

PDF SOLUTIONS, INC.

NOMINATING COMMITTEE CHARTER

Purpose

The purpose of the Nominating Committee (the “Committee”) of the board of directors (the “Board”) of PDF Solutions, Inc., a Delaware corporation (the “Company”), is to identify individuals qualified to serve as members of the Board and recommend nominees for election as directors of the Company.

Membership & Organization

The Committee shall be comprised of at least two (2) members of the Board. Such members shall be appointed by the Board annually and each member of the Committee shall serve at the pleasure of the Board and may be replaced by the Board. Unless a chair is designated by the Board, the members of the Committee may appoint a chair of the Committee.

At any time during which the Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), each of the members of the Committee shall be “independent,” as that term is defined from time to time in Section 10A(m) of the Exchange Act, and the applicable rules and regulations (“Regulations”) of the SEC, and shall meet the independence requirements of each stock exchange on which the Company’s shares are listed for trading or otherwise publicly quoted (except as otherwise permitted under such rules).

A majority of the total number of then-serving members of the Committee shall constitute a quorum for the transaction of business at Committee meetings. The approval of a majority of such quorum shall constitute a valid act of the Committee at a duly held Committee meeting. The Committee may also act by unanimous written consent of the then-serving members of the Committee.

Authority & Responsibilities

The authority delegated to the Committee is set forth below. This description of authority is intended as a guide and the Committee may act and establish policies and procedures that are consistent with these guidelines or are necessary or advisable, in its discretion, to carry out the intent of the Board in delegating such authority and to fulfill the responsibilities of the Committee hereunder. The Committee is charged by the Board with the authority and responsibility to:

1. Identify and evaluate individuals, including individuals proposed by the Company’s stockholders, qualified to serve as members of the Board, consistent with criteria approved by the Board.

2. Recommend to the Board nominees for election as directors of the Company at the next annual or special meeting of the Company's stockholders at which directors are to be elected.
3. Identify, evaluate and recommend to the Board individuals to fill any vacancies or newly created directorships that may occur between meetings of the Company's stockholders at which directors are to be elected.
4. Delegate such of its authority and responsibilities as the Committee deems proper to members of the Committee or a subcommittee.
5. Engage and terminate search firms, independent counsel and other advisers as the Committee determines necessary to carry out its responsibilities.
6. Cause the officers of the Company to provide such funding as the Committee shall determine to be appropriate for payment of compensation to the Company's independent auditor and any legal counsel or other advisers engaged by the Committee, and payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
7. Perform such other activities and functions as are required by law, applicable stock exchange rules or provisions in the Company's charter documents, or as are otherwise necessary and advisable, in its or the Board's discretion, to the efficient discharge of its duties hereunder.

The Board has simultaneously reserved to itself all authority delegated under this Charter to the Committee. This reservation of authority does not in any way limit the Committee's authority to act definitively on matters delegated to it under this Charter.

Notwithstanding the above, the Board has reserved the right at any time to revoke or change the authority delegated under this Charter.

Meetings

The Committee shall meet as often as it determines necessary, but it is anticipated that the Committee shall meet not less frequently than annually. The Committee Chair may call Committee meetings and, in consultation with other Committee members, shall determine the frequency and length of Committee meetings and shall set agendas for such meetings consistent with this Charter. In the absence of a Committee Chair, a majority of the members of the Committee may call a meeting of the Committee.

Minutes & Reports

The Committee shall make regular reports to the Board with respect to significant actions and determinations made by the Committee. The Committee shall maintain written minutes of its meetings and shall, to the extent deemed appropriate, record its summaries of recommendations to the Board in written form. The minutes and the recommendations, as applicable, shall be incorporated as part of the minutes of the Board.

Periodic Review

The Committee will periodically review its own performance and report on its conclusions in this regard to the Board. In addition, the Committee will periodically review this Charter and make recommendations to the Board with regard to appropriate changes to the Charter.