

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

**I. PURPOSE**

The Company recognizes and embraces the importance and benefits of diversity on the Company's board of directors (the "Board") to corporate governance and Board effectiveness. The purpose of this policy is to set out the basic principles to be followed to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain the highest standards of corporate governance.

**II. NOMINATION AND APPOINTMENTS**

Board nomination and appointments will continue to be made on a merit basis, based on the Board's business needs from time to time while taking into account diversity. The Nominating Committee of the Board (the "Nominating Committee") has the primary responsibility for identifying individuals qualified to serve as members of the Board and recommending nominees for election as directors of the Company. The Nominating Committee may retain an executive search firm to help meet the Company's diversity objectives.

**III. MEASURABLE OBJECTIVES**

Selection of Board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including, but not limited to, gender, age, race, language, cultural background, educational background, industry experience, professional experience and veteran and active armed service status or other similar characteristics.

**IV. POLICY STATEMENT**

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments will be based on merit and suitability of the candidate, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

**V. MONITORING AND REPORTING**

The Nominating Committee shall develop and review measurable objectives for implementing this policy and monitor the progress on achieving these measurable objectives. The Nominating Committee shall periodically review this policy and the measurable objectives to ensure the continued effectiveness of the Board, and report to the Board on any proposed amendments to this policy.