

LEAD INDEPENDENT DIRECTOR CHARTER

Background

In the event that the Chairperson of the Board of Directors (the “Board”) of PDF Solutions, Inc. (the “Company”) is not an independent director or no individual is appointed as Chairperson, the Board considers it to be useful and appropriate to designate a non-employee, independent director (the “Lead Independent Director”), who among other duties, shall be responsible for chairing executive sessions of the Board and consulting with the Chairperson and/or Chief Executive Officer on Board agendas and other Board related topics.

Duties and Responsibilities

The duties and responsibilities of the Lead Independent Director shall be as follows:

1. **Liaison:** Serving as principal liaison between the Chairperson and/or Chief Executive Officer and the independent directors and senior management and independent directors.
2. **Leadership:** Providing leadership to ensure that the Board works cohesively and independently of management, including creating a climate of constructive candor among directors that encourages the expression and consideration of all viewpoints.
3. **Information:** Advising the Chairperson and/or Chief Executive Officer as to the sufficiency, quality, quantity, appropriateness and timeliness of information provided to the Board.
4. **Meetings of the Board:**
 - a. Contributing to and reviewing meeting agendas for the Board together with the Chairperson.
 - b. Managing meeting schedules to permit sufficient time for discussion of all agenda items.
 - c. Presiding at meetings of the Board at which the Chairperson and/or Chief Executive Officer are not present or are to be appointed.
5. **Executive Sessions:** Calling meetings of the independent directors, presiding over such meetings and reporting to the Chairperson and/or Chief Executive Officer on all relevant matters arising from executive sessions of the independent directors.
6. **Committees:** In consultation with the Chairperson and/or Chief Executive Officer and Chairperson of the Nominating and Corporate Governance Committee, coordinating the assessment of Board committee structure, organization and charters and evaluating the need for any changes; and consulting with the Chairperson and/or Chief Executive Officer and Chairperson of the Nominating and Corporate Governance Committee concerning recommendations to the Board for committee membership, including chairpersons.

7. Board Candidates: Along with the Chairperson of the Nominating and Corporate Governance Committee, interviewing Board candidates, and making recommendations to the Nominating and Corporate Governance Committee and the Board.
8. CEO Incapacitation: Serving as non-executive Chairperson until a permanent Chairperson is appointed in the event of the incapacitation of a Chief Executive Officer who is serving as Chairperson.
9. New Directors: Assisting in orienting and integrating new directors to the Board.
10. Best Practices: Working with the Chairperson and/or Chief Executive Officer and the Chairperson of the Nominating and Corporate Governance Committee to ensure there is a process to implement best practices relating to the responsibilities of the Board.
11. Evaluation of Chairperson and Chief Executive Officer:
 - a. In an annual executive session, leading the discussion of independent directors in evaluating the performance of the Chairperson and/or Chief Executive Officer, including an evaluation of their interactions with the Board.
 - b. Together with the Compensation and Human Capital Management Committee and such other directors as they deem appropriate, communicating the content and results of that evaluation to the Chairperson and Chief Executive Officer, as applicable.
12. Stockholder Communication: Remaining regularly apprised of stockholder inquiries and included in correspondence responding to such inquiries when appropriate. Being available for consultation and direct communication with major stockholders or stakeholders when appropriate, if requested.
13. Other Duties: Performing such other duties, and exercise such other powers, as the Board shall from time to time delegate.

Appointment and Removal

The Lead Independent Director shall be elected annually by a majority of the independent directors of the Board. The Lead Independent Director's service on outside boards of directors shall be taken into consideration, among other factors, due to the demands required of the role.

Qualifications

The Lead Independent Director must qualify as an independent director under the Company's standards of independence, including within the meaning of The Nasdaq Stock Market listing rules and applicable laws, a "non-employee director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and Rule 10A-3 of the Securities Exchange Act of 1934, as amended, in each case as generally applicable to members of an Audit Committee.

Absence of Lead Director

If the Lead Independent Director is not present at any meeting of the Board, a majority of the independent Directors present shall select an independent director to act as Lead Independent Director for the purpose and duration of such meeting.

Disclosure of the Charter

This Charter will be made available on the Company's website.

Periodic Review

The Nominating and Corporate Governance Committee will periodically review this Charter and make recommendations to the Board with regard to appropriate changes to this Charter.