



**PDF SOLUTIONS, INC.
BOARD CONFIDENTIALITY POLICY**

Delaware law requires a director (a “Director”) of PDF Solutions, Inc. (the “Company”) to perform his or her duties as a Director, including the duties as a member of any board committee upon, in a manner the Director reasonably believes to be in the best interests of the Company and its stockholders. Pursuant to their fiduciary duties of loyalty and care, Directors are required to protect and hold confidential all non-public information obtained due to their directorship position. Therefore, the Board of Directors of the Company (the “Board”) adopted the following policy (this “Policy”).

1. For purposes of this Policy, “Confidential Information” shall mean all non-public information (whether or not written, oral or material to the Company) entrusted to or obtained by a Director in connection with his or her position as a Director of the Company, including, but not limited to, (i) non-public information about the Company’s financial information and condition, accounting information, projections, forecasts, prospects, plans; (ii) non-public information relating to actual or potential business negotiations and actual or potential transactions such as mergers, acquisitions, divestitures or joint ventures, or actual or potential capital transactions such as credit facilities, share repurchases, dividends or stock splits; (iii) non-public information about the Company’s executives, Directors, employees, and stockholders; (iv) non-public information concerning other companies with whom the Company conducts, has conducted or may conduct business, including information about the Company’s customers, suppliers, joint venture partners, consultants or other companies with which the Company is under an obligation of confidentiality; (v) non-public information about the Company’s rate levels, rate increases and rate and pricing policies, business methods, processes and practices, internal controls, operations, strategies, techniques, trade secrets, know-how, design information, software development documentation, product plans, contracts and contractual relations with Company’s customers and suppliers, customer and supplier lists, distribution lists, personal information, employee lists, contracts and contractual relations with Company’s collective bargaining agents, pension and benefits liabilities and costs, marketing and branding policies, joint venture partners, consultants and stockholders; and (vi) non-public information about meetings, presentations and discussions relating to issues, deliberations and decisions between and among employees, officers and Directors, individually and at Board meetings, and their advisers, including the identity, circumstances and fact of retention of any such advisers.
2. Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary and information that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.
3. Failure to mark any of the Confidential Information as confidential shall not affect its status as Confidential Information under this Policy.
4. Each Director of the Board shall treat all Confidential Information as strictly confidential and shall comply with the following restrictions during his or her service as a Director and indefinitely thereafter:
 - (a) Each Director shall hold the Confidential Information in the strictest confidence and shall take all reasonable measures to maintain the confidentiality of the Confidential Information and shall take all reasonable measures to ensure that no person or entity shall directly or indirectly have access to the Confidential Information.

- (b) No Director shall directly or indirectly disclose any Confidential Information to any person or entity outside the Company except with prior written authorization of (a) the Board, (b) the Chairman of the Board, or (c), the Lead Independent Director. A Director shall not affirm or deny statements made by others if such affirmation or denial would result in the disclosure of Confidential Information. For the avoidance of doubt, the foregoing shall also apply to any Director who serves as the designee of a stockholder of the Company on the Board, and such Director shall not disclose any Confidential Information to such stockholder or any of its affiliates, or its and their respective officers, Directors, managers, members, partners employees, attorneys, accountants, advisors, agents, consultants or other representatives. Nothing herein shall prohibit any person from reporting possible violations of federal law or regulation to any governmental authority pursuant to Section 21F of the Securities Exchange Act of 1934, as amended, or Rule 21F promulgated thereunder.
 - (c) Any Director who is unsure whether information should be kept confidential should check with the Chairman of the Board or the Lead Independent Director before disclosing the information or taking any other action.
 - (d) No Director shall use Confidential Information for his or her own direct or indirect personal benefit.
 - (e) In the event that a Director is required by law to disclose any of the Confidential Information, such Director shall provide the Company with prompt oral and written notice, unless notice is prohibited by law (in which case such notice shall be provided as early as may be legally permissible), of any such requirement, postpone disclosure for the maximum time period permitted under applicable law, and allow the Company the opportunity to seek a protective order or other appropriate remedy, and such Director shall fully cooperate with the Company in any reasonable efforts to obtain such remedies.
 - (f) Upon request of the Company, or once a Director ceases to serve on the Board, a Director shall deliver to the Company all memoranda, notes, records, tapes, documentation, disks, manuals, files or other documents, and all copies thereof, concerning or containing Confidential Information that are in Director's possession or control, whether made or compiled by Director or furnished to Director by the Company, or, at the Company's written direction, destroy such materials, and provide written certification to the Company that such materials have been returned or destroyed.
 - (g) In the event of an inadvertent disclosure of Confidential Information, a Director must immediately inform the Chairman of the Board or the Lead Independent Director, so that measures can be taken to minimize damage to the Company.
 - (h) All Confidential Information shall be the exclusive property of the Company. This Policy shall not grant a license or option to any Director under any patent or other intellectual property rights held by the Company.
5. The injury that the Company would suffer in the event of a Director's actual, attempted or threatened breach of this Policy would cause irreparable injury to the Company, cannot be compensated by monetary damages alone, and therefore the Company, in addition to, and without limiting, any other remedies or rights which it may have either under this Policy or otherwise, shall be entitled to, without limitation, specific enforcement, a temporary restraining order,

injunctive relief or other equitable remedies enjoining any actual, attempted or threatened breach of this Policy, without first being obligated to post any bond or security or show actual damages.

6. If any provision or any part of any provision of this Policy shall not be valid for any reason, such provision shall be entirely severable from, and shall have no effect upon, the remainder of this Policy.
7. All current and future Directors shall be bound by the terms of this Policy.
8. The provisions contained in this Policy shall be in addition to the obligations imposed upon each Director pursuant to the Company's Code of Ethics or applicable law. The Company may require any Director or prospective Director to sign an agreement which acknowledges and further implements the requirements of this Policy with respect to the specific circumstances of such Director or prospective Director, including as a condition to service or continued service on the Board.
9. This Policy shall be governed by, and construed in accordance with, the substantive laws of the State of Delaware without giving effect to its rules regarding conflicts of laws.