

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **April 29, 2009**

FORMFACTOR, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-50307
(Commission
File Number)

13-3711155
(IRS Employer
Identification No.)

7005 Southfront Road, Livermore, CA
(Address of principal executive offices)

94551
(Zip Code)

(925) 290-4000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions (See General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers.

On April 29, 2009, FormFactor, Inc. announced that effective May 1, 2009, Dr. Igor Y. Khandros, founder and executive chairman of the board of directors, will retire from the company and the board of directors. Dr. Khandros will continue to serve as a key advisor to the company, leveraging his long experience and expertise in the development of wafer test solutions. FormFactor also announced that lead independent director James A. Prestridge will succeed Dr. Khandros as chairman beginning on May 1st.

In connection with Dr. Khandros' retirement, FormFactor and Dr. Khandros have entered into a separation agreement and mutual release effective as of May 1, 2009, which is included as Exhibit 10.01 to this Form 8-K, under which the company has agreed to accelerate the vesting of certain stock options to acquire 75,000 shares and to permit certain vested stock options to be exercisable until their expiration on May 10, 2013 or May 1, 2014, as applicable. FormFactor and Dr. Khandros have signed a general release and waiver of claims in favor of each other.

FormFactor and Dr. Khandros have also entered into a consulting agreement effective as of May 1, 2009, which is included as Exhibit 10.02 to this Form 8-K. Under the consulting agreement, Dr. Khandros has agreed to provide advice and counsel to the company as requested by the company's chairman of the board of directors for a quarterly fee of \$75,000. The consulting agreement has a one year term.

FormFactor issued a press release regarding Dr. Khandros' retirement, which is included as Exhibit 99.01 to this Form 8-K.

Item 9.01. Exhibits.

Exhibit Number	Exhibit Title or Description
10.01	Separation Agreement and Mutual Release between FormFactor, Inc. and Dr. Igor Y. Khandros
10.02	Consulting Agreement between FormFactor, Inc. and Dr. Igor Y. Khandros
99.01	Press Release dated April 29, 2009

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 1, 2009

FORMFACTOR, INC.

By: /s/ STUART L. MERKADEAU

Stuart L. Merkadeau
Senior Vice President,
General Counsel and Secretary

3

EXHIBIT INDEX

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99.01	Press Release dated April 29, 2009

4

SEPARATION AGREEMENT AND MUTUAL RELEASE

This Separation Agreement and Mutual Release (“Agreement”) is entered into as of May 1, 2009, between FormFactor, Inc. (the “Company”) and Dr. Igor Khandros (the “Executive”).

WHEREAS, Executive has retired as an employee and as Executive Chairman and member of the Board of Directors of the Company (the “Board”) as of the above date and such retirement was voluntary on the part of Executive and was not the result of a disagreement with the Company on any matters relating to the Company’s operations, policies or practices;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. *Equity Awards.* Upon the Effective Date and in connection with Executive’s retirement and in consideration of his release hereunder, (i) 75,000 unvested stock options granted by Company then held by Executive with an exercise price of \$19.36 shall fully vest and (ii) all fully vested unexercised stock options then held by Executive shall remain outstanding and exercisable until the earlier of (1) May 1, 2014 or (2) the expiration term of the applicable stock option as noted below:

Grant Date	Exercise Price	Vested \ Exercisable (#)	Original Expiration Date	New Exercise Expiration Date
6/11/2003	\$ 14.00	104,228	5/10/2013	5/10/2013
8/14/2003	\$ 19.50	5,128	5/16/2014	5/1/2014
8/14/2003	\$ 19.50	5,128	2/20/2015	5/1/2014
8/14/2003	\$ 19.50	94,872	5/10/2013	5/10/2013
8/14/2003	\$ 19.50	24,872	5/10/2013	5/10/2013
2/15/2005	\$ 23.56	58,000	5/10/2013	5/10/2013
11/4/2005	\$ 25.39	100,000	5/10/2013	5/10/2013
2/20/2008	\$ 19.36	100,000*	2/20/2015	5/1/2014

*Accelerated vesting as noted above.

The stock options noted below shall remain subject to their original terms and conditions and their vesting shall not be accelerated nor their exercise period be extended.

Grant Date	Exercise Price	Vested \ Exercisable (#)	Original Expiration Date	Exercise Expiration Date
5/11/2006	\$ 39.84	65,770	5/10/2013	8/1/2009
5/16/2007	\$ 41.39	25,000	5/16/2014	8/1/2009

2. *Return of Material.* Upon the Company’s request, Executive will deliver to the Company all of the Company’s property or confidential information that Executive may have in Executive’s possession or control.

3. *Non-Disparagement.* Company and Executive agree not to disparage the other party to any individual, organization or entity.

4. *Amendment.* No provision of this Agreement may be changed or waived except by an agreement in writing signed by the party against whom enforcement of any such waiver or change is sought.

5. *Arbitration.* The parties agree that any controversy involving the construction or application of any terms, covenants or conditions of this Agreement, or any claims arising out of or relating to this Agreement or the breach thereof, with the exception of claims relating to violation of Company’s confidentiality agreement, will be submitted to and settled by final and binding arbitration, pursuant to the Federal Arbitration Act, in Alameda County, California before a single neutral arbitrator selected by the parties. The Company shall pay the cost and expenses of such arbitration. Each side will bear its own attorneys’ fees in any such arbitration, and the arbitrator shall not have authority to award attorneys’ fees unless a statutory section at issue in the dispute authorizes the award of attorneys’ fees to the prevailing party, in which case the arbitrator has the authority to make such award as permitted by the statute in question. Company shall be unconditionally responsible for all fees and costs of the arbitrator.

6. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its conflict of laws principles.

7. *Entire Agreement.* This Agreement contains all of the agreements, conditions, promises and covenants between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, representations, arrangements or understandings, whether written or oral, with respect to the subject matter hereof.

8. *Counterparts.* This Agreement may be executed in one or more counterparts, all of which shall constitute one agreement.

9. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of Company (including its direct and indirect subsidiaries) and its successors and assigns. This Agreement may not be assigned by Executive.

10. *Release of Executive.* In exchange for Executive’s promises set forth herein, all of which are good and valuable consideration, the Company agrees to and does hereby release and forever discharge Executive from any rights, claims, actions and demands it has against Executive as a result of, or arising out of Executive’s prior employment as an employee, or service as an officer or director of the Company, and from any and all other rights, claims, actions, demands, causes of action, obligations, attorneys’ fees, costs, damages, and liabilities of whatever kind or nature, in law or in equity that are known to the Company and accruing to it as of the above date of this Agreement including but not limited to any claims it may have under any other federal, state or local Constitution, Statute, Ordinance and/or Regulation and/or those

arising under common law including but not limited to tort, express and/or implied contract and/or implied contract, arising out of or, in any way, related to Executive's prior relationship with the Company. Claims not released include claims the Company may have in connection with Executive's conviction of securities fraud or his violation of the Sarbanes-Oxley Act of 2002 for acts occurring while he was an employee of the Company for which the Company is not permitted to indemnify Executive.

11. *Executive's Release of Claims.* In exchange for the Company's promises set forth herein, all of which are good and valuable consideration, Executive hereby releases and forever discharges the Company of and from any and all rights, claims, actions, demands, causes of action, obligations, attorneys' fees, costs, damages, and liabilities of whatever kind or nature, in law or in equity, known to Executive ("Claims"), accruing to him as of the above date of this Agreement, that he has ever had, arising out of or, in any way, related to Executive's previous relationship with the Company, including but not limited to Claims based on and/or arising under Title VII of the Civil Rights Act of 1964, as amended, The Americans with Disabilities Act, The Family Medical Leave Act, The Equal Pay Act, The Employee Retirement Income Security Act, The Fair Labor Standards Act, and/or the California Fair Employment and Housing Act; The California Constitution, The California Government Code, The California Labor Code, The Industrial Welfare Commission's Orders and any and all other Claims he may have under any other federal, state or local Constitution, Statute, Ordinance and/or Regulation; and all other Claims arising under common law including but not limited to tort, express and/or implied contract and/or quasi-contract, arising out of or, in any way, related to Executive's previous relationship with the Company, excepting his rights under Section 21 of the Consulting Agreement between the parties hereto. Furthermore, Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), as amended, and that this waiver and release is knowing and voluntary. Claims not released include claims Executive may have against the Company for indemnification, and/or advancement of expenses for defense, by the Company under the Company's certificate of incorporation, by-laws, indemnification agreements currently in effect or under applicable law, for actions of Executive while an employee, officer or director of the Company as provided in the consulting Agreement. Executive acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that he has been advised by this writing that:

- (a) he should consult with an attorney prior to executing this Agreement;
- (b) he has at least twenty-one (21) days within which to consider this Agreement;
- (c) he has up to seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; and
- (d) this Agreement shall not be effective until the revocation period has expired (the "Effective Date").

Executive has read Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Executive understands that he is not releasing any claims that are not known by him.

12. *No Representations.* Each party represents that it has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

IN WITNESS WHEREOF, the parties have set their hands hereto.

FORMFACTOR, INC.

EXECUTIVE

By: /s/ JAMES A. PRESTRIDGE
James A. Prestridge

/s/ DR. IGOR KHANDROS
Dr. Igor Khandros

Title: Chairman of the Board

CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is entered into as of May 1, 2009 (the "Effective Date") between FormFactor, Inc. (the "Company") and Dr. Igor Khandros (the "Consultant").

WHEREAS, Consultant has retired as an employee and as Executive Chairman and member of the Board of Directors of the Company (the "Board") as of the Effective Date and such retirement was voluntary on the part of Consultant and was not the result of a disagreement with the Company on any matters relating to the Company's operations, policies or practices;

WHEREAS, Company desires to retain Consultant as a consultant to perform consulting services to the Company as of the Effective Date and Consultant is willing to perform such services, on terms set forth more fully below.

NOW, THEREFORE, Company and Consultant agree as follows:

1. *Engagement.* Commencing on the Effective Date, Consultant shall become a consultant of the Company during the Consulting Period upon the terms and conditions hereinafter set forth.
2. *Services.* During the Consulting Period, Consultant shall provide advice and counsel to the Company at such time and places and in such manner as reasonably requested from time to time from the Chairman of the Board. Consultant understands that he is to report directly to the Chairman of the Board and will perform faithfully the duties assigned to him to the best of his abilities and in the best interests of the Company. The terms of Consultant's service during the Consulting Period are determined hereunder and no employee manual, policy statement or similar item issued from time to time by Company to its employees shall constitute part of this Agreement or modify, affect or govern the terms of the engagement of Consultant during the Consulting Period.
3. *Compensation.*
 - (a) During the Consulting Period, Consultant shall be paid a quarterly retainer equal to \$75,000 ("Consulting Fee"). Such Consulting Fee shall be payable in advance on the first business day of each three-month period commencing with the Effective Date. Each payment of Consulting Fees shall be a separate payment for purposes of Section 409A of the Internal Revenue Code. The Company will not withhold from the Consultant's Consulting Fee any amount for taxes, social security or other payroll deductions. The Company will issue Consultant a 1099 form with respect to Consultant's Consulting Fee. Consultant acknowledges that he will be entirely responsible for payment of any such taxes, and he hereby indemnifies and holds harmless the Company from any liability for any taxes, penalties or interest which may be assessed by any taxing authority.
 - (b) Consultant shall be reimbursed, upon presentation of proper receipts, for Consultant's reasonable business expenses related to travel requested by the Chairman of

the Board. Company shall also, if requested by Consultant, provide Consultant with such computer equipment and support as Consultant may need to render services hereunder.

4. *Use of Name.* Consultant hereby consents to the use and publication, without further consideration, of his name, picture and image in training materials and other materials relating to the business of the Company, regardless of whether such use or publication is in the form of printed matter, photographs, audio tape, video tape, computer disk, electronic transmission, or otherwise. Such consent applies to both the use and publication of such items during Consultant's engagement.
5. *Disclosure or Misuse of Confidential Information.* Consultant shall not, at any time during the Consultant Period or thereafter, directly or indirectly, disclose, furnish or make accessible to any person, firm, corporation, or other entity, or make use of, any confidential information obtained at any time from the Company (whether prior or subsequent to the Effective Date), including, without limitation Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research product plans, products, services, customers, customer lists, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information disclosed by the Company either directly or indirectly in writing, orally or by drawings or inspection of parts or equipment, information with respect to the name, address, contact persons or requirements of any customer, client, applicant or employee of the Company. Consultant acknowledges that such information is safeguarded by the Company as trade secrets and it is understood that such confidential information will remain the sole property of the Company. Consultant further agrees to take all reasonable precautions to prevent any unauthorized disclosure of such confidential information. Confidential information does not include information which (i) is known to Consultant at the time of disclosure to Consultant by the Company (unless that knowledge was acquired in the course of Consultant's previous employment with the Company), (ii) has become publicly known and made generally available through no wrongful act of Consultant, or (iii) has been rightfully received by Consultant from a third party who is authorized to make such disclosure. Upon termination of Consultant's services, Consultant shall deliver to the Company all copies of all records, confidential information and other property belonging to the Company or used in connection with their business which may be in Consultant's possession. The provisions of this section shall survive termination of either Consultant's services or this Agreement for any reason.

6. *Ownership.*

- (a) *Assignment.* Consultant agrees that all copyrightable material, notes, records, drawings, designs, inventions, improvements, developments, discoveries and trade secrets (all collectively, "Inventions") conceived, made or discovered by Consultant, solely or in collaboration with others, either (i) in performing duties according to this Agreement or (ii) at any time during the period of this Agreement to the extent related to the fields of semiconductor wafer test and of MEMS sockets, interconnects and switches, are the sole property of the Company. Consultant further agrees to assign (or

cause to be assigned) and does hereby assign fully to the Company all Inventions and any copyrights, patents, mask work rights or other intellectual property rights relating thereto.

(b) **Further Assurances.** Consultant agrees to assist Company, or its designee, at the Company's expense, as requested by the Company and as reasonably necessary, to secure the Company's rights in the Inventions and any copyrights, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Company deems necessary in order to apply for and obtain such rights and in order to assign and convey to the Company, its successors, assigns and nominees the sole and exclusive right, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. Consultant further agrees that Consultant's obligation to execute or cause to be executed, when it is in Consultant's power to do so, any such instrument or papers will continue after the termination of this Agreement.

(c) **Pre-Existing Materials.** Consultant agrees that if in the course of performing services under this Agreement, Consultant incorporates into any Invention developed hereunder any invention, improvement, development, concept, discovery or other proprietary information owned by Consultant or in which Consultant has an interest, (i) Consultant will inform Company, in writing before incorporating such invention, improvement, development, concept, discovery or other proprietary information into any Invention and (ii) the Company is hereby granted and will have a nonexclusive, royalty-free, perpetual, irrevocable, worldwide license to make, have made, modify, use and sell such item as part of or in connection with such Invention. Consultant will not incorporate any invention, improvement, development, concept, discovery or other proprietary information owned by any third party into any Invention without Company's prior written permission.

(d) **Attorney in Fact.** Consultant agrees that if the Company is unable because of Consultant's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Consultant's signature to apply for or to pursue any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions assigned to the Company above, then Consultant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Consultant's agent and attorney in fact, to act for and in Consultant's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyright and mask work registrations thereon with the same legal force and effect as if executed by Consultant.

7. **Restrictive Covenant.** In consideration and view of (i) the valuable consideration furnished to Consultant by Company entering into this Agreement, (ii) Consultant's access to confidential information and trade secrets of the Company and (iii) the value of such confidential information and trade secrets to the Company, during the Consulting Period, for so long as Consultant is rendering services to the Company hereunder, Consultant shall not render services to any other firm, person, corporation, partnership or

other entity or individual engaged in a business within the fields of semiconductor wafer test and/or MEMS sockets, interconnects or switches. The covenants of Consultant contained in this section are in addition to, and not in amendment, modification or replacement of, any obligations of Consultant contained in any other agreement between Consultant and Company.

8. **Non-solicitation of Other Employees.** In consideration and view of (i) the valuable consideration furnished to Consultant by Company entering into this Agreement, (ii) Consultant's access to confidential information and trade secrets of the Company, and (iii) the value of such confidential information and trade secrets to the Company, during the Consulting Period and ending on the one (1) year anniversary following the end of the Consulting Period, Consultant shall not, directly or indirectly, solicit, induce, encourage (or assist any other person, firm, entity, business or organization in soliciting, inducing or encouraging) any employee of any of the Company to leave the employ of the Company. The covenants of Consultant contained in this section are in addition to, and not in amendment, modification or replacement of, any obligations of Consultant contained in any other agreement between Consultant and Company.

9. **Non-Disparagement.** Company and Consultant agree not to disparage the other party to any individual, organization or entity.

10. **Injunction.** In view of Consultant's access to confidential information and trade secrets and in consideration of the value of such property to the Company, Consultant expressly acknowledges that the covenants set forth herein are reasonable and necessary in order to protect and maintain the proprietary and other legitimate business interests of the Company, and that the enforcement thereof would not prevent Consultant from earning a livelihood. Consultant further agrees that in the event of an actual or threatened breach by Consultant of such covenants, the Company would be irreparably harmed and the full extent of injury resulting therefrom would be impossible to calculate and the Company therefore will not have an adequate remedy at law. Accordingly, Consultant agrees that temporary and permanent injunctive relief would be appropriate remedies against such breach, without bond or security; provided, that nothing herein shall be construed as limiting any other legal or equitable remedies the Company might have.

11. **Independent Contractor.** It is the express intention of the parties that Consultant is an independent contractor. Nothing in this Agreement will in any way be construed to constitute Consultant as an agent, employee or representative of the Company, but Consultant will perform the services hereunder as an independent contractor.

12. **Termination.**

(a) Consultant may terminate Consultant's services during the Consulting Period at any time on written notice to the Chairman of the Board.

(b) Company may terminate Consultant's services during the Consulting Period at any time on written notice to Consultant.

(c) The consulting relationship will terminate in the event of Consultant's death or permanent and total disability.

(d) If Consultant's services are terminated on or after the Effective Date and prior to the one (1) year anniversary of the Effective Date (other than pursuant to Section

12(c)) (1) by Consultant, as a result of a willful and material breach of this Agreement by Company which has not been cured by the Company within thirty (30) days after notice thereof is provided by Consultant within ninety (90) days of initial existence of such breach, or (2) by Company, other than a Termination for Cause or Termination for Nonperformance, Company shall continue to pay Consultant the Consulting Fee specified herein following

Consultant's termination of services until the earlier of (i) the one (1) year anniversary of the Effective Date, or (ii) any breach by Consultant of the provisions of Sections 5, 6, 7, 8, or 9 hereof which has resulted in material detriment to the Company .

13. *Waiver.* Failure of any party to insist upon strict compliance with any of the terms, covenants and conditions hereof shall not be deemed a waiver or relinquishment of the right to subsequently insist upon strict compliance with such term, covenant or condition or a waiver or relinquishment of any similar right or power hereunder at any subsequent time.
14. *Amendment.* No provision of this Agreement may be changed or waived except by an agreement in writing signed by the party against whom enforcement of any such waiver or change is sought.
15. *Severability.* The provisions of this Agreement are severable. If any provision is found by any court of competent jurisdiction to be unreasonable and invalid, that determination shall not affect the enforceability of the other provisions. Furthermore, if any of the restrictions against various activities is found to be unreasonable and invalid, the court before which the matter is pending shall enforce the restriction to the maximum extent it deems to be valid. Such restrictions shall be considered divisible both as to time and as to geographical area, with each month being deemed a separate period of time and each one mile radius from any office being deemed a separate geographical area. The restriction shall remain effective so long as the same is not unreasonable, arbitrary or against public policy.
16. *Arbitration.* The parties agree that any controversy involving the construction or application of any terms, covenants or conditions of this Agreement, or any claims arising out of or relating to this Agreement or the breach thereof, with the exception of claims relating to violation of Company's confidentiality agreement, will be submitted to and settled by final and binding arbitration, pursuant to the Federal Arbitration Act, in Alameda County, California before a single neutral arbitrator selected by the parties. The Company shall pay the cost and expenses of such arbitration. Each side will bear its own attorneys' fees in any such arbitration, and the arbitrator shall not have authority to award attorneys' fees unless a statutory section at issue in the dispute authorizes the award of attorneys' fees to the prevailing party, in which case the arbitrator has the authority to make such award as permitted by the statute in question. Company shall be unconditionally responsible for all fees and costs of the arbitrator.
17. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its conflict of laws principles.
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18. *Entire Agreement.* This Agreement contains all of the agreements, conditions, promises and covenants between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, representations, arrangements or understandings, whether written or oral, with respect to the subject matter hereof.
19. *Counterparts.* This Agreement may be executed in one or more counterparts, all of which shall constitute one agreement.
20. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of Company (including its direct and indirect subsidiaries) and its successors and assigns. This Agreement may not be assigned by Consultant.
21. *Definitions.*

"Consulting Period" means a one (1) year period of time commencing on the Effective Date. The Consulting Period may be extended beyond the one (1) anniversary of the Effective Date should both parties agree to the terms and conditions for such an extension.

"Termination for Cause" shall mean termination by Company of Consultant's services under this Agreement by Company by reason of (a) Consultant's willful dishonesty towards, fraud upon, or deliberate injury or attempted injury to Company which has resulted in material injury to Company, or (b) violation by Consultant of the provisions of Sections 5, 6, 7, 8 or 9 hereof which has resulted in material injury to Company.

"Termination for Nonperformance" shall mean termination by Company of Consultant's services under this Agreement by Company by reason of failure by Consultant, following written notice, to materially perform the service obligations contained in Section 2 hereof.

22. *Indemnification.* The Company shall indemnify Consultant for all actions taken while performing services hereunder to the fullest extent permitted by Delaware law, the Certificate of Incorporation and the By-laws of the Company and by the terms of any indemnification agreement that has been or shall be entered into from time to time between the Company and Consultant, which indemnification agreement shall remain in full force and effect during and after the Consulting Period and shall cover the actions of Consultant during the Consulting Period as if he were a director or an officer during and after the Consulting Period and the Company shall continue any fiduciary liability insurance policy in effect under which Consultant is an insured party for a period of five (5) years following the Effective Date.

23. *Attorneys' Fees.* In the event of any litigation pertaining to this Agreement, the prevailing party shall be reimbursed by the non-prevailing party for the prevailing party's reasonable attorney's fees and expenses incurred in such litigation.

24. *Notices.* For purposes of this Agreement, notices and other communications provided for in this Agreement will be in writing and will be delivered personally or sent by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Consultant: Dr. Igor Khandros
FormFactor, Inc.
7005 Southfront Road
Livermore, CA 94551

If to the Company: James A. Prestridge
Chairman
Board of the Directors

FormFactor, Inc.
7005 Southfront Road
Livermore, CA 94551

or to such other address or the attention of such other person as the recipient party has previously furnished to the other party in writing in accordance with this section. Such notices or other communications will be effective upon delivery or, if earlier, three (3) days after they have been mailed as provided above.

25. *No Representations.* Each party represents that it has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

IN WITNESS WHEREOF, the parties have set their hands hereto.

FORMFACTOR, INC.

CONSULTANT

By: /s/ JAMES A. PRESTRIDGE
James A. Prestridge

/s/ DR. IGOR KHANDROS
Dr. Igor Khandros

Title: Chairman of the Board of Directors



News Release

Investor Contact:

Michael Magaro
Investor Relations
(925) 290-4321
ir@formfactor.com

Trade Press Contact:

David Viera
Director of Corporate Communications
(925) 290-4681
dviera@formfactor.com

FormFactor, Inc. Announces Retirement of Igor Khandros

LIVERMORE, Calif. — April 29, 2009 — FormFactor, Inc. (Nasdaq: FORM) today announced that effective May 1, 2009, Igor Khandros, founder and Executive Chairman, will retire from the company and the board of directors. Khandros will continue to serve as a key advisor to the company, leveraging his long experience and expertise in the development of wafer test solutions.

Khandros, 54, founded FormFactor in 1993. Khandros led the company from a private start-up to a publicly traded company, with one of the leading intellectual property portfolios within the semiconductor manufacturing sector. His pioneering work is largely responsible for creating the industry for advanced wafer probe cards and, with it, delivering significant test cost reduction and efficiency to semiconductor manufacturers globally. His vision for semiconductor test continues to drive technological innovation with bottom line benefit to customers. For his contributions to semiconductor test, in 2006, Dr. Khandros received the SEMI Award for North America, the highest award conferred by the SEMI industry association.

"I have been fortunate to work with many talented FormFactor people who have shared my vision and helped bring innovations to the semiconductor test industry," said Khandros. "We have together built an important company that has changed the landscape in the semiconductor testing industry. FormFactor has the technology, products and people not only to respond to the current challenging times, but to lead the testing industry forward into the future."

"Igor and I are confident we have put together a team of leaders and an operation structure that will continue to drive FormFactor's innovation engine and deliver to our customers industry leading technology and solutions," said Mario Ruscev, CEO of FormFactor. "From the foundation Igor helped build, we remain committed to hiring the world's best technical talent and to solving the industry's challenges in wafer test. Igor built a great company that leaves us in an excellent position for success in the future. On behalf of the company as a whole, I wish Igor the very best as he begins the next chapter in his life."

Khandros is the holder of more than 220 FormFactor patents, including patents related to test sockets, microelectronic contacts, spring fabrication, wafer probing and other topics. Khandros took FormFactor public in 2003 and was the company's CEO from its founding in 1993 to 2008, when Ruscev assumed the role of chief executive. For the past year, Khandros has served as the company's executive chairman. FormFactor also announced that lead independent director Jim Prestridge will succeed Khandros as chairman beginning in May.

About FormFactor:

Founded in 1993, FormFactor, Inc. (Nasdaq: FORM) is the leader in advanced wafer probe cards, which are used by semiconductor manufacturers to electrically test integrated circuits, or ICs. The company's wafer sort, burn-in and device performance testing products move IC testing upstream from post-packaging to the wafer level, enabling semiconductor manufacturers to lower their overall production costs, improve yields, and bring next-generation devices to market. FormFactor is headquartered in Livermore, California with operations in Europe, Asia and North America. For more information, visit the company's website at www.formfactor.com.

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Forward-looking Statements

Statements in this press release that are not strictly historical in nature are forward-looking statements within the meaning of the federal securities laws, including statements regarding operations, business outlook, demand for our products and future growth. These forward-looking statements are based on current information and expectations that are inherently subject to change and involve a number of risks and uncertainties. Actual events or results might differ materially from those in any forward-looking statement due to various factors, including, but not limited to: changes in the market environment, including the demand for certain semiconductor devices, and the company's ability to successfully respond to challenging market conditions, to lead the testing industry through its technology, products and people, to develop innovative testing technologies, and to timely deliver and qualify new products that meet its customers' testing requirements and lower their overall cost of test. Additional information concerning factors that could cause actual events or results to differ materially from those in any forward-looking statement is contained in the company's Form 10-K for the fiscal year ended December 27, 2008 as filed with the Securities and Exchange Commission ("SEC"), and subsequent SEC filings. Copies of the company's SEC filings are available at <http://investors.formfactor.com/edgar.cfm>. The company assumes no obligation to update the information in this press release, to revise any forward-looking statements or to update the reasons actual results could differ materially from those anticipated in forward-looking statements.
