



Charter of the Compensation Committee of the Board of Directors

I. Purpose

The purpose of the Compensation Committee (the "*Committee*") of the Board of Directors (the "*Board*") of FormFactor, Inc. (the "*Company*") is to oversee the Company's compensation and benefit plans, policies and programs, to determine the compensation of the Company's executive officers and to administer the Company's equity (and certain other) plans all in accordance with the Company's strategy, competitive practice, sound corporate governance principles and shareholder interests.

II. Organizational Matters

A. Membership

All members of the Committee will be appointed at least annually by the Board, based on the recommendations of the Company's Governance Committee and may be removed by the Board at anytime. The members of the Committee shall serve at the discretion of the Board. The Committee shall consist of at least two members, with the exact number being determined by the Board. Each member of the Committee shall meet the following criteria (in each case to the extent that such requirement is effective from time to time):

1. Each member of the Committee shall be "independent" as defined by the rules of The Nasdaq Global Market, as they may be amended from time to time (the "*Rules*"), except as otherwise permitted by such Rules;
2. Each member of the Committee shall be an "outside" director as defined with respect to Section 162(m) of the Internal Revenue Code of 1986, as amended; and
3. Each member of the Committee shall be a "non-employee" director as defined by Rule 16b-3 promulgated under Section 16 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*").

Unless the Board designates a chair, the members of the Committee may designate a chair by majority vote of the Committee membership. A majority of the members of the Committee will constitute a quorum for the transaction of the business of the Committee.

B. Investigations, Studies and Outside Advisors

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities with full access to all books, records, facilities and personnel of the Company. The Committee, at the expense of the Company, may retain outside legal counsel (who may but need not be the regular corporate counsel to the Company), independent compensation consultants such that retention of the independent compensation consultant shall not result in disclosure pursuant to Item 407 of Regulation S-K (or any successor disclosure item), accountants or other advisors of its choice to assist it in connection with its functions, as it deems necessary or appropriate. The Committee shall have sole authority to approve fees and retention terms for such advisors.

C. Delegation of Authority

The Committee may, to the extent permitted under applicable law and regulations and the Company's certificate of incorporation and bylaws, delegate to one or more designated members of the Board the authority to perform specific duties and responsibilities of the Committee. The Committee may also, consistent with existing Board resolutions, provide guidelines for the granting of awards under the Company's equity plans to employees.

III. Meetings and Reports

A. Meetings

The Committee will meet as often as necessary to carry out its responsibilities. Meetings may be held telephonically. In lieu of a meeting, the Committee may also act by unanimous written consent.

B. Minutes

The Committee will maintain written minutes of its meetings, which minutes (and any action by unanimous written consent) will be filed with the minutes of the meetings of the Board.

C. Reports

The Committee shall report regularly (orally or in writing) to the Board (or the independent directors of the Board, as applicable) on such issues as the Committee may determine are necessary or appropriate in the discharge of its duties, or that the Committee believes, in its discretion, should be brought to the attention of the Board.

IV. Authority, Responsibilities and Duties

The Committee has the authority to undertake the specific duties and responsibilities listed below and such other specific duties as the Committee deems necessary to fulfill its purpose and as the Board may from time to time prescribe.

A. Approval of Chief Executive Officer Compensation

Specific responsibilities of the Committee in connection with Chief Executive Officer compensation matters shall include those listed below, and shall be conducted such that the Chief Executive Officer is not be present during any voting or deliberations by the Committee on his/her compensation.

1. Approve at least annually the goals and objectives relevant to the compensation of the Company's Chief Executive Officer.
2. Approve at least annually the compensation programs and elements applicable to the Company's Chief Executive Officer, including, without limitation, salary, bonuses, equity-based compensation, benefits and any perquisites, giving consideration to the results of the most recent Say on Pay vote at the Company's Annual Meeting of Stockholders.
3. Evaluate at least annually the performance of the Company's Chief Executive Officer in light of the goals and objectives of the Chief Executive Officer.

B. Approval of Other Officers' Compensation

Specific responsibilities of the Committee in connection with the compensation of the Company's executive officers, other than the Chief Executive Officer, and other officers who report to the Chief Executive Officer and/or the President (collectively, the "*Officers*") shall include those listed below.

1. Approve at least annually the goals and objectives relevant to the compensation of the Officers, and the compensation programs and elements applicable to the Officers.
2. Assess at least annually the performance evaluations of the Officers.
3. Approve at least annually the amount of salary, any bonuses and/or equity-based compensation, benefits and perquisites to be awarded to the Officers for the applicable fiscal year, giving consideration to the results of the most recent Say on Pay vote at the Company's Annual Meeting of Stockholders.

C. Equity Incentive Plans/Employee Benefit Plans

Specific responsibilities of the Committee in connection with Equity Incentive Plans and Employee Benefit Plans shall include those listed below.

1. Acting as administrator of the Company's stock option plans, stock appreciation rights plans, stock bonus plans, stock purchase plans, bonus plans for the Chief Executive Officer and Officers and deferred compensation plans (collectively, the "*Plans*"). The Committee shall, among other things: (i) establish guidelines and approve stock options, restricted stock/restricted stock units, stock purchase rights and other grants and awards to eligible individuals; (ii) select participants and interpret the Plans and agreements thereunder; (iii) adopt, amend or terminate such stock options, stock purchase rights and other grants and awards, and any Plans, any sub-plan and any agreements thereof, subject to applicable stockholder approval requirements, and giving consideration to the results of the most recent Say on Pay vote at the Company's Annual Meeting of Stockholders; (iv) determine acceptable forms of consideration for stock acquired pursuant to the Plans; and (v) exercise such other power and authority as may be permitted or required under the Plans.
2. Review and make recommendations to the Board, for its approval, any new Plan and changes in the number of shares reserved for issuance under each applicable Plan, subject to the above-mentioned shareholder approval requirements.
3. Review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.
4. Determine qualification of awards under Section 162(m) of the Internal Revenue Code.
5. Oversee and periodically review the operation of all of the company's employee benefit plans.

D. Other Responsibilities

Specific responsibilities of the Committee in connection with other matters related to its activities shall include those listed below.

1. Make recommendations to the Board regarding appropriate compensation of non-employee members of the Board and its committees, including but not limited to: retainer, meeting fees, committee fees, committee chair fees, equity or stock compensation and deferred compensation benefits.
2. Review management performance, compensation and succession planning with regard to the Chief Executive Officer and other key Officers.
3. Authorize employment contracts, separation packages or similar arrangements with the Chief Executive Officer or the Officers, including any indemnification agreements, severance agreements, acceleration of stock vesting arrangements or change in control arrangements and any amendments, renewals or extensions thereof.
4. Review and discuss the "Compensation Discussion and Analysis" disclosure prepared pursuant to the requirements of Item 402(b) of Regulation S-K (or any successor disclosure item), and based on such review and discussion recommend to the Board whether such "Compensation Discussion and Analysis" disclosure should be included in the Company's annual report on Form 10-K and proxy statement. Communicate in the annual Board Compensation Committee Report to shareholders the disclosures required by Item 407(e)(5) of Regulation S-K (or any successor disclosure item).
5. Review and discuss the compensation policies and practices as they relate to the Company's risk management pursuant to the requirements of item 402(s) of Regulation S-K (or any successor disclosure item), and based on such review and discussion, determine whether such compensation policies and practices disclosure as they related to risk management practices and risk-taking incentive should be included in the Company's annual report or Form 10-K, proxy statement, information statement or similar document.
6. Review and reassess the adequacy of the Committee's charter from time to time and recommending changes to the Company's Board for approval.
7. Prepare an annual performance evaluation of the Committee.
8. Performing any other activities required by applicable law, rules or regulations, and such other activities that are consistent with this charter, the Company's certificate of incorporation and bylaws and governing laws, as the Committee or the Board may deem necessary or appropriate.
9. Review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.