

DIRECTOR AND OFFICER STOCK OWNERSHIP GUIDELINES

The Board of Directors ("Board") of PDF Solutions, Inc. (the "Company") has adopted this Director and Officer Stock Ownership Guidelines (the "Policy") after considering the recommendation of the Compensation and Human Capital Management Committee of the Board (the "Compensation Committee") to align the interests of Directors and Officers (as defined below) with the interests of the Company's stockholders.

I. Applicability of Policy. This Policy applies to each non-employee director of the Board (each, a "Director," and collectively, the "Directors") and the Company's Section 16 officers ("Officers").

II. Stock Ownership.

A. Officers.

Ownership Guidelines. The stock ownership guidelines for Officers are determined as a multiple of the Officer's base salary as follows:

Title	Ownership Guideline
Chief Executive Officer	6x annual base salary
All Other Officers	2x annual base salary

Achievement Period. Each Officer is required to achieve the applicable level of ownership within five (5) years of the date such individual began serving in the listed position above. If an individual becomes subject to a greater ownership amount, due to promotion or an increase in base salary, the individual is expected to meet the higher ownership amount within the later of the original period or three (3) years from the effective date of the promotion or salary change.

B. Directors.

Ownership Guidelines.

Position	Ownership Guideline
Directors	5x annual Board retainer

Achievement Period. Each Director is required to achieve the applicable level of ownership within five (5) years of the date such individual was appointed (if earlier) or elected as a Director. If an individual becomes subject to a greater ownership amount, due to an increase in the retainer, the individual is expected to meet the higher ownership amount within the later of the original period or three (3) years from the effective date of the increase.

C. General Provisions Applicable to Both Directors and Officers.

1. Calculation of Ownership Guidelines. The number of shares that a Director or Officer must own to satisfy the Ownership Guidelines set forth in this Policy shall be calculated annually on the first day of each fiscal year by dividing the dollar amount applicable to

each Director and Officer by the average closing price of a share of the Company's common stock for the previous fiscal year.

2. Eligible Shares. For the purposes of this Policy, the following shares shall be included in the calculation of a Director or Officer's stock ownership: (i) shares owned outright by the Director or Officer (including shares held in "street name") and (ii) shares held in trust for the benefit of the Director or Officer, or for the benefit of a family member of such Director or Officer. For the purposes of this Policy, any unvested or unearned stock awards (irrespective of whether such awards are time or performance-based) and any unexercised stock option awards shall **not** be included in the calculation of a Director or Officer's stock ownership.

3. Sales Restrictions. With respect to all stock awards granted to the Company's Chief Executive Officer during a calendar year, the Company's Chief Executive Officer is required to hold 100% of the net shares acquired from the Company (i.e., shares remaining after deducting shares used to cover any exercise price and/or any applicable tax liability) for at least twelve (12) months after the exercise and/or vesting of such equity award. For clarity, the holding requirement set forth in this paragraph will not apply to any person who is no longer serving as the Company's Chief Executive Officer.

4. Exceptions. The requirements of this Policy may be waived from time to time, at the discretion of the Compensation Committee, if compliance would create financial hardship, and the requirements shall be automatically waived if compliance would prevent a Director or Officer from complying with a court order or applicable law.

III. Modifications to Policy. The Compensation Committee shall periodically assess the appropriateness of this Policy, including whether and to what extent modifications should be recommended for consideration by the Board.

IV. Effect on Prior Policies. This Policy replaces all prior stock ownership guidelines.