

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

Purpose

The purpose of the Nominating and Corporate Governance 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, recommend nominees for election as directors of the Company, develop and recommend to the Board corporate governance guidelines and provide oversight with respect to corporate governance and any related matters required by applicable law or the rules of the stock exchange on which the Company’s shares are listed for trading or otherwise publicly quoted (the “Listing Rules”).

Membership & Organization

The Committee shall be comprised of at least two (2) members of the Board. Such members shall be appointed by the Board, and each member of the Committee shall serve at the discretion of the Board and may be replaced by the Board at any time or for any reason. 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 meet the independence requirements of the Listing Rules (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. Recommend to the Board for determination the desired qualifications, expertise and characteristics of Board members, with the goal of developing a diverse, experienced and highly qualified Board and complying with any applicable laws or listing standards.
2. 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.
3. Review with the Board on an annual basis, the independence, skills and characteristics of Board members, and the skills and characteristics of the Board as a whole, in determining whether to recommend incumbent directors for re-election.
4. 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.

5. 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.

6. Identify, evaluate and annually recommend to the Board the directors to be appointed to the chairmanship and committees of the Board.

7. Develop and oversee a Company orientation program for new directors and a continuing education program for current directors, periodically review these programs and update them as necessary.

8. Cause to be prepared and recommend to the Board the adoption of corporate governance guidelines, and, at least annually, review and assess the guidelines and recommend changes for approval by the Board.

9. Oversee periodic evaluations of the Board and its committees (including the composition and organization thereof).

10. Periodically oversee an evaluation of the Company's corporate governance practices, and procedures and reviewing and recommending to the Board for approval any changes to the Company's corporate governance framework, including its certificate of incorporation and bylaws.

11. Review and oversee the Company's programs, policies, practices, disclosures, risks and opportunities, measures, objectives and performance relating to environmental, social and governance issues, and make recommendations to the Board regarding the integration of human capital matters into the Company's business strategy and operation.

12. Coordinate as necessary with the Compensation and Human Capital Management Committee and Audit Committee to ensure that the Company's required environmental, social and governance disclosures comply with applicable laws and regulations.

13. Delegate such of its authority and responsibilities as the Committee deems proper to members of the Committee or a subcommittee.

14. Engage and terminate search firms, independent counsel and other advisers as the Committee determines necessary to carry out its responsibilities and approve the fees and service terms of such advisors.

15. Cause the officers of the Company to provide such funding as the Committee shall determine to be appropriate for payment of compensation to 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.

16. Perform such other activities and functions as are required by law, the Listing 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 the Nominating and Corporate Governance Committee Charter (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.

Meetings

The Committee shall meet as often as it determines necessary, but it is anticipated that the Committee shall meet not less frequently than semi-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. The Committee may invite such members of management to its meetings as it deems appropriate.

Except as otherwise provided in this Charter, the Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

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 but no less frequently than annually, review its own composition and 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 this Charter.