

**PDF SOLUTIONS, INC.****DISCLOSURE POLICY****Objective**

PDF Solutions, Inc. (the “Company”) is committed to providing timely and accurate information consistent with legal and regulatory requirements, including Regulation Fair Disclosure (“Reg. FD”), to enable orderly and fair trading of its securities in the marketplace. Disclosure of material nonpublic information will be accomplished in a manner intended to provide all investors with contemporaneous equal access to Company information. Selective disclosure of material nonpublic information in violation of Reg. FD is prohibited.

This policy applies to all officers, directors, employees and independent contractors of the Company and its subsidiaries. The Company may also determine from time to time that other persons should be subject to this policy, such as agents, contractors or consultants who have access to material nonpublic information. The policy applies to, among other things, disclosures in SEC-filed documents and written statements made in the Company’s annual, quarterly and current reports, news and earnings releases, letters to shareholders, speeches by senior management and information contained on the Company’s web site. It covers oral and written statements made to, and other communications with, securities market professionals (such as analysts, fund or portfolio managers, and investment advisers, among others) and shareholders, regardless of the means or setting, as well as interviews with the media and press conferences.

**Authorized Spokespersons**

Only Company-authorized spokespersons are permitted to communicate confidential or otherwise nonpublic information regarding the Company to shareholders and securities professionals, such as analysts, investment advisers and brokers, and such communication is authorized only under circumstances in which it will not violate applicable law (including without limitation Reg. FD). The Company has designated the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), and any employee that is also a co-founder as the Company’s authorized spokespersons (the “Authorized Spokespersons”). Others may also be designated by the CEO from time to time as Authorized Spokespersons relating to matters pertaining to their specific areas of responsibility. No person shall be permitted to disclose confidential or otherwise nonpublic information regarding the Company to any other person except to the extent necessary to perform assigned duties for and on behalf of the Company; any such communications should be immediately reported to the CEO and CFO so they can make a determination or seek legal counsel about securities law compliance and disclosure obligations.

Other than the Authorized Spokespersons, no director, employee, agent, contractor or consultant may communicate with, or respond to inquiries from, investors, securities market professionals or any other members of the financial community or any member of the press or media unless specifically authorized to do so by an Authorized Spokesperson or the Board of Directors. Inquiries by an investor, securities market professional or any other member of the financial community or any member of the press or media should be referred to the CEO.

# DISCLOSURE POLICY

## Material Information

Under the federal securities laws, information is material if there is a substantial likelihood that a reasonable investor would consider the information important in making an investment decision or would view the information as significantly altering the “total mix” of information available regarding the Company (viewing the new information in the context of what has already been publicly disclosed). Information may be material even if it would not cause a reasonable investor to change his or her determination about whether to buy, sell or hold. Both positive and negative information can be material, as well as information regarding whether an event may or may not occur.

Examples of material information about the Company include but are not limited to:

- Historical financial results, projections of future financial results and material changes to previously disclosed historical or projected results;
- A merger, acquisition, tender offer or other transaction involving the Company, a significant subsidiary or significant assets;
- Changes in senior management or the board of directors;
- Changes in the regulatory environment or relationships with regulators, or receipt or changes in regulatory approvals (such as an FDA approval or CMS reimbursement status) that would have a significant impact on financial performance or competitiveness of the Company;
- Developments regarding customers or suppliers (including the entry into or modification or termination of a material agreement);
- Institution of a significant legal proceeding or administrative action involving the Company, or judgments or settlements of, or other significant developments in, outstanding litigation that are reasonably likely to result in a substantial gain or loss for the Company or a significant change to the Company’s business or future results;
- Investment by a well-known activist hedge fund;
- Institution of a proxy contest;
- Creation, modification or termination of a significant financial obligation;
- Plans for a dividend, stock split, reverse stock split, stock repurchase program or significant repurchase transaction;
- Plans for an offering of securities;
- Changes to rights of security holders;
- A change in auditors or notification from an auditor that the Company may no longer rely on the audit report;
- A determination by the Company that an asset is substantially impaired;
- Changes in accounting policies either internally or externally driven that would have a significant impact on financial results; and
- Institution of a bankruptcy or insolvency proceeding involving the Company.

Determinations of materiality will be made by the CEO and/or CFO, in consultation with legal counsel whenever possible. Discussions with counsel will also include a determination of whether or not public disclosure of the information is required.

# DISCLOSURE POLICY

## Disclosure of Material Nonpublic Information

Disclosures by the Company shall be accurate, complete and fairly stated. It is the Company's objective that all statements of similar or recurring Company information be consistent, both as to timing and content. The Company intends to treat all investors fairly and equally. The CFO will prepare and/or review Company statements, including press releases and scripts for shareholder and analyst meetings and investor presentations with the assistance of and/or review by the Company's legal counsel and others as warranted.

Except as otherwise set forth herein, all material nonpublic information pertaining to the Company, when it is disclosed, will be disclosed by:

- in a filing with the SEC such as a Form 8-K;
- by a widely-disseminated news release;
- on a publicly-accessible conference call with respect to which adequate notice to the public has been given;
- if approved in advance by the General Counsel, by another method reasonably expected to effect a broad and non-exclusionary distribution of information to the public; and/or
- if approved in advance by the General Counsel, pursuant to an express confidentiality agreement with the recipient of the information.

Information is "nonpublic" if it has not been disseminated by the Company in a manner making it available to investors generally (e.g. through a press release or SEC filing). Disclosure to even a large group of analysts or shareholders does not constitute disclosure to the public. Unless otherwise permissible under Reg. FD, material nonpublic information shall not be disclosed on the Company's website until it has been disclosed pursuant to one of the methods described above.

It is a violation of this policy to selectively disclose material nonpublic information to any person or group outside of the Company, unless the disclosure is made for legitimate business purposes to people or groups who are subject to an agreement to keep the information confidential or are otherwise legally required to hold such information confidential and to not act or enable others to act on it. "Selective disclosure" is the disclosure of material nonpublic information to any individual or group prior to the broad public dissemination of that information.

In accordance with Reg. FD, and to avoid selective disclosure, any material nonpublic information that is to be intentionally discussed or presented in any meeting, conference or conversation with the investment community will be disclosed immediately prior thereto by the issuance of a broadly disseminated news release. If material nonpublic information is disclosed in such a meeting or discussion and the person making such disclosure did not know at the time that such information was material or nonpublic, the Company will promptly (not later than 24 hours or the beginning of the next trading day, whichever is later) and publicly disclose such information by one of the means described above.

As a NASDAQ-listed company, the Company will notify NASDAQ in advance of issuing a relevant press release in accordance with Nasdaq Marketplace Rules.

# DISCLOSURE POLICY

## Media

The media will receive new material information at the same time the investment community and public receive it. The Company will not engage in providing exclusive stories to the media of upcoming material events that have not been publicly announced.

## Conference Calls and Investor Conferences

The Company hosts quarterly conference calls in conjunction with its quarterly earnings releases and other conference calls on an ad hoc basis in connection with announcements of material developments. These calls will be broadcast live on a medium that will allow the public, without charge, to listen to the call. In addition, a replay of the call will be publicly available on the Company's website for at least 90 days. The Company will issue advance notice of the conference call and broadcast information in accordance with applicable guidance.

Instructions on how to participate in such a web broadcast/conference call, including replay information, will be included in the press release. The information and, if appropriate, any related materials (e.g., management presentation, conference call transcripts, etc.) will be filed with or furnished to the SEC on Form 8-K or other appropriate form and posted on the Company's website, in each case as required by applicable rule.

## Analyst Reports

If the Company reviews analyst reports, only inaccurate factual or historical information will be corrected. The Company will not endorse or comment upon analyst conclusions, particularly earnings forecasts, financial projections or recommendations. The Company will not confirm or deny any of a report's statements regarding future predictions or projections nor will it confirm the accuracy of earnings models.

## Guidance

As a general policy, the Company may provide general guidance about expected operating trends in qualitative terms and other forward-looking information. No specific earnings or revenue projections will be given nor will the Company confirm the projections of others. No forward-looking financial information will be provided that is inconsistent with that contained in the Company's SEC filings.

## Quiet Periods

In advance of the announcement of the Company's quarterly results, the Company will observe a quiet period with respect to communication with the investment community, commencing on the last day of each calendar quarter and ending after the Company publicly releases its results. During the quiet period, the Company may choose to participate in shareholder phone calls, off-site meetings or conferences, but will not discuss results of operations or other material information that has not yet been disclosed and will not comment on any previously-issued forward-looking guidance.

## Commenting on Rumors

The Company's policy is not to comment on market rumors or speculation involving the Company. To the extent the Company makes a statement in response to a rumor, an Authorized Spokesperson shall respond "It is Company policy not to comment on market rumors or speculation" unless the Company is

## **DISCLOSURE POLICY**

required by applicable law or applicable securities exchange rule to make a more specific comment. . This approach is used to avoid providing any implied confirmation or denial of the rumor or speculation. Exceptions to this policy must be reviewed and approved in advance by the General Counsel.

### **Internet Chat Rooms and Other Social Media**

Persons subject to this policy may not post nonpublic information to Internet chat rooms, message boards, news groups, blogs, Facebook, Twitter or any other social media or similar forum about Company-related matters, whether anonymously or on behalf of the individual or the Company, unless approved in advance by the General Counsel. The Company will not respond to information posted on Company-related Internet chat rooms, message boards, news groups, blogs, Facebook, Twitter or any other social media or similar forum.

### **Investor Meetings**

Authorized Spokespersons, along with other officers, directors and employees of the Company invited to participate by an Authorized Spokesperson, may meet privately with securities analysts, securities market professionals and shareholders. Similarly, the Company may participate in public forums at which securities analysts, securities market professionals and/or shareholders may be present, including industry seminars and conferences and the Company's annual or special shareholders meetings. No material nonpublic information will be disclosed at these meetings unless such disclosure is made in accordance with Reg. FD and the other provisions of this policy.

### **Use of Safe Harbor Language**

Every Company statement that contains a projection or other forward looking statement should generally be accompanied by appropriate "forward-looking" safe harbor language in accordance with the Private Securities Litigation Reform Act of 1995, if applicable.

### **Ownership of Information**

Nonpublic information regarding the Company (including its Board actions and proceedings) that is obtained in the course of performing services for the Company in any capacity (such as director, officer, employee, agent or consultant) belongs to and is an asset of the Company. No person subject to this Policy shall communicate such information to any other person except to the extent necessary to perform assigned duties for and on behalf of the Company, nor should such information be discussed with any person within the Company under circumstances where it could be overheard by someone to whom it should not otherwise be communicated. Written information should be appropriately safeguarded and should not be left where it may be seen by persons not entitled to the information.

### **Discretion**

The Board of Directors recognizes that special situations may arise in the course of the Company's business which may give rise to a need to vary from the policies and practices set forth herein. The CEO may authorize variations from time to time if, in the exercise of the CEO's reasonable discretion, such variations are in the best interests of the Company and are not in violation of applicable law.

## **DISCLOSURE POLICY**

### **Violations of this Policy**

Violations of Reg. FD are subject to SEC enforcement action, which may include an administrative action seeking a cease-and-desist order, or a civil action against the Company or an individual seeking an injunction and/or civil money penalties. Disclosure may violate various other laws and agreements as well, which could result in serious consequences to the Company and to the person disclosing the information. In addition, unauthorized disclosure of the Company's nonpublic information constitutes misappropriation of Company assets and violates the discloser's duty to the Company. Any violation of this policy by a director, officer, employee or outside consultant shall immediately be brought to the attention of the CEO and may be grounds for termination of employment or service.