a member of a unitary group, or under comparable laws of France or other states or jurisdictions) which includes a party other than the Company or the Subsidiary nor does the Company or the Subsidiary owe any amount under any such agreement.

(d) The Shareholders have previously provided or made available to the Purchaser true and correct copies of all Tax Returns filed through the date of this Agreement. The Shareholders will make available to the Purchaser all Tax Returns filed after the date of this Agreement, all work papers with respect to Tax Returns, all Tax opinions and memoranda with respect to Taxes owed or potentially owed by the Company or the Subsidiary, and all other Tax data and documents reasonably requested by the Purchaser. Neither the Company nor the Subsidiary is, or has been, a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. Except as may be required as a result of the consummation of the transactions set forth herein, the Company and the Subsidiary have not been and will not be required to include any material adjustment in Taxable income for any Tax period (or portion thereof) pursuant to Section 481 or 263A of the Code or any comparable provision under state or foreign Tax laws as a result of transactions, events or accounting methods employed prior to the consummation of the transactions set forth herein. For purposes of this Agreement, the following terms have the following meanings: "Tax" (and, with correlative meaning, "Taxes" and "Taxable") means any and all taxes including, without limitation, (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, business (*taxe professionnelle*) value added, net worth, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, social contributions, including without limitation social security contributions, *Contribution Sociale Généralisée ("CSG")*, *Contribution Au Remboursement de la Dette Sociale ("CRDS")*, contributions paid to unemployment insurance agencies ("*ASSEDIC*"), contributions to voluntary additional or supplementary retirements plans, contributions to voluntary medical, life and disability plans, and any other taxes, withholding or contributions assessed in whole or in part on wages or salaries, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any

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governmental entity (a "Tax Authority") responsible for the imposition of any such tax (domestic or foreign), (ii) any liability for the payment of any amounts of the type described in (i) as a result of being a member of an affiliated, consolidated, combined or unitary group for any Taxable period or as the result of being a transferee or successor and (iii) any liability for the payment of any amounts of the type described in (i) or (ii) as a result of any express or implied obligation to indemnify any other person.

4.11 Title to and Condition of the Assets of the Company.




(a) Except to the extent specifically set forth on Schedule 4.11, the Company and the Subsidiary own or lease all of the tangible assets and properties used or held by them in connection with their respective business as presently being conducted, and all of such owned assets and properties are reflected in the Financial Statements, (ii) the Company and the Subsidiary have good title to all assets owned by them, free and clear of all Liens, (iii) the Company and the Subsidiary possess all rights of an ordinary lessee in connection with all assets leased by them, free and clear of all Liens, and all lease agreements to which the Company or the Subsidiary is a party are valid, and in full force and effect, and (iv) all of the tangible personal property owned or leased by the Company and the Subsidiary is in good operating condition and repair, subject only to the ordinary wear and tear. No property or asset owned or leased by the Company or the Subsidiary is in violation of any applicable ordinance, regulation, or building, zoning, environmental or other law in respect thereof.

(b) Except all accounts receivable resulting from the cost statements sent to the Commission of the European Union in connection with the "Esprit Projects", all accounts receivable of the Company and the Subsidiary represent sales actually made or services actually performed in the ordinary and usual course of the Company's and the Subsidiary's businesses consistent with past practice. Each account receivable of the Company and the Subsidiary is valid and collectible in full net of any respective reserves shown on the Financial Statements (which reserves are adequate and calculated consistent with past practice) within ninety (90) days after the day on which it first became due and payable. There is no material contest, claim or right of set-off contained in any agreement (written or otherwise) asserted by any account debtor relating to the amount or validity of any account receivable of the Company or the Subsidiary or any note evidencing the same.

(c) The Company and the Subsidiary have full ownership of all of the receivables appearing in their books and hold the originals of all such receivables and the documents related thereto. Such receivables are legally valid and binding against the relevant debtor for the full amount of such receivables and there is no obstacle to their being recognized as such by a court.

(d) Neither the Company, nor the Subsidiary has pledged any of their receivables and no third party holds any interest in these receivables.

(e) The inventories reflected on the Financial Statements and those inventories owned by the Company and the Subsidiary are in good, merchantable, usable and working condition. There are no obsolete or discontinued items reflected in the Financial Statements and the Company and the Subsidiary have the proper amount of inventories to conduct their respective businesses consistent with past practice.

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

4.12 Real Estate.

Neither the Company nor the Subsidiary owns any real estate. Schedule 4.12 hereto sets forth a description of all real estate leased by the Company or the Subsidiary and specifies the location of each property, the use of the facility thereon, the name of the owner or the names of the lessor and the lessee, the approximate square footage of improvements, and the acreage of land. Neither the Company nor the Subsidiary has received any notice (oral or written) from any governmental agency, board, bureau, body, department, or authority which materially restricts the use of any of the real estate described in Schedule 4.12 hereto. Neither the Company nor the Subsidiary has received any notice (oral or written) from any of the Persons whose real estate it uses in connection with its activities. There is no easement, right-of-way agreement, license, sublease, occupancy agreement, or like instrument with respect to any of the real estate described in Schedule 4.12 hereto which would materially affect the Company's or the Subsidiary's use of such real estate.

4.13 Material Contracts.

(a) Except as set forth in Schedule 4.13 hereto, neither the Company nor the Subsidiary is a party to or subject to:

- (i) Any union contract or any employment or consulting contract or arrangement, written or oral, with any director, officer, agent, consultant or affiliate, including any employment agreement or offer letter providing for any payments to be made in connection with the consummation of the transactions contemplated hereby;
- (ii) Any OEM agreement, distribution agreement, end-user agreement, source code license, volume purchase agreement or other similar agreement currently in effect, or joint venture contract or arrangement or any other agreement which has involved or is expected to involve a sharing of profits with other persons or provides or may provide for payments of more than fifty thousand (50,000) French Francs per annum;
- (iii) Any source code escrow agreement or other similar agreement;
- (iv) Except for trade indebtedness incurred in the ordinary course of business, any instrument evidencing or related in any way to indebtedness incurred in the acquisition of companies or other entities or indebtedness for borrowed money by way of direct loan, sale of debt securities, purchase money obligation, conditional sale, guarantee, leasehold obligations or otherwise;
- (v) Any license agreement, other than standard license agreements entered into in the ordinary course of business relating to "off-the-shelf" software for the Company's or the Subsidiary's internal business purposes;
- (vi) Any contract containing covenants purporting to limit the freedom of the Company or the Subsidiary to compete in any line of business in any geographic area;
- (vii) Any agreement of indemnification;
- (viii) Any agreement, contract or commitment relating to capital expenditures in excess of fifty thousand (50,000) French francs;

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- (ix) Any agreement, contract or commitment relating to the disposition or acquisition by the Company or the Subsidiary of any stock, assets in excess of fifty thousand (50,000) French Francs or, subject to Section 4.17(e), any of the Company's Intellectual Property Rights;
- (x) Any agreement providing for minimum payment or resale obligations, ongoing support or research and development obligations, or warranty obligations on the part of the Company or the Subsidiary, except arrangements entered into in the ordinary course of business;
- (xi) Any agreement with any governmental entity, public authority or similar entity;
- (xii) Any agreement requiring a commitment of the Company's or the Subsidiary's resources or personnel to market, distribute or license third-party products or technology, whether on a best-efforts basis or otherwise;
- (xiii) Any other agreement, contract, letter of intent, memorandum of understanding or commitment which is material to the Company or the Subsidiary; or
- (xiv) Any agreement with customers having a remaining term of no more than six (6) months.

(b) The Purchaser has been given complete and correct copies of all Contracts (as such term is defined in Section 4.4 herein) listed on **Schedule 4.13**, together with all amendments and side letters thereto. The Contracts to which the Company and the Subsidiary are parties are each valid and in full force and effect, and all parties to the Contracts have, except to the specific extent set forth on **Schedule 4.13** regarding the royalties that may be due to France Telecom, in all material respects, performed all obligations required to be performed by them to date, and neither the Company, the Subsidiary nor, to the best knowledge of the Shareholders, any other party thereto is in material default thereunder.

(c) Neither the Company nor the Subsidiary is a party to any Contract that would reasonably be expected to have a Material Adverse Effect.

(d) All of the Company's and the Subsidiary's current Contracts or arrangements with the Company's and the Subsidiary's respective customers and clients are in full compliance with any applicable laws and regulations and are valid and fully enforceable in all their terms against the Company's and the Subsidiary's respective customers and clients, including but not limited to, terms relating to the limitation of the Company's or the Subsidiary's liability, or applicable consumer protection and competition laws. None of the Company's and the Subsidiary's expired or terminated Contracts with customers shall result in any liability of the Company or the Subsidiary to customers and clients or former customers and clients resulting from the non-conformity of such Contracts with applicable laws regarding consumer protection and competition laws.

(e) Neither the Company, nor the Subsidiary is a party to any commercial agency agreements or relationships ("*contrat d'agence commerciale*") within the meaning of French law n°91-593, dated June 25, 1991, or to any agreement or relationship which could be qualified as such.

(f) The lease agreement dated February 1, 1993 with SCI Informatique Land (the "Lessor") regarding premises located at 35 avenue du Granier, 38240 Meylan was properly terminated by the Company. The Lessor shall have no claims whatsoever against the Company regarding the execution or termination of this lease agreement.

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(g) The source code agreements entered into by the Company with Mentor Graphics Corporation and Intergraph Corporation have expired and the Company has no continuing obligations or remaining liabilities under those agreements except for maintenance.

(h) Except to the extent specifically set forth on Schedule 4.13, no reimbursements are due under any of the agreements entered into by the Company or the Subsidiary under which advance payments were made by, or subsidies received from ANVAR, the European Union or any other governmental entity.

4.14 Litigation.

(a) There are no actions, suits, proceedings, investigations, or inquiries pending or, to the best of the Shareholders' knowledge, after due inquiry, threatened against or affecting the Company or the Subsidiary at law or in equity in any court or before any arbitration tribunal or governmental department, commission, board, bureau or agency of France, European Union, United States of America or any other government.

(b) There are no claims, of whatever nature, brought against the Company or the Subsidiary by any of the Company's or the Subsidiary's respective customers and clients, including but not limited to as regards the Company or the Subsidiary's liability for the performance of services or in connection with licenses to Company products or Company services, and to the best of the Shareholders' knowledge, after due inquiry, there are no claims, of whatever nature, threatened to be brought against the Company or the Subsidiary, or affecting them, by any of the Company's or the Subsidiary's respective customers and clients including but not limited to as regards the Company or the Subsidiary's liability for the performance of services or in connection with licenses to Company products or Company services.

(c) Neither the Company nor the Subsidiary is in default in respect of any judgment, order, writ, injunction, or decree of any court or any governmental department, commission, board, bureau or agency of France, European Union, United States of America or any other government.

(d) There are no actions, suits, proceedings, investigations, or inquiries pending or, to the best of the Shareholders' knowledge, after due inquiry, threatened against the Shareholders at law or in equity in any court or before any arbitration tribunal or governmental department, commission, board, bureau or agency that reasonably could be expected to impair the Shareholders' right or ability to execute and deliver this Agreement or the Transaction Documents or consummate the transactions contemplated hereby or thereby.

4.15 Employee Matters.

(a) Schedule 4.15 contains a true, correct and complete list of the name, title, date of hire and current monthly compensation, base salary or hourly remuneration rate of each person employed by the Company and/or the Subsidiary on the Closing Date (including persons employed as trainees) and any independent contractors, consultants or agents engaged by the Company and/or the Subsidiary, together with a statement of the full amount and nature of any other remuneration, whether in cash or kind, paid to each such person during the fiscal year ended June 30, 1999.

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(b) The Company and the Subsidiary (i) are in full compliance with all applicable laws and collective bargaining agreements regarding employment and employment practices (including, without limitation, the laws requiring persons to have work permits), terms and condition of employment and wages and hours (including but not limited to minimal wages and overtime regulations), discrimination in employment, election of employee representatives, information with employee representatives, calculation and accruals of vacations and of other accruals, wages and hours, occupational safety, health and employment practices and (ii) have not engaged in any unfair labor practice. The Company is not liable for any unpaid wages, vacation pay, bonuses, or commissions, or for any material Tax, penalty, assessment or forfeiture for failure to comply with any employer/employee matter except as accrued for in the Financial Statements.

(c) The Company has verified that all individuals providing services to the Company or the Subsidiary, have properly registered with the applicable authorities as independent contractors. Neither the Company nor the Subsidiary has any liabilities as to any Taxes with respect to such independent contractors.

(d) Except to the extent specifically set forth on **Schedule 4.15**, neither the Company nor the Subsidiary has taken any commitment in connection with retirement or health insurance schemes, insofar as the staff concerned are entitled to receive advantages in addition to those provided for by law or the applicable collective bargaining agreements as a result of such commitments.

(e) Neither the Company nor the Subsidiary has remaining liabilities or obligations, including, without limitation, obligations of compensation for loss of employment, vis-à-vis former employees or corporate officers.

(f) Neither the Company nor the Subsidiary is the subject of, or has been threatened with any particular proceedings by the Labor Inspectorate ("*Inspection du Travail*") for failure to comply with labor legislation.

(g) There is no agreement currently in effect under which any Shareholder, the Company or the Subsidiary has undertaken to grant benefits to any employees or corporate officers of the Company or the Subsidiary as a result of the completion of the sale of the Company Shares to the Purchaser.

(h) None of the current senior executives or management staff of any of the Company or the Subsidiary has resigned, or made known his or her intention to resign.

(i) No unfair labor practice complaint or other complaint, litigation or claim against or otherwise involving the Company or the Subsidiary relating to employment or labor is pending in any court or before any arbitration tribunal or governmental department, commission, board, bureau or agency and, to the best knowledge of the Shareholders, there is no basis for such a complaint, litigation or claim.

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(j) Except as listed on Schedule 4.15, (i) neither the Company nor the Subsidiary is or has been a party to any collective bargaining agreement or has established, maintained or contributed to any employee pension plan, (ii) there is no labor strike, dispute, slowdown or stoppage actually pending or threatened against or involving the Company or the Subsidiary, (iii) no factory council, labor union or representation question exists respecting the employees of the Company or the Subsidiary, (iv) no grievance question exists which might have a Material Adverse Effect; and (v) none of the arrangements in effect prior to the Closing Date regarding the provision of services by any of the directors, managers or officers of the Company or the Subsidiary contravened any applicable law.

(k) Except to the extent specifically set forth on Schedule 4.15, the Metallurgical Collective Bargaining Agreement has never been applied to any employees of the Company and none of the employees of the Company has ever received any kind of benefits or advantages under this collective bargaining agreement.




4.16 Insurance.

The Company and the Subsidiary each maintain adequate insurance against risks for the business in which it is engaged. All of the Company's and the Subsidiary's insurance policies covering such risks are listed on Schedule 4.16 hereto, such policies are in full force and effect, all premiums due thereon have been paid, and each of the Company and the Subsidiary has complied in all material respects with the provisions of such policies. Schedule 4.16 includes a description of all material claims experience of the Company and the Subsidiary during the past three years under all of the insurance policies listed on Schedule 4.16, including but not limited to settled and outstanding claims under all such policies in respect of general liability and workers' compensation claims.

4.17 Intellectual Property.

(a) Each of the Company and the Subsidiary owns or is licensed or is otherwise entitled to exercise, without restriction, all rights to all patents, trademarks, trade names, service marks, copyrights, mask works, trade secrets and other intellectual property rights, and any applications or registrations therefor, and all inventions, mask work layouts, net lists, schematics, technical drawings, technology, know-how, processes, formulas, algorithms, computer software programs, documentation, and all other tangible and intangible information or material in any form, used or proposed to be used in the business of the Company or the Subsidiary as currently conducted or as proposed to be conducted, without any conflict with or infringement of the rights of any other person including Mentor Graphics Corporation ("Mentor") (collectively, the "Intellectual Property Rights").

(b) Schedule 4.17 lists: (i) all copyrights, patents, patent applications, trademarks, service marks, tradenames, and other company, product or service identifiers owned by or exclusively licensed to the Company or the Subsidiary with respect to any Intellectual Property Rights (other than shrink-wrap licenses and other software licenses available to the general public); (ii) the jurisdiction(s) in which an application for patent or application for registration of each such Intellectual Property Right owned or exclusively licensed by the Company or the Subsidiary (the "Company's Intellectual Property Rights") has been made, including the respective application numbers and dates; (iii) the jurisdiction(s) in which each such Company's Intellectual Property Right has been patented or registered, including the respective patent or registration numbers and dates;

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(iv) all licenses, sublicenses and other agreements to which the Company or the Subsidiary is a party and pursuant to which any other party is authorized to use, exercise or receive any benefit from any Intellectual Property Right; and (v) all parties to whom the Company or the Subsidiary has delivered copies of or disclosed the Company's or the Subsidiary's source code, whether pursuant to an escrow arrangement or otherwise, or parties who have the right to receive such source code. The Shareholders have delivered to the Purchaser copies of all licenses, sublicenses, and other agreements identified pursuant to clause (iv) above.

(c) The Company is the owner or exclusive licensee of, with all right, title and interest in and to (free and clear of any liens, encumbrances or security interests), the Intellectual Property Rights and has the rights to use, sell, license, assign, transfer, convey or dispose thereof or the products, processes and materials covered thereby. Except to the extent specifically set forth on Schedule 4.17, the Company has taken all necessary and appropriate steps, including without limitation the filing and prosecution of patent, copyright, and trademark applications to perfect and protect its interest in the Company's Intellectual Property Rights in all countries in which the Company or the Subsidiary does business; and the Company has the exclusive right to file, prosecute, and maintain such applications and the patents and registrations that issue therefrom.

(d) To the best knowledge of the Shareholders, after due inquiry, all patents and registered trademarks, service marks, and other company, product or service identifiers and registered copyrights held by the Company or the Subsidiary are valid and enforceable.

(e) Each of the Company and the Subsidiary has secured valid and enforceable written assignments from all consultants, contractors, employees and other persons who contributed to the creation or development of the Intellectual Property Rights of the rights to such contributions that the Company or the Subsidiary does not already own by operation of law.

(f) To the best knowledge of the Shareholders, there has not been and there is not now any unauthorized use, infringement or misappropriation of any of the Intellectual Property Rights by any third party, including, without limitation, Mentor or any service provider of the Company or the Subsidiary.

(g) Neither the Company nor the Subsidiary has brought any actions or lawsuits alleging (i) infringement of any Intellectual Property Rights or (ii) breach of any license, sublicense or other agreement authorizing another party to use the Intellectual Property Rights and to the best of the Shareholders' knowledge, there does not exist any facts which could form the basis of any such action or lawsuit. Neither the Company nor the Subsidiary has entered into any agreement granting any third party the right to bring infringement actions with respect to, or otherwise to enforce rights with respect to, any of the Intellectual Property Rights.

(h) No person has asserted or threatened to assert any claims with respect to the Intellectual Property Rights (i) contesting the right of the Company or the Subsidiary to use, exercise, receive, sell, license, transfer or dispose of any Intellectual Property Rights or any products, processes or materials covered thereby or (ii) challenging the ownership, validity or enforceability of any of the Intellectual Property Rights. No Intellectual Property Right is subject to any outstanding order, judgment, decree, stipulation or agreement related to or restricting in any manner the licensing, assignment, transfer, use or conveyance thereof by the Company or the Subsidiary.

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(j) Schedule 4.17 separately lists: (i) all copyrights, patents, patent applications, trademarks, service marks, tradenames, and other company, product or service identifiers licensed to the Company or the Subsidiary (the "In-Licensed Intellectual Property Rights"), other than shrink-wrap licenses and other software licenses available to the general public; (ii) all licenses, sublicenses and other agreements to which the Company or the Subsidiary is a party and pursuant to which the Company or the Subsidiary is authorized to use, exercise, or receive any benefit from any In-Licensed Intellectual Property Right. The Shareholders have delivered to the Purchaser copies of all licenses, sublicenses, and other agreements identified above. The Company and the Subsidiary are in compliance with all material terms and conditions of all such licenses, sublicenses, and other agreements. The Shareholders have no knowledge of any assertion, claim or threatened claim that the Company or the Subsidiary has breached any terms or conditions of such licenses, sublicenses, or other agreements.




(j) No In-Licensed Intellectual Property Right is subject to any outstanding order, judgment, decree, stipulation or agreement related to or restricting in any manner the use or licensing thereof by the Company or the Subsidiary.

(k) The Company has the right to sell, assign, transfer, and convey all of its and the Subsidiary's right, title and interest in and to the Intellectual Property Rights and In-Licensed Intellectual Property Rights to the Purchaser. Neither the Company nor the Subsidiary is, or will be as a result of the execution and delivery of this Agreement or the Transaction Documents or the consummation of the transactions hereunder, in violation of, or lose or in any way impair any material rights pursuant to any license, sublicense or agreement described in Schedule 4.17.

(l) To the Shareholders' knowledge, there are no claims to the effect that the manufacture, marketing, license, sale or use of any product or service as now used or offered or proposed for use or sale by the Company or the Subsidiary infringes any copyright, patent, trade secret, or other intellectual property right of any third party (including Mentor) or violates any license or agreement with any third party. Neither the Company nor the Subsidiary has received service of process or been charged in writing as a defendant in any claim, suit, action or proceeding which involves a claim of infringement of any patents, trademarks, service marks, trade secret rights, copyrights or other intellectual property rights and which has not been finally terminated prior to the date hereof; there are no such charges or claims outstanding; and neither the Company nor the Subsidiary has any outstanding restrictions or infringement liability with respect to any patent, trade secret, trademark, service mark, copyright or other intellectual property right of another.

(m) Neither the Company nor the Subsidiary has entered into any agreement to indemnify any other person against any charge of infringement of any third party intellectual property right, Intellectual Property Right, or In-Licensed Intellectual Property Right.

(n) Schedule 4.17 also provides for a list setting forth all the Intellectual Property created or developed by the Company or the Subsidiary as to which France Telecom has any rights as a result of any assignment, license or otherwise pursuant to any of the agreements entered into with France Telecom.

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(o) Each of the Company and the Subsidiary has taken all commercially reasonable and appropriate steps to protect and preserve the confidentiality of all inventions, algorithms, formulas, schematics, technical drawings, ideas, know-how, processes not otherwise protected by patents or patent applications, source code, program listings, and trade secrets used or proposed to be used in the Company's or the Subsidiary's business (the "Confidential Information"), including without limitation the marking of all such Confidential Information with appropriate "Proprietary" or "Confidential" legends, the establishment of policies for the handling, disclosure, and use of Confidential Information, and the acquisition of valid written nondisclosure agreements from any party receiving Confidential Information. All Confidential Information is presently and as of the Closing Date will be located at the Company's address as set forth in this Agreement. Neither the Company nor the Subsidiary, nor, to best of Shareholders' knowledge, any employee or officer of the Company or the Subsidiary, have ever used, divulged or appropriated Confidential Information except for the benefit of the Company and the Subsidiary, or ever breached the Company's or the Subsidiary's obligations under any confidentiality agreement or covenant. To the best of the Shareholders' knowledge no person has used, divulged or appropriated Confidential Information to the detriment of the Company or the Subsidiary other than pursuant to the terms of written agreements between the Company or the Subsidiary and such other persons. The Shareholders have delivered to the Purchaser copies of all nondisclosure agreements or other agreements relating to the handling, disclosure, and use of Confidential Information, a list of which is attached to Schedule 4.17 hereto.

(p) Signature of this Agreement by Fintronic Inc. and Alec Stanculescu does not constitute a waiver of any right Fintronic may have resulting from any transfer of source code from Fintronic, done willingly or unwillingly, directly or indirectly, by negligence or ignorance, voluntary or involuntary, by theft or by any other means made by Fintronic officers, employees, their relatives, or anyone else, and subsequent use of such transferred code by the Company, the Purchaser, their successors or any of their permissible assigns. At this time, neither Stanculescu nor Fintronic know of any such transfer of code or any use of Fintronic code by the Company. Stanculescu and Fintronic acknowledge that they have had an opportunity to ask the Company's officers and employees about any source code transfer between the companies.

The statements in the preceding paragraph are made only by Stanculescu and Fintronic and not by any other Shareholder, and they in no way limit or modify the representations in Section 4.17 of the Share Purchase Agreement and everywhere else in the sale documents by any other Shareholder. The Shareholders other than Fintronic and Stanculescu hereby confirm that all statements made in Section 4.17, including those in Sections 4.17 (a), (c), (e), (f), (h) and (l), are true with respect to Fintronic and Stanculescu. Such Shareholders also represent that no portion of any code or other intellectual property of the Company was transferred from and developed at Fintronic, and that no Company code is substantially similar to any Fintronic code. All Shareholders of the Company state that no agreement written or verbal, explicit or implied, exists or has ever existed between the Company and Fintronic with respect to transfer of source code between the two companies.

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4.18 Transactions with Interested Persons.

Neither the Company, the Subsidiary nor, to the best knowledge of the Shareholders, any director, manager or other officer or employee (or immediate family member thereof) of the Company or the Subsidiary owns, directly or indirectly, on an individual or joint basis, an interest of five percent (5%) or more in, or serves as a director, manager or other officer, employee, consultant, contractor or agent, of or to, any competitor or supplier of the Company, the Subsidiary or any person or entity who or that has a contract or arrangement with the Company or the Subsidiary; and (b) no director, manager or other officer or employee (or immediate family member thereof) of the Company or the Subsidiary has entered into any agreement, contract or commitment of any type with the Company or the Subsidiary, including without limitation, agreements and instruments relating to the lending of money to the Company or the Subsidiary, leases of property to the Company or the Subsidiary or rental of equipment or machinery by the Company or the Subsidiary.

4.19 Permits; Compliance with Laws, etc.

The Company and the Subsidiary have all licenses, franchises, permits, and other governmental authorizations necessary, required or, useful for them to the conduct of their respective businesses, and Schedule 4.19 lists all such licenses, franchises, permits, and other governmental authorizations. Such licenses, franchises, permits, and other governmental authorizations are valid, and neither the Company nor the Subsidiary has received any notice that any governmental authority intends to cancel, terminate, or not renew any such license, franchise, permit, or other governmental authorization. The Company and the Subsidiary have complied with and are in compliance with all French, European Union, and foreign statutes, laws, ordinances, regulations, rules, permits, judgments, orders, or decrees applicable to them or any of their properties, assets, operations, and business, including but not limited to competition laws and regulations, labor laws and regulations, and laws regarding the protection of databases containing personal data, and there does not exist any basis for any claim of default under or violation of any such statute, law, ordinance, regulation, rule, permit, judgment, order, or decree. Neither the Company, nor the Subsidiary, nor any director, manager, officer, employee, agent, consultant or any other person or entity acting on its or their behalf, have made, offered or provided any gift, entertainment, payment, loan or other consideration for the purpose of influencing the procurement of any favorable action by any government authority, regulator or office, or any official or employee thereof, in any way relating to the business of the Company or the Subsidiary.

4.20 Environmental Matters.

The Company and the Subsidiary are now and have been at all times in full compliance with any and all applicable laws and regulations pertaining to the regulation and protection of the environment and the health and safety of the public and their employees.

4.21 Year 2000 Compliance.

(a) None of the computer software, computer firmware, computer hardware (whether general or special purpose) or similar or related items of automated, computerized or software systems that are used or relied on by the Company or the Subsidiary or sublicensed to the Company or the Subsidiary in the conduct of their businesses will malfunction, will cease to function, will generate incorrect data or will produce incorrect results when processing, providing or receiving (i) date-related data from, into and between the Twentieth (20th) and Twenty-First (21st) centuries or (ii) date-related data in connection with any valid date in the Twentieth (20th) and Twenty-First (21st) centuries, causing a Material Adverse Effect.

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(b) None of the products or services sold, licensed, rendered, or otherwise provided by the Company or the Subsidiary in the conduct of their businesses will malfunction, will cease to function, will generate incorrect data or will produce incorrect results when processing, providing or receiving (i) date-related data from, into and between the Twentieth (20th) and Twenty-First (21st) centuries or (ii) date-related data in connection with any valid date in the Twentieth (20th) and Twenty-First (21st) centuries, causing a Material Adverse Effect so long as such products or services are used on one of the software operating system platforms listed on Schedule 4.21; provided, this Section 4.21 (b) shall apply only to the current and to the two prior releases of each Company or Subsidiary software products and services.

(c) Except to the extent specifically set forth on Schedule 4.21, neither the Company nor the Subsidiary has made any representations or warranties relating to the ability of any product or service sold, licensed, rendered, or otherwise provided by the Company or the Subsidiary in the conduct of their businesses to operate without malfunction, to operate without ceasing to function, to generate correct data or to produce correct results when processing, providing or receiving (i) date-related data from, into and between the Twentieth (20th) and Twenty-First (21st) centuries and (ii) date-related data in connection with any valid date in the Twentieth (20th) and Twenty-First (21st) centuries.

4.22 Banks, Powers of Attorney.

Schedule 4.22 hereto contains a correct and complete list setting forth the name of each bank in which the Company or the Subsidiary has an account or safe deposit box, the names of all persons authorized to draw thereon or to have access thereto, and the names of each person holding a power of attorney from the Company or the Subsidiary. Neither the Company nor the Subsidiary has any outstanding power of attorney granted to any person or entity.

4.23 Business Records.

(a) The minutes and related books of resolutions of the Company and the Subsidiary have been kept in accordance with the requirements of the laws and regulations of their jurisdiction of incorporation and contain true, accurate and complete records of all meetings of, and corporate action taken by (including action taken by written consent), the shareholders and members of the board of directors of the Company and the Subsidiary.

(b) All the accounts, books, ledgers, financial and other records of the Company and the Subsidiary are in the Company's or the Subsidiary's possession, have been fully, properly and accurately kept and completed, do not contain any inaccuracies or discrepancies of any kind and give and reflect a true and fair view of the Company's or the Subsidiary's commercial transactions and financial and commercial position.

(c) The share ledger registries and the records of the director and shareholder meetings of the Company and the Subsidiary are in the possession of the Company or the Subsidiary, have been properly maintained and contain an accurate and complete record of the matters with which they should deal.

4.24 Loans.

Neither the Company nor the Subsidiary has granted any loans to any individual or to any Person.

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4.25 Off-Balance Sheet Undertakings.

Neither the Company nor the Subsidiary has any off-balance sheet liabilities or obligations, and in particular they have not granted any guarantees (in any form whatsoever, including as a comfort letter), sureties, warranties or securities with regard to the performance of obligations contracted by third parties (including partners, shareholders, corporate officers or members of their staff). Neither the Company nor the Subsidiary are participating in any "opérations de portage" or interest rate or exchange rate swap agreements, nor is it bound by any undertakings made on a futures market.

4.26 No Brokers.

No agent, broker or other person is or will be entitled to any commission, finder's fee or similar compensation in connection with any negotiations relating to this Agreement or the Transaction Documents, or the transactions contemplated hereby and thereby.

4.27 Disclosure.

No representation, warranty, statement or information contained in this Agreement, any certificate delivered or to be delivered pursuant to this Agreement or any other documents delivered or otherwise provided to the Purchaser in connection with this Agreement, contains any untrue statement of a fact or omits any fact necessary in order to make the statements contained therein in light of the circumstances under which they were made not misleading. All copies of documents provided to the Purchaser, including those provided in during the due diligence process, were true, correct and complete copies and included all amendments, supplements and side letters. It is understood that when information must appear in several Schedules to this Agreement, the information in question can be set forth in only one of the Schedules only if the Shareholders insure that a cross-reference thereto is set forth in the other Schedules.

5. Covenants.

5.1 Covenants of the Shareholders.

5.1.1 Non-Competition.

(a) Mr. Serge Maginot covenants and agrees that, for a period of three years commencing on the Closing Date, irrespective of whether he remains an employee of the Company during such period, he shall not, directly or indirectly, either as an individual or as an employee, agent, representative, salesperson, consultant, advisor, independant contractor, general partner, officer, director, shareholder, investor, lender, or in any other capacity whatsoever, of any person, firm, corporation, association, joint venture, partnership or entity, in all of the countries of the European Economic Area (E.E.A.), Switzerland, United States of America and Canada:

(i) participate or engage, directly or indirectly, in any business related to register-transfer level ("RTL") analyzers, RTL design checkers, RTL design structure checkers or any other business in which the Company or the Subsidiary engaged while Mr. Serge Maginot was employed by the Company or in which Mr. Serge Maginot engaged or over which Mr. Serge Maginot had oversight while employed by the Company or Synopsys Inc. or any of its direct or indirect subsidiaries (the "Company Business"); nor

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(ii) induce or attempt to induce any person who, at the time of such inducement, is an employee of the Purchaser or any of its affiliates, the Company or the Subsidiary to perform work or services for any other person, firm, corporation, association, venture, partnership or entity other than the Purchaser or any of its affiliates, the Company or the Subsidiary or personally participate in the recruitment or hiring of any such person by any such entity; nor

(iii) own any shares or interest in any person, firm, corporation, association, venture, partnership or entity that directly or indirectly competes with the Company Business, except as permitted under Section 5.1.1(b); nor

(iv) permit his name to be used in connection with any person, firm, corporation, association, venture, partnership or entity that directly or indirectly competes with the Company Business;

provided, that such covenant shall not apply in the event Mr. Serge Maginot is discharged by the Company for any reasons which do not relate to his performance of his duties and obligations within the Company.

(b) Notwithstanding the foregoing, Mr. Serge Maginot may own, directly or indirectly, solely as an investment, up to one percent (1%) of any class of Publicly Traded Securities of any person or entity competing, directly or indirectly with the Company Business. For the purposes of this Section 5.1.1, the term "Publicly Traded Securities" shall mean securities that are traded on a U.S. national or European securities exchange or listed on the National Association of Securities Dealers Automated Quotation System.

(c) The provisions of this Section 5.1.1 are without prejudice to any covenant not to compete that may be included in employment agreements between Mr. Serge Maginot and the Purchaser, or any of its subsidiaries or affiliates.

5.1.2 Maintenance and Conduct of Business.

(a) During the period from the date hereof through the Closing Date, the Shareholders covenant that they shall continue, and cause the officers of each of the Company and the Subsidiary to continue, to manage the affairs of the Company and the Subsidiary with the same degree of care as heretofore exercised. If one of the Shareholders becomes aware of a deterioration in the business of the Company or the Subsidiary or in a relationship with any customer, supplier, licensee or officer, employee or agent with respect to the business, operations and facilities, the Shareholders will promptly bring such information to the attention of the Purchaser and will use their best efforts to restore such relationship.

(b) From the date hereof through the Closing Date, except as expressly permitted hereby or by the Purchaser in writing, the Shareholders covenant that they shall cause each of the Company and the Subsidiary, without prior express written consent of the Purchaser, not to:

- (i) incur any indebtedness for money borrowed or guarantee any indebtedness or obligation of any other party;
- (ii) set aside or pay any dividend or distribution of assets to, or repurchase any of its stock from any of its shareholders;

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- (iii) issue or grant any securities, including any options, warrants or rights to subscribe for its common stock or securities convertible into or exercisable for its common stock;
- (iv) enter into, amend or terminate any employment or consulting agreement or any similar agreement or arrangement or hire any employee;
- (v) increase or modify the compensation payable or to become payable to any of its officers, directors, employees or agents, or adopt or amend any employee benefit plan or arrangement;
- (vi) acquire or dispose of by sale, lease, license or other means, any properties or assets used in its business;
- (vii) waive or commit to waive any rights of substantial value;
- (viii) permit any change in the nature of its status as a developer and marketer of software products or the manner in which its books and records are maintained;
- (ix) create or suffer to be imposed any lien, mortgage, security interest or other charge on or against its properties or assets;
- (x) enter into, amend or terminate any lease of real or personal property;
- (xi) amend its bylaws;
- (xii) enter into any material contract or commitment, or violate, amend or otherwise modify or waive any of the terms of any of its material contracts, or engage in any activities or transactions that are outside the ordinary course of its business and inconsistent with past practice;
- (xiii) accelerate the vesting of any employee stock benefit (including vesting under stock purchase agreements or exercisability of stock options) or waive any repurchase right or other right of forfeiture or take any other action designed to accomplish the foregoing;
- (xiv) grant any severance or termination pay to any director, officer, employee or consultant, except mandatory payments made pursuant to standard written agreements outstanding on the date hereof (with any such agreement or arrangement to be disclosed by the Shareholders);
- (xv) transfer or license to any person or entity any rights to the Intellectual Property Rights;
- (xvi) other than in the ordinary course of business and consistent with past practice, make or change any material election in respect of Taxes, adopt or change any accounting method in respect of Taxes, file any material Tax Return or any amendment to a material Tax Return, enter into any closing agreement, settle any material claim or assessment in respect of Taxes, or consent to any extension or waiver of the limitation period applicable to any material claim or assessment in respect of Taxes;
- (xvii) sell, lease, license or otherwise dispose of, or accept any order for, products or services;

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- (xviii) revalue any of its assets, including without limitation writing down the value of inventory or writing off notes or accounts receivable other than in the ordinary course of business;
- (xix) fail to pay or otherwise satisfy its material monetary obligations as they become due, except such as are being contested in good faith;
- (xx) engage in any other activities or transactions that are material to its business; or
- (xxi) take or agree in writing or otherwise to take, any of the actions described above, or any action which would cause a material breach of its representations or warranties contained in this Agreement or prevent it from materially performing or cause it not to materially perform its covenants hereunder.

5.1.3 Access to Information

The Shareholders shall, and cause the Company and the Subsidiary to, give to the Purchaser and its accountants, legal counsel and other representatives full and complete access, during normal business hours throughout the period from the date hereof to the Closing, to all of the properties, technology, software, patents, patent applications, trademarks, trademark applications, copyrights, copyright applications, books, contracts, commitments and records relating to the business, assets and liabilities of the Company and the Subsidiary, and furnish the Purchaser, its accountants, legal counsel and other representatives during such period all information concerning the affairs of the Company and the Subsidiary, as the Purchaser may reasonably request.

5.1.4 Esprit Projects

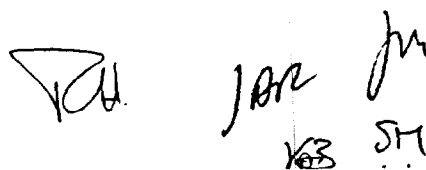
Mr. Serge Maginot shall use his best efforts to obtain, as soon as possible, the consent from the European Commission that all the Esprit Project agreements entered into between the European Commission and the Company will not terminate as a result of the consummation of the transaction contemplated by this Agreement, and shall furnish copies of any writing evidencing such consent to the Purchaser. If such consent is not obtained, Mr Serge Maginot covenants that he shall cooperate with the Purchaser in any reasonable arrangement to provide for the continuation or substitution of the benefits under such Esprit Project agreements and the Purchaser will deliver, if necessary, a letter of support setting forth the undertaking of Synopsys to continue the Company's R&D activity in the European Union.

5.2 Covenant of the Purchaser and the Shareholders

The parties hereby covenant and agree that:

5.2.1 Taxes.

The Shareholders shall pay all expenses, fees and sales, recording, transfer, VAT, state, local and similar Taxes arising out of or in connection with the consummation of the transactions contemplated hereby; provided that the Purchaser shall pay all registration Taxes and stamp duties in connection with the transfer of the Major Shareholders' Shares and the Other Shareholders' Shares to the Purchaser.

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5.2.2 Cooperation

Each party shall cooperate with the other party to secure all necessary consents, approvals, authorizations, exemptions and waivers from any third party or authority as shall be required in order to able such other party to consummate the transactions contemplated hereby.

5.2.3 Further Assurances.

The parties hereto agree to do or cause to be done, or to cause the Company to do or cause to be done, such further acts and things and deliver or cause to be delivered to the other parties such additional assignments, agreements, powers, and instruments as the other parties may reasonably require to carry into effect the purposes of this Agreement and the Transaction Documents or to better assure and confirm unto the Purchaser and the Shareholders their respective rights, powers, and remedies hereunder and thereunder.

6. Indemnification.

6.1 Indemnification of the Purchaser, the Company and the Subsidiary.

Subject to Section 6.2 hereof, from and after the Closing Date, the Shareholders, jointly but not severally (except as otherwise provided in this Agreement), will indemnify, defend, and hold harmless the Purchaser, the Company, the Subsidiary and their respective directors, managers, officers and employees (collectively, "Purchaser Indemnified Parties") from, against, and in respect of all claims, liabilities, actions, suits, proceedings, assessments, judgments, losses, damages, costs, and expenses (including interest, penalties, and accountants', experts', counsels and attorneys' fees and disbursements incurred in a third party action) (collectively, the "Damages"), arising out of, relating to, or resulting from (a) any inaccuracy or breach of any of the written representations or warranties of any of the Shareholders made in or pursuant to this Agreement; or (b) the breach of any covenant, obligation, or agreement of any of the Shareholders to be performed, fulfilled, or complied with pursuant to this Agreement. For purposes of this Agreement, "joint liability" means that each Shareholder will be liable for inaccuracies in or breaches of representations, warranties, covenants, obligations and agreements by any Shareholder even if such representation, warranty, covenant, obligation or agreement was not made or breached by, or inaccurate with respect to, such Shareholder, subject to the provisions of Section 6.2 hereof, in an amount equal to the product of the amount of Damages multiplied by a fraction, the numerator of which is the number of Shares sold by such Shareholder and the denominator of which is the total number of Shares owned by all of the Shareholders.

6.2 Limitation on Indemnification.

(a) The Shareholders shall not be obligated to indemnify the Purchaser Indemnified Parties for any Damages based on (i) any inaccuracy or breach of any of the written representations or warranties of any of the Shareholders made in or pursuant to this Agreement; or (ii) the breach of any covenant, obligation, or agreement of any of the Shareholders to be performed, fulfilled, or complied with pursuant to this Agreement, until the aggregate amount of all Damages incurred with respect to all such claims are greater than three hundred thousand (300,000) French Francs (the "Basket"), after which the Shareholders shall be obligated to indemnify the Purchaser Indemnified Parties for all Damages represented by such claims as of the

first French Franc and not just those in excess of the Basket, such that the Basket shall not be deemed a deductible for the Purchaser.

(b) The maximum liability that the Other Shareholders shall have under this Section 6 shall be equal to the aggregate amount of the Purchase Price attributable to them that is included in the Escrow Amount.

(c) The maximum liability that each Major Shareholder shall have under this Section 6 shall be equal to (i) the aggregate amount of the Purchase Price attributable to them that is included in the Escrow Amount plus (ii) in the event of any inaccuracy or breach of any of the representations or warranties set forth in Sections 4.2, 4.5, 4.6, 4.10 or 4.17, an additional amount (to the extent not covered by the Escrow Amount), calculated separately with respect to each Major Shareholder, the aggregate amount of (i) and (ii) being equal to 74% of the portion of the Purchase Price attributable to such Major Shareholder.

6.3 Indemnity Procedure regarding Damages suffered by any Purchaser Indemnified Party

(a) The Shareholders shall have no obligation to indemnify any Purchaser Indemnified Party for any Damages unless the Shareholders have been notified by the Company or the Purchaser of the events which may give rise to a claim for such Damages, within forty-five (45) days, or fifteen (15) days for claims under Section 4.10 hereof, matters, of the Purchaser's obtaining knowledge thereof, and such notification shall take place before the expiration of a forty-five (45)-day period following expiration of the survival period as provided under Section 6.4 hereof; provided that the failure of any Purchaser Indemnified Party to give notice as provided in this Section 6.3 shall not relieve the Shareholders of its obligations under this Section 6, except to the extent that such failure has materially adversely affected the rights or liability of the Shareholders.

(b) Each Shareholder shall have the right, at its own expense, to designate counsel to defend its interests in connection with any third party claim against the Company which may give rise to Damages. The Company and the Purchaser shall fully cooperate with such counsel who shall have the right to participate in all communication and procedures in defending against any such claim. Neither the Company nor the Purchaser shall enter into any settlement with respect to any such claim without the prior written consent of the Shareholders, which consent shall not be unreasonably withheld.

(c) All amounts payable by the Shareholders with respect to any final, unappealable adverse judgment obtained against the Company or any Subsidiary, shall become immediately due to the Purchaser Indemnified Party. In the event of an adverse judgment subject to appeal, unless such judgment is subject to immediate execution, no amount shall be payable to the Purchaser Indemnified Party until the expiration of the deadline for appeal, and thereafter should the Shareholders decide to pursue such appeal, until a judgment has been obtained upon appeal.

6.4 Survival of Representations, Warranties, Covenants and Indemnification.

The representations and warranties set forth in this Agreement will survive the Closing and any investigation at any time made by or on behalf of the Purchaser, the Company, the Subsidiary or the Shareholders, as applicable, and will expire upon the fourth anniversary of the Closing Date, except (a) the representations and warranties concerning Taxes and good ownership of and title to the Company Shares, shall survive until the expiration of a two (2) month period following the expiration of the applicable statute of limitations period, and (b) representations and warranties under which a reasonably specific good faith

claim has been notified in writing to the Purchaser or to the Shareholders in accordance with Section 6.3 hereof, as applicable, prior to the date on which such representations or warranties would otherwise expire shall survive until such claim has been resolved. Unless as otherwise provided for herein, the covenants set forth herein will survive the Closing and until fully performed. The representations and warranties of the Shareholders shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Purchaser (including but not limited to by any of their respective advisors, consultants or representatives) or (other than in respect of disclosures contained or set forth in the disclosure schedules) by reason of the fact that the Purchaser or any of such advisors, consultants or representatives know or should have known that any such representation or warranty is or might be inaccurate.

6.5 Shareholders' Waiver of Subrogation, Contribution and Indemnification Claims.

Effective at Closing, each of the Shareholders hereby irrevocably waives and releases the Company and the Subsidiary from any claim to or right of indemnification against the Company or the Subsidiary. If any Shareholder (or any family member or other affiliate of any Shareholder) has any claims, whether known or unknown, against the Company or the Subsidiary arising out of any event occurring or state of facts existing on or prior to the Closing Date, all such claims, whether or not assigned to any third party, are hereby released, discharged and waived, except for any amounts payable to a Shareholder in his capacity as an employee, officer or director of the Company or the Subsidiary in the ordinary course of business with respect to the current year or as disclosed on the Financial Statements.

6.6 Escrow

The Purchaser may satisfy the Shareholders' indemnification obligations by recourse to the Escrow Amount pursuant to the Escrow Agreement but recourse to that Escrow Amount shall not constitute the Purchaser's sole remedy or source of satisfaction of indemnification claims under this Agreement; provided that the Escrow Amount shall be held in escrow for a period of four (4) years from the Closing Date pursuant to the terms and conditions of the Escrow Agreement; provided, that the Escrow Amount shall be only released on the fourth anniversary date of the Closing Date if no claim has been made by Purchaser pursuant to this Section 6.

7. Miscellaneous.

7.1. Complete Agreement; Amendments; Waivers.

This Agreement and the Transaction Documents, together with the Schedules hereto and thereto, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect thereto, except for the confidentiality agreement dated September 15, 1999, as amended November 9, 1999 and the no-shop agreement dated October 29, 1999, copies of which have been provided to the parties hereof. This Agreement may be amended only by a written instrument signed by the parties hereto. No provision of this Agreement may be waived without a written instrument signed by the waiving party. The failure of any party to insist, in any one or more instances, on performance of any of the terms or conditions of this Agreement will not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term, covenant, or condition, but the obligations of the parties with respect thereto will continue in full force and effect.

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7.2 Counterparts.

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

7.3 Successors and Assigns.

This Agreement will inure to the benefit of, and be binding upon, the parties hereto and their respective executors, heirs, and permissible assigns. Neither this Agreement nor any of the rights or obligations hereunder (or under any document delivered pursuant hereto) may be assigned by a party hereto without the prior written consent of the other parties, except that the Purchaser may assign this Agreement to any of its subsidiary or affiliate.

7.4 Governing Law; Arbitration.

7.4.1 This Agreement will be construed and enforced in accordance with the laws of France without giving effect to its conflicts of laws principles.

7.4.2 (a) Any dispute, controversy or claim arising out of or in connection with this Agreement or the breach, termination or validity thereof (a "Dispute"), shall be finally settled by arbitration in accordance with this Section 7.4. The arbitration shall be held in Paris, France. The arbitration proceedings shall be conducted in English, and the award shall be rendered in the English language. The arbitration proceedings and the award shall be kept confidential unless disclosure is necessary in actions to enforce an arbitral award and actions seeking interim, interlocutory or other provisional relief in any court of competent jurisdiction to enforce such award or this Section 7.4.

(b) The arbitration proceedings shall be carried out by Mr. Thomas H. Webster, Attorney at law, member of the Paris Bar, (the "Arbitrator") whose current professional address is: Gravel, Otto & Associés, 32 Avenue de l'Opéra 75002 Paris, France. In case of a dispute, the party deciding to resort to arbitration shall file its arbitration request with the Arbitrator and the other party(ies) by registered letter return receipt requested. In case the Arbitrator withdraws or is otherwise prevented from acting, he will be replaced by another attorney chosen by mutual agreement of Purchaser and Mr. Joel Rodriguez (acting pursuant to Section 7.10) and in the absence of agreement within thirty (30) days of a request by one party to select an arbitrator, then the arbitrator shall be chosen by the President of the Geneva, Switzerland, Bar.

(c) Subject to the provisions of this Section 7.4.2, the Arbitrator shall conduct the arbitration in accordance with such procedural and evidentiary rules as he may determine and he shall be entitled to hire such experts (such as appraisal firms or certified public accountants) as he may deem appropriate in view of the nature of the dispute submitted to him. The Arbitrator shall give written reasons for his award.

(d) The last hearing shall be held no later than 120 days following the date on which the arbitration request is filed with the Arbitrator and the award shall be rendered no later than 30 days following the close of such hearing.

(e) The parties hereto hereby waive any rights of application or appeal to a court tribunal of competent jurisdiction to the fullest extent permitted by law in connection with any question of law arising in the course of the arbitration or with respect to any award made, except for actions to enforce an arbitral award and actions seeking interim, interlocutory or other provisional relief in any court of competent jurisdiction.

(f) The award shall be final and binding upon the parties hereto, and shall be the sole and exclusive remedy between the parties regarding any claims, counterclaims, issues, or accounting presented to the Arbitrator. Judgment upon any award may be entered in any court having jurisdiction.

(g) Any monetary award shall be made and promptly payable in U.S. Dollars or French Francs free of any tax, deduction or offset, and the Arbitrator shall be authorized in its discretion to grant pre-award and post-award interest at commercial rates. Any costs, fees, or taxes incident to enforcing the award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement.

(h) This Agreement and the rights and obligations of the parties hereto shall remain in full force and effect pending the award in any arbitration proceeding hereunder.

(i) At the request of either party, the Arbitrator shall adopt procedures for the arbitration that permit oral examination and oral cross-examination of witnesses.

(j) All notices by one party hereto to the other in connection with the arbitration shall be in accordance with the provisions of Section 7.5 hereof.

(k) This agreement to arbitrate shall be binding upon the successors and assigns of each party hereto.

7.5 Notices.

All notices, claims, requests, demands, and other communications hereunder will be in writing and will be duly given if: (a) personally delivered or sent via telecopy or (b) sent by Federal Express, DHL or other reputable overnight courier (for next business day delivery or second business delivery in the case of international shipments), shipping prepaid as follows:

If to the Purchaser, to:

Synopsys, SARL.
Synopsys, Inc.
700 East Middlefield Road
Mountainview, CA 94043 4033
U.S.A.
Fax number: 00 1 650 584 1184
Attn: Steve Shevick
General Counsel

with a copy to counsel :

Kahn & Associés
51, rue Dumont d'Urville
75116 Paris
France
Fax number: 00 33 1 45 01 45 00
Attn: Douglas S. Glucroft, Esq.

If to any Shareholder, to Mr. Joël Rodriguez, 27B Chemin Revirée, 38240 Meylan, France, whom each Shareholder hereby appoints for such purpose,

With a copy to :

Mr. Serge Maginot, 8 bis rue Linné, 38000 Grenoble, France;
Mr. Jean Mermet, 33 Chemin St Bruno, 38700 Corenc, France; and

With a copy to counsel:

Landwell & Associés
Immeuble Grenat
3, avenue Doyen Weil, BP 236
38006 Grenoble Cedex
France
Fax number: 00 33 4 76 84 33 01
Attn: Laurent Conio, Esq.


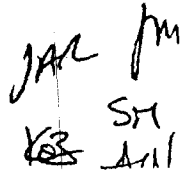
or to such other address or addresses as the person to whom notice is to be given may have previously furnished to the others in writing in the manner set forth above. Notices will be deemed given at the time of personal delivery or completed telecopy, or, if sent by reputable overnight courier one business day after such sending or two business days after sending in the case of international shipments.

7.6 Expenses.

No expenses of the Shareholders, the Company or the Subsidiary incurred in connection with the transactions contemplated by this Agreement or any Transaction Document (including, without limitation, Taxes or accounting and legal fees incurred in connection therewith) shall be paid by or deemed a liability of the Company or the Subsidiary (or reflected on the Financial Statements) and the Shareholders (and not the Company) shall bear their own expenses and those of the Company and the Subsidiary with respect to the foregoing and the Purchaser shall bear its own expenses in connection therewith.

7.7 Headings; Form of Words.

The headings contained in this Agreement (including but not limited to the titles of the Schedules hereto) have been inserted for the convenience of reference only, and neither such headings nor the placement of any term hereof under any particular heading will in any way restrict or modify any of the terms or provisions hereof. Terms used in the singular will be read in the plural, and vice versa, and terms used in the masculine gender will be read in the feminine or neuter gender when the context so requires, and vice versa.

 
JAC SM
KZ All

7.8 Severability.

The provisions of this Agreement will be deemed severable, and if any part of any provision is held to be illegal, void, voidable, invalid, nonbinding, or unenforceable in its entirety or partially or as to any party, for any reason, such provision may be changed, consistent with the intent of the parties hereto, to the extent reasonably necessary to make the provision, as so changed, legal, valid, binding, and enforceable. If any provision of this Agreement is held to be illegal, void, voidable, invalid, nonbinding, or unenforceable in its entirety or partially or as to any party, for any reason, and if such provision cannot be changed consistent with the intent of the parties hereto to make it fully legal, valid, binding, and enforceable, then such provisions will be stricken from this Agreement, and the remaining provisions of this Agreement will not in any way be affected or impaired, but will remain in full force and effect.

7.9 Language of Agreement.


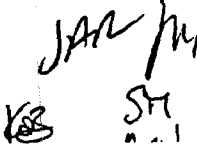
7.9.1 Because the Purchaser is a United States company and because the arbitration proceedings contemplated by Section 7.4.2 hereof will be conducted in the English language, the parties to this Agreement expressly declare that it is their express intention that this Agreement be drawn up in the English language. The parties acknowledge that they fully understand and accept any and all provisions of this Agreement, and the Shareholders have been assisted in the negotiation of this Agreement by a lawyer fluent in both the English and the French language, and for the Purchaser, by an American lawyer with working abilities in both the English and the French language. The Shareholders hereby expressly waive any rights they may have to terminate this Agreement or have it declared void because it is not drafted in the French language.

"L'Acquéreur étant une société de droit américain et la langue de la procédure d'arbitrage prévue à l'Article 7.4.2 du présent Contrat étant la langue anglaise, les parties au présent Contrat déclarent que leur volonté expresse est que ce Contrat soit rédigé en langue anglaise. Les parties reconnaissent avoir totalement compris et accepté chacune des dispositions du présent Contrat; les Actionnaires ont été assistés dans la négociation du présent Contrat, par un avocat ayant une bonne connaissance des langues anglaise et française, et en ce qui concerne l'Acquéreur, par un avocat américain ayant une bonne connaissance des langues anglaise et française. Les Actionnaires renoncent expressément et de façon irrévocable à tout droit qu'ils pourraient avoir, le cas échéant, de résilier le présent Contrat ou de le faire déclarer nul ou d'en demander la résolution parce que le présent Contrat n'aurait pas été rédigé en langue française."

7.9.2 The parties expressly agree that existing Contracts and other documents incorporated into the Schedules to this Agreement can be in the French language, if they only exist in the French language.

7.10 Attorney-in-fact

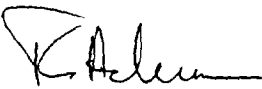
Each of the Shareholders hereby irrevocably designates Mr. Joël Rodriguez as its attorney-in-fact for the purposes of taking any actions and giving or receiving any notices required or contemplated by this Agreement, or agreeing to any waivers or modifications of the terms of this Agreement. In the construction and interpretation of this Agreement, any reference to an action or a right to be taken or exercised by the Shareholders shall be understood as to be taken or exercised by Mr. Joël Rodriguez as the sole authorized agent and attorney-in-fact of the Shareholders. Mr. Joël Rodriguez shall be Purchaser's sole interlocutor for all intents and purposes under this Agreement, and none of the Shareholders, except Mr. Joël Rodriguez shall have the right to act independently in relation to any of the actions to be taken by the Shareholders under or in connection with this Agreement.

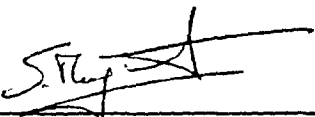



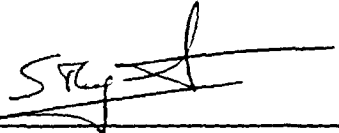
The Purchaser shall be entitled to rely upon all notices received from or given to Mr. Joël Rodriguez, as though received from or given to any of the Shareholders.


IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.


SYNOPSIS S.A.R.L.

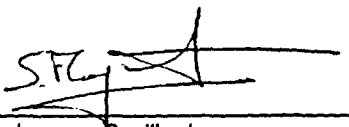
By: 
Name: Mr. Richard Henderson
Title: Manager

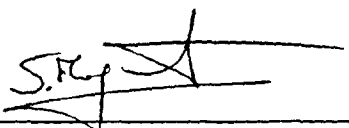

Mr. Serge Maginot


Mr. Anton Sauer
Pursuant to a power of attorney

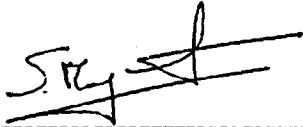

Mrs. Nelly Rouillard


Mr. Joël Rodriguez


Mr. Jacques Rouillard
Pursuant to a power of attorney


Mr. Alain Fonkoua
Pursuant to a power of attorney

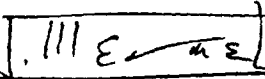
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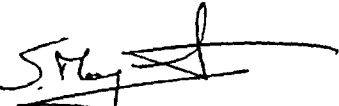
Mr. Olivier Thibault
Pursuant to a power of attorney



Mr. Kevin O'Brien



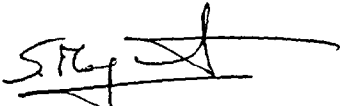
Mr. Jean Mernet



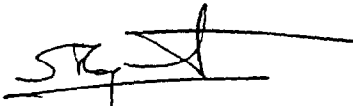
Mrs. Dominique Salaun
Pursuant to a power of attorney



Mr. Alec Stanculescu
Pursuant to a power of attorney



Mr. Vincent Mernet
Pursuant to a power of attorney



Fintronic, Inc.
Pursuant to a power of attorney



LIST OF SCHEDULES

Schedule 1	Leda's Shareholders
Schedule 2.3	Form of the Escrow Agreement
Schedule 3.1(k)	Form of amendment to the employment contracts of Messrs. O'Brien and Verhaeghe.
Schedule 3.1(l)	Form of amendment to the employment contract of Mr. Maginot
Schedule 4.3	Approvals
Schedule 4.5	Subsidiary's shareholding
Schedule 4.6	Financial Statements
Schedule 4.7	Undisclosed Liabilities
Schedule 4.8	Business
Schedule 4.9	Absence of Certain Changes
Schedule 4.10	Tax Returns, Taxes
Schedule 4.11	Title to and Conditions of the Assets
Schedule 4.12	Real Estate
Schedule 4.13	Contracts
Schedule 4.15	Employee Matters
Schedule 4.16	Insurance
Schedule 4.17	Intellectual Property
Schedule 4.19	Compliance with Laws
Schedule 4.21	Year 2000 Compliance
Schedule 4.22	Banks, Powers of Attorney

Handwritten signatures and initials:
VCA
JY
JMR
AW
ST
KES

SCHEDULE 1

List of Shareholders

Shareholders	Number of shares	Percentage of shares	Purchase Price (including the escrow amount)
Anton SAUER Lohengrin Str. 29 82110 GERMERING ALLEMAGNE Born on 13-6-41 in Augsburg, Germany	1	0,013%	976,5625
Nelly ROUILLARD 44 Chemin St Bruno 38700 CORENC Born on 29-5-54 in Nancy, France	1060	13,802%	1 035 156,25
Dominique SALAUN 01800 ST MAURICE DU GOURDANS Born on 14-11-54 in Toulon, France	400	5,208%	390 625,00
Joël RODRIGUEZ ALANIS 27B chemin Revirée 38240 MEYLAN Born on 1-5-59 in Santiago, Mexico	1029	13,398%	1 004 862,8125
Jacques ROUILLARD 12 Square Belzunce - MBE 145 13001 MARSEILLE Born on 10-12-52 in Strasbourg, France	295	3,841%	288 085,9375
Jean MERMET 33 chemin St Bruno 38700 CORENC Born on 24-2-42 in Bourg Saint Maurice, France	2559	33,320%	2 499 023,4375
Alec STANCULESCU 40 Stoney Point Place SAN MATEO, CA 94402 - USA Born on _____ in _____	360	4,687%	351 562,50
Vincent MERMET 01800 ST MAURICE DU GOURDANS Born on 8-1-54 in St Denis de la Réunion, France	241	3,138%	235 351,5625
Alain FONKOUA Les Florales - Bat D4 93 Bd Barry 13013 MARSEILLE Born on 2-9-61 in Douala, Cameroon	105	1,367%	102 539,0625
Serge MAGINOT 8 bis rue Linné 38000 GRENOBLE Born on 3-9-62 in Strasbourg, France	1549	20,169%	1 512 695,3125
Olivier THIBault 10 rue Belgrade 38000 GRENOBLE Born on 1-9-61 in Paris, France	15	0,195%	14 648,4375
FINTRONIC Inc. 1360 Willow Road MENLO PARK, CA 94025 -USA	45	0,586%	43 945,3125
Kevin O'BRIEN 1 rue Philis de la Charce 38000 GRENOBLE Born on 29-7-64 in Dublin, Ireland	21	0,273%	20 507,8125
	7680	100%	7 500 000

AW SFT KOS MA JM TCU